

# Indiacom<sup>TM</sup>

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**16th Annual Report 2003-2004**

*...Leaders and Pioneers in Yellow Pages & Directories*



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**BOARD OF DIRECTORS**

Mr. Natalino Duo	Chairman
Mr. Abhey Yograj	Director
Dr. Madanmohan Rao	Director
Mr. Ashok Mandore	Managing Director
Mr. V. Srinivasa Rao	Whole Time Director & Company Secretary

**AUDITORS**

M/s Patankar & Associates  
Anand, 38/1, Prabhat Road,  
Pune - 411 004.

**BANKERS**

Canara Bank  
Citibank N.A.

**REGISTERED OFFICE**

Hermes Heritage, Commercial, Shastri Nagar,  
Pune-Nagar Road,  
Pune - 411 006.  
Telephone (020) 661 6601

**REGISTRARS AND SHARE TRANSFER AGENTS**

M/s. Bigshare Services Pvt. Ltd.  
E-2/3, Ansa Industrial Estate,  
Saki Vihar Road, Saki Naka, Andheri (E)  
Mumbai - 400 072.  
Telephone : (022) 28470652

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**ANNUAL REPORT 2003-2004****DIRECTORS' REPORT**

To the Members of  
INDIACOM LIMITED

Your Directors take pleasure in presenting to you their Sixteenth Annual Report together with the Audited Statements of Accounts for the Financial Year ended 31<sup>st</sup> March 2004.

**1. FINANCIAL RESULTS**

	2003-04	(Rs in lakhs) 2002-03
Turnover	2325.15	1683.81
Gross Profit before Interest and Depreciation	183.95	21.73
<b>Less:</b> Interest	40.85	56.49
Profit/(Loss) Before Depreciation	143.10	(34.76)
<b>Less:</b> Depreciation for the year		
a) Web Portal	103.98	103.98
b) Others	19.59	24.64
Profit Before Taxation	19.53	(163.38)
Provision for Taxation	10.27	(54.81)
Profit for the year	9.26	(108.57)
<b>Add:</b> Profit/(Loss) brought forward from previous year	(107.41)	1.17
Balance (Loss) Carried to Balance Sheet	(98.15)	(107.40)

**2. DIVIDEND**

In view of the accumulated loss, your Directors regret their inability to recommend any dividend for the Financial year 2003-04.

**3. OPERATIONS**

The Company is now offering range of products and services in print, electronic and voice medium. The Company recorded a turnover of Rs. 2325 lakhs for the Financial Year ended 31<sup>st</sup> March 2004 representing an increase of 38% over the previous year's turnover of Rs. 1684 lakhs. The net profit after taxes is Rs. 9 lakhs as against the loss of Rs. 109 lakhs for the previous Financial Year. The increase in turnover and profitability has been achieved with a focus on performance improvement and addition of publications in the key operating markets.

During the year the Company relocated its corporate and main operating office with a better layout of various departments, providing for increased operating efficiency and increased security levels for critical operations. Major initiatives have also been taken to improve the operating systems and software at the backend to cope with the complex new requirements and leverage resources to offer new services and generally improve operating efficiency in the market.

The settlement reached in respect of a long-standing dispute with a Telecom District was implemented during the year and necessary accounting entries have been made as detailed in Notes to Accounts at sr.no. 18(a)

**4. FUTURE OUTLOOK**

The demand for categorized information is increasing both from the business and household segments. Large investments have been made by Telecom companies, creating capacities for more telephone lines, broad band network, data transfer, etc. Mobile phones have proliferated to cover the hitherto not covered small service / petty business segments. Internationally there is a trend emerging towards consolidation of the database of all telephone subscribers by a central authority, irrespective of the originating service provider and evolving of norms for its use by various constituents.

Your Directors are constantly reviewing the developments in the industry, particularly those influencing company's business and are evolving strategies to leverage company's strength and resources to enter businesses which are synergistic to its present operations. Appreciating relative strengths of various constituents in this vast industry covering telecom, media and information technology – efforts are under way to enter into strategic alliances to exploit company's resources and offer more services and generally improve financial performance.

**5. EQUITY CAPITAL**

There was no change in the paid up and issued equity share capital of the company during the year under report.

The equity shares of the company are listed on OTC Exchange of India, 92 Maker Towers, 'F' Cuffe Parade, Mumbai 400 005. The annual listing fees for the financial year 2004-2005 have been paid by the company.

**6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Particulars as prescribed under Section 217 (1) (e) of the Companies Act, 1956 are given in Annexure A, which forms a part of this Report.

**7. PARTICULARS OF EMPLOYEES**

There are no employees drawing salary more than the amount prescribed under Section 217 (2A) of the Companies Act 1956 read with Companies (Particulars of Employees) Rules 1975, as amended.

**8. FIXED DEPOSIT**

As on 31<sup>st</sup> March 2004, the company held Rs. 27.59 lakhs on Non-Cumulative and Cumulative Fixed Deposit Accounts of which Rs. 1.47 lakhs deposits matured and remained as unclaimed.

**9. DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the company, Mr. Natalino Duo will retire by rotation and being eligible offers himself for re-appointment. Necessary resolution in this behalf is being placed before the members for approval. The agreement entered into with Mr. V. Srinivasa Rao, Wholtime Director expired on 26/05/04. The resolution for re-appointment of Mr. V. Srinivasa Rao, Wholtime Director will be placed before the members for approval.

**10. DIRECTORS RESPONSIBILITY STATEMENT**

In accordance with the provisions of the Companies Act, 1956, the Directors affirm that, they have:

1. Followed, in preparation of accounts, applicable accounting standards and given explanation for material departures.
2. Selected and applied accounting policies consistently.
3. Made reasonable judgements and estimates for reflecting a true and fair view of the accounts
4. Taken care for maintenance of adequate accounting records to safeguard assets of the company and prevent frauds and irregularities.
5. Prepared the annual accounts on a going concern basis.

**11. REPORT ON CORPORATE GOVERNANCE**

As per the guidelines received from the Securities and Exchange Board of India and the OTC Exchange of India, the report on Corporate Governance annexed herewith forms part of the Director's Report.

Please refer the Corporate Governance Report for the disclosures of the composition of the Audit Committee, Remuneration Committee of the Board of Directors of the Company.

Further the Management Discussion and Analysis Report prescribed under the Listing Agreement is annexed herewith and forms part of the Director's Report.

**12. AUDITORS**

M/s. Patankar & Associates, statutory auditors hold office upto the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The company has received confirmation from the Auditors to the effect that the re-appointment will be within the limits prescribed by Section 224 (1B) of the Companies Act, 1956.

**13. ACKNOWLEDGMENTS**

The Directors place on record their appreciation for the support extended to the company by the Bankers, its customers, employees for constant feedback received during the year which has helped in introduction of new products meeting market needs.

For and on behalf of the Board of Directors

Date : 29/05/2004

Natalino Duo  
Chairman

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### ANNEXURE A TO DIRECTORS' REPORT

Information as per Section 217 (1) (e) read with the Companies (Disclosures of Particulars in the Report of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March 2004.

**(A) CONSERVATION OF ENERGY**

The activities of the Company being in the nature of services, there is no significant consumption of energy.

**(B) TECHNOLOGY ABSORPTION**

Not applicable

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Foreign Exchange earnings during the period under report was Rs. NIL

Foreign Exchange outgo was Rs. Nil

For and on behalf of the Board of Directors

Date : 29/05/2004

**Natalino Duo**  
Chairman

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## CORPORATE GOVERNANCE

The Company has implemented the Code as per the SEBI prescribed format incorporated in the Listing Agreement and reports as follows for the year ended 31<sup>st</sup> March, 2004.

### 1. Company's Philosophy on Code of Corporate Governance:

As reported last year, Indiacom's philosophy on Corporate Governance continues to be the provision of optimum service to all its stakeholders and enhance its shareholders value. Indiacom Limited continues to aim at the attainment of highest level of transparency, accountability and equality in all facets of its operation and in all its interactions with its stakeholders including shareholders, employees, bankers and its customers – both corporate and non-corporate.

Indiacom Limited strives to be competitive and innovative in its business to prosper in the long term. In order to improve margins in this competitive environment, Company seeks to be innovative, consistently improve productivity and reduce costs. Also to gain its customers' loyalty and patronage Company focuses on service to its customers and improve the quality of its products / publications.

### 2. Board of Directors:

The Board of Directors consists of 5 Directors

Composition and Category of Board of Directors is as follows:

The constitution of the Board of Directors as on 31<sup>st</sup> March 2004

Name of Directors	Category
Mr. Natalino Duo	Non-executive Chairman & Independent Director
Mr. Abhey Yograj	Non-executive Director & Independent Director
Dr. Madanmohan Rao	Non-executive Director & Independent Director
Mr. Ashok Mandore	Managing Director
Mr. V Srinivasa Rao	Whole-time Director and Company Secretary

Attendance of each Director at the Board Meetings, last Annual General Meeting and number of other Directorship and Chairmanship/Membership of Committee of each Director in various companies:

Name of Director	Attendance Particulars		Number of other Directorships in Public Limited Companies and Committee Member/Chairmanship		
	Board Meeting	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Mr. Natalino Duo	4	Yes	Nil	Nil	Nil
Mr. Abhey Yograj	1	No	6	1	Nil
Dr. Madanmohan Rao	2	Yes	Nil	Nil	Nil
Mr. Ashok Mandore	7	Yes	Nil	Nil	Nil
Mr. V Srinivasa Rao	6	Yes	Nil	Nil	Nil

**Number of Board Meetings held and the dates on which held:** Eight Board Meetings were held during the year under report on 14<sup>th</sup> May 2003, 30<sup>th</sup> July 2003, 30<sup>th</sup> August 2003, 29<sup>th</sup> September 2003, 31<sup>st</sup> October 2003, 29<sup>th</sup> November 2003, 31<sup>st</sup> January 2004 and 14<sup>th</sup> March 2004.

### 3. Information supplied to the Board

It is Indiacom's policy that in addition to matters statutorily requiring Board's approval, all major decisions involving business expansions, resource utilisation and major capital expenditure are considered by the Board. Following information is being regularly placed before the Board

- Analysis of Operations
- Quarterly and Periodical Results of the Company.
- Analysis of Budget v/s. Actuals and revised estimates.
- Annual Budget
- Minutes of meetings of the Audit Committee and other Committees of the Board.
- Materially important notices from various authorities.
- Any materially relevant default in financial obligations to and by the company or substantial non-payment for goods sold or service rendered by the company.
- Material details about litigation or court cases by or against the company.
- Update on policies having a bearing on Company's business.

### 4. Audit Committee

The Board of the company has constituted an Audit Committee comprising of three Non-executive & Independent Directors, viz, Dr. Madanmohan Rao, Chairman, Mr. Natalino Duo and Mr. Abhey Yograj.

In the last year, there was a casual vacancy in the audit committee due to resignation of member on 19th November 2002. This casual vacancy was filled on 28th April 2003 by appointment of Mr. Abhey Yograj a director of the Company as a member of audit committee. During this period, the total strength of audit committee was two members.

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The role and terms of reference stipulated by the Board to the Audit Committee covers areas mentioned under Clause 49 of the Listing Agreement. During the year three meetings were held on 29<sup>th</sup> April 2003, 28<sup>th</sup> November 2003 and 30<sup>th</sup> January 2004.

Attendance of each member at the Audit Committee:

Name of Director	Audit Committee meetings held during the year	Audit Committee Meetings attended during the year
Dr. Madanmohan Rao	29/04/03, 28/11/03, 30/01/04	29/04/03, 28/11/03, 30/01/04
Mr. Natalino Duo	29/04/03, 28/11/03, 30/01/04	29/04/03, 28/11/03, 30/01/04
Mr. Abhey Yograj	29/04/03, 28/11/03, 30/01/04	28/11/03

**5. Remuneration Committee**

The Remuneration Committee of the Board comprises of three Non-Executive and Independent Directors i.e. Mr. Abhey Yograj, Mr. Natalino Duo and Dr. Madanmohan Rao. Mr. Abhey Yograj, Director, was appointed as a Director of the Remuneration Committee on 28<sup>th</sup> April 2004 to fill the casual vacancy.

The remuneration committee has been constituted to recommend/review the remuneration of the Managing Director and Wholetime Director.

No meeting of the committee has been held during the year under report.

For details of remuneration paid to the Executive Directors for the year under report please refer to Schedule 17, Notes to Accounts, point No. 8 of the Annual Report

The company has paid sitting fees for the year ended 31<sup>st</sup> March 2004 to Mr. Natalino Duo and Dr. Madanmohan Rao and Mr Abhey Yograj for attending the Board Meetings and Audit Committee Meetings as follows:

Mr. Natalino Duo : Rs.35,000/-

Dr. Madanmohan Rao : Rs. 25,000/-

Mr Abhey Yograj : Rs 10 000/-

**6. Shareholder's/Investor's Grievance Committee.**

The Board has constituted a Shareholder's/Investor's Grievance Committee comprising of Dr. Madanmohan Rao, Chairman, Mr. Ashok Mandore, Member, Mr. V Srinivasa Rao, Member to look into the shareholder's and investor's grievances.

The Committee is yet to conduct its first meeting. However it is reported that there are no pending shareholder/ investor's grievances as on 31<sup>st</sup> March 2004.

**7. General Body Meetings**

Location and time for the last 3 Annual General Meetings were:

Year	AGM	Location	Date	Time
2000-2001	13 <sup>th</sup>	Hotel Pride, Pune, Maharashtra	29/11/2001	3.30 pm
2001-2002	14 <sup>th</sup>	Hotel Le Meridien, Pune, Maharashtra	30/09/2002	3.30 pm
2002-2003	15 <sup>th</sup>	Hermes Heritage, Pune, Maharashtra	30/09/2003	3.30 pm

For the year ended 31<sup>st</sup> March 2004 no postal ballots were used/invited for voting at these meetings. At the ensuing Annual General Meeting, there is no resolution proposed to be passed through postal ballot.

**8. a) Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management or relatives, etc. that may have potential conflict with the interests of the company at large.**

The particulars of transactions between the company and "Related Parties" are mentioned in point no. 9, Schedule 17, Notes to Accounts of the Annual Report. None of these transactions are likely to have any conflict with the Company's interest.

b) Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years. NIL

**9. Means of communication**

The Quarterly, Half yearly and Yearly results are displayed on corporate website [www.indiacom.co.in](http://www.indiacom.co.in). They are also published in English and Marathi newspapers. Official communication is sent to OTC Exchange of India where the equity shares of the company are listed.

**10. The Management Discussion and Analysis forms part of the annual report.**

**11. General Shareholder Information**

**11.1 Annual General Meeting**

- Date and Time : 30<sup>th</sup> July 2004 at 4.30 p.m.

- Venue : Hermes Heritage, Shastri Nagar, Opp. MSEB, Pune- 6



## 11.2

<b>Financial Calendar:</b>	<b>Annual General Meeting- Date: 30<sup>th</sup> July 2004</b>
	<b>Results for the quarter ending March 2004 and Year ended 31.03.04 :</b> End May 2004
	<b>Results for the first quarter ending June 2004 :</b> End July 2004
	<b>Results for the second quarter ending September 2004 :</b> End October 2004
	<b>Results for the third quarter ending December 2004 :</b> End January 2005.
	<b>Results for the fourth quarter ending March 2005/ year ending March 2005 :</b> End April 2005/May 2005

11.3 Book Closure Date : 26<sup>th</sup> July 2004

11.4 Dividend Payment Date : Not Applicable

## 11.5 Listing of Equity Shares

on Stock Exchange at : OTC Exchange of India, Mumbai

11.6 a) Stock Code : SESASEATIN

b) Demat ISIN Number

in NSDL and CDSL : INE992A01010

11.7 Stock Market Data : No Shares of the Company have been reported as traded during the year under report on the OTCEI.

11.8 Share Price performance in comparison to broad-based indices. N.A. Since no shares were reported as traded during the year on OTCEI.

**Registrar and Transfer Agents:** Bigshare Services Pvt. Ltd.  
E – 2/3 Ansa Industrial Estate,  
Saki Vihar Road, Saki Naka, Andheri (E)  
Mumbai : 400 072  
Tel: (022) 28470652  
Fax : (022) 28475207

(Share transfer and communication regarding share certificates, dividends and change of address)

11.9 Share transfer System: Presently the share transfers which are received in physical form are processed by the share transfer agents.

11.10 Distribution of shareholdings as on 31<sup>st</sup> March 2004:

Shareholding of nominal value of	Shareholders		Shares	
	Numbers	%	Numbers	%
1- 5,000	5092	97.34	6,13,807	16.16
5,001-10,000	39	0.75	29,975	0.79
10,001- 20,000	29	0.55	47,668	1.25
20,001-30,000	6	0.11	14,950	0.39
30,001-40,000	12	0.23	42,500	1.12
40,001-50,000	7	0.13	33,850	0.89
50,001-1,00,000	21	0.40	1,66,142	4.37
1,00,001 and above	25	0.48	28,50,108	75.02
Total	5231	100	37,99,000	100

**ANNUAL REPORT 2003-2004****11.11 Shareholding Pattern as on 31<sup>st</sup> March 2004 :**

	<b>Category Promoters' Holding</b>	<b>No. of shares</b>	<b>% of holding</b>
<b>A</b>	<b>Promoters</b>		
1	-Indian Promoters	391,650	10.31
2	-Foreign Promoters	1,339,358	35.26
3	Persons acting in Concert	33,100	0.87
	<b>Sub-total</b>	<b>1,764,108</b>	<b>46.44</b>
<b>B</b>	<b>Non- Promoters' Holding</b>		
4	Institutional Investor	40,000	1.05
5	Mutual Funds and UTI	Nil	Nil
6	Banks, Financial Institutions, Insurance Companies	Nil	Nil
7	FIs	Nil	Nil
	<b>Sub-total</b>	<b>40,000</b>	<b>1.05</b>
<b>C</b>	<b>Others</b>		
8	Private Corporate Bodies	90,700	2.39
9	Indian Public	1,704,192	44.86
10	NRIs/OCBs	Nil	Nil
<b>D</b>	<b>Any other</b>		
11	Foreign National	200,000	5.26
	<b>Sub-total</b>	<b>2,034,892</b>	<b>53.56</b>
	<b>Grand Total</b>	<b>3,799,000</b>	<b>100</b>

**11.12 Dematerialisation of Shares:** Over 30% of the shares have been dematerialised upto 31<sup>st</sup> March 2004.

**Liquidity:** Though the shares are listed on OTC Exchange of India there has been no trading during the year.

**11.13 Branch/Office Location:** The Company has its branches at the following locations:  
Ahmedabad, Hyderabad, Delhi, Gurgaon and Baroda.

**11.14 Address for Correspondence:**

(i) Investor Correspondence:

**Bigshare Services Pvt. Ltd**  
E – 2/3 Ansa Industrial Estate,  
Saki Vihar Road, Saki Naka,  
Andheri (E) Mumbai : 400 072  
Tel : (022) 28470652  
Fax : (022) 28475207

For Shares held in Physical Form

Or **Indiacom Limited**  
Hermes Heritage, Shastrinagar,  
Pune- Nagar Road, Pune 411 006.  
Tel : (020) 26616601  
Fax : (020) 26616606

(ii) Any query on Annual Report:

Mr. V. Srinivasa Rao  
Company Secretary  
Indiacom Ltd  
Hermes Heritage, Shastrinagar,  
Pune- Nagar Road, Pune 411 006.

On behalf of the Board of Directors

Delhi  
Date : 29/05/2004

**V. Srinivasa Rao,**  
Company Secretary