



20th Annual Report 2007-2008



BOARD OF DIRECTORS

Sir Natalino Duo	Chairman
Mr. Abhey Yograj	Director
Dr. Madanmohan Rao	Director
Mr. Ashok Kumar Dhingra	Director
Mr. Ashok Mandore	Managing Director
Mr. V. Srinivasa Rao	Whole-time Director

COMPANY SECRETARY

Mr. R. U. Shanoy

AUDITORS

M/s Patankar & Associates
Chartered Accountants,
'Ameya', 4 Anandbaug Co-op. Hsg. Soc.,
Navi Peth, Pune- 411030

BANKERS

Canara Bank
Citibank N. A.
Bank of Maharashtra

REGISTERED OFFICE

Hermes Heritage, (Phase-I), Commercial, Shastri Nagar,
Pune-Nagar Road, Pune- 411 006
Tel: (020) 2660 3600

REGISTRAR AND TRANSFER AGENT

M/s Bigshare Services Private Limited
E-2/3, Ansa Industrial Estate, Saki Vihar Road,
Saki Naka, Andheri (E), Mumbai- 400 072
Tel: (022) 2847 0652

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INDIACOM LIMITED

Registered Office: Hermes Heritage (Phase I), Commercial,
Opp: MSEB, Shastri Nagar, Pune-Nagar Road, Pune-411006.

Notice is hereby given that the Twentieth Annual General Meeting of Indiacom Limited will be held on Monday, 29th December, 2008 at 3.30 pm at Hermes Heritage (Phase I), Commercial, Shastri Nagar, Nagar Road, Pune – 411006 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 30th June, 2008 and the Profit and Loss Account for the financial year ended 30th June, 2008 together with the Directors' report and the Auditors' Report thereon.
2. To appoint a director in place of Dr. Madanmohan Rao, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint auditors to hold office from conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and fix their remuneration. M/s. Patankar & Associates, Chartered Accountants, Pune are the retiring auditors.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT the Company hereby accords its consent and approval under Section 314 (1) and other applicable provisions, if any, of the Companies Act, 1956, for the appointment of Mr. Anshum Mandore, son of Mr. Ashok Mandore, Managing Director of the Company, at a remuneration and other terms and conditions specified in the letter of appointment dated 10th May, 2008, a copy of which is placed before the meeting and initialled by the Chairman for the purpose of identification.

RESOLVED FURTHER THAT authority be and is hereby conferred on the Board of Directors to sanction at its discretion and with the approval of the Central Government, if necessary, increments within the grade as it may deem fit and proper and / or promotion to any higher grade from time to time together with the allowances and benefits as may be applicable to the grade or grades for the time being in accordance with the rules of the Company."

By Order of the Board of Directors
of Indiacom Limited

R. U. Shanoy
Company Secretary

Dated: 31st October, 2008

Notes:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING AND SHALL NOT VOTE EXCEPT ON A POLL. THE PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF MEETING.
- b) Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting.
- c) Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item of Special Business is annexed herewith.
- d) The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 23rd December, 2008 to Monday, 29th December, 2008, both days inclusive, for the purpose of Annual General Meeting.

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- e) Members holding shares in physical mode are requested to notify the change in their address to the Company's Share Transfer Agents, M/s Bigshare Services Private Limited, E-2/3, Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri (East), Mumbai – 400 072. Members should quote their folio numbers in the correspondence.
- f) Details of Director seeking appointment or reappointment at the Annual General Meeting

(In pursuance of Clause 49 of the Listing Agreement)

PARTICULARS	Dr. Madanmohan Rao
Date of Birth	19/03/1964
Appointed on	31/07/1999
Qualification	B. Tech, IIT, Bombay – Computer Science in 1985, PhD, University of Massachusetts, USA (Communications) 1993
Expertise	Dr. Rao is an IT Consultant to many renowned companies. He has rich experience in the field of web solutions, network management, internet and HR consulting, etc. He had worked as a Communication Director at UN's Inter Press Service Bureau, New York.
Directorships held in Other Companies	NIL
Memberships and Chairmanships of Board Committees in other Public Companies	NIL
Shareholding in Indiacom Limited	66,200 Shares

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) of the Companies Act, 1956:

Item No. 4:

With effect from 1st April 2008, Mr. Anshum Mandore, son of Mr. Ashok Mandore, Managing Director, has been appointed as Marketing Manager of the Company vide letter of appointment dated 10th May, 2008 at a remuneration of Rs. 5.80 lacs p.a. Mr. Anshum Mandore is a Commerce Graduate with Post Graduate Diploma in Marketing from Symbiosis Institute, Pune. He has more than two and half years of experience in Marketing and has worked with renowned Companies like, Pepsico India Snacks and Max Electronics, Dubai. His association will help the Company to add significant value in its Marketing function. The said appointment requires your approval under Section 314 (1) of the Companies Act, 1956 by way of special resolution. The members are also requested to authorize the Board to sanction increment and / or promotion of Mr. Anshum Mandore to the next higher grade(s) from time to time together with perquisites and allowances as per the rules of the Company.

A copy of the said letter of appointment is available for inspection by the members at the registered office of the Company between 10.00 am to 12.00 noon on any working day (except Saturday).

Your Directors recommend this resolution for your approval.

None of the Directors other than Mr. Ashok Mandore, Managing Director, is interested or concerned in this resolution.

By Order of the Board of Directors
of Indiacom Limited

R. U. Shanoy
Company Secretary

Dated: 31st October, 2008

DIRECTORS' REPORT

To the Members of
INDIACOM LIMITED,

Your Directors present the Twentieth Annual Report together with the Audited Statements of Accounts for the Financial Year ended 30th June, 2008.

1. FINANCIAL RESULTS

	(Rs. In lacs)	
	2007-08	2006-07
Turnover	2337.33	1169.63
Profit / (Loss) before Interest and Depreciation and Amortisation	278.69	(38.04)
Less: Interest	67.19	52.13
Profit / (Loss) Before Depreciation and Amortisation	211.50	(90.17)
Less: Depreciation and Amortisation for the year	76.89	43.71
Profit / (Loss) Before Taxation	134.61	(133.88)
Provision for Taxation	59.47	(29.95)
Profit / (Loss) for the year	75.14	(103.93)
Add: Prior Period Taxation	0.02	1.71
Balance Profit / (Loss)	75.12	(105.64)
Profit brought forward from previous year	28.45	134.09
Less: Adjustment on adoption of AS-15	16.68	-
Balance carried forward	86.89	28.45

2. DIVIDEND

It has been decided to plough back the surplus generated during the year to provide funds for the growth and meet any contingencies arising out of the money market conditions; hence the Board of Directors regrets inability to recommend any dividend for the year under review.

3. MANAGEMENT DISCUSSION AND ANALYSIS

Management discussion and analysis of the financial conditions and results of operations of the Company for the period under review as required under Clause 49 of the Listing agreement with the OTC Exchange of India, is given as a separate statement forming part of the Annual Report.

4. FUTURE OUTLOOK

The Company publishes Directories (a) under Contract from BSNL as Telephone Directory with Yellow Pages (TDYP) and (b) on its own, in the form of Yellow Pages, Neighbourhood Guide, etc. i.e. on Standalone Basis. The volume of business and financial viability in respect of TDYP depends to a great extent on policy guidelines, competitive bidding for getting the contracts apart from the market conditions for collection of advertisements. The TDYP policy of 1986, revised by the DoT in the year 1998 had become outdated, particularly with the implementation of National Telecom Policy and entry of privately owned Telecom Operators. The TRAI took the initiative of commissioning a study and after due deliberation recommended in April, 2008 a comprehensive new TDYP Policy for 'Integrated Directory' Publishing covering landlines provided by all service providers. This recommendation is now under the consideration by DoT. The acceptance by DoT of TRAI's recommendation has the potential to substantially enlarge the potential of the business of the Company, both in geographical areas and volume of the business, under the new licensing regime. Pending announcement of new policy, there is considerable slowing down on part of BSNL in calling for tenders for Directories (TDYP) in many districts keeping in view the changes expected. The Company has, therefore, adopted a cautious approach and deferred the plans of geographical expansion and is focusing on established markets.

The Company continued the emphasis on developing additional streams of revenue, leveraging the Company's core asset i.e. "Database". Substantial addition to the volume and value of Business Databases is being made, by capturing additional attributes to meet varied requirements. Company continued licensing its Content to Major Search Engines and generated interest/ enquiries from various other domains. This business has the potential to add substantially to the revenue and contribution in the near future.

The overall economic sentiments have taken a sudden retreat/ backlash due to the financial crisis engulfing the world. What started as a ripple effect seems to be having deeper impact on Indian businesses. This is affecting the business sentiments and compelling business entities to aggressively adopt cost cutting measures. Your Directors are regularly evaluating the likely impact of this emerging recessionary scenario on its business. Product offerings are now being modified to suit the immediate needs of its customers who are mainly SMEs. The cost effectiveness of Directional media in this scenario is being emphasized. Extensive franchising and outsourcing of work is being explored and implemented wherever possible to replace Company's own infrastructure and manpower.

5. EQUITY CAPITAL AND ITS LISTING

Effective 29th January, 2007 each equity share of the Company of Rs.10/- has been sub-divided into two equity shares of Rs. 5/- each. As a result the paid-up capital of the Company is Rs. 3,63,16,000/- divided into 72,63,200 shares of Rs. 5/- each.

Shareholders, who have not yet submitted their old Share Certificates/ Counter Receipts issued by OTC Exchange of India, are requested to kindly submit the same to our Registrar and Transfer Agent, Bigshare Services Private Limited and obtain new Share Certificates of shares of face value of Rs. 5/- each.

The equity shares of the Company are listed on OTC Exchange of India, 92 Maker Towers, 'F' Cuffe Parade, Mumbai 400 005. The Company has paid the annual listing fees for the financial year 2007-2008.

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

As required by the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of employees are set out in the Annexure B to this Report. However, as per the provisions of Section 219(1)(b)(iv) of the said Act, the annual report and accounts are being sent to all members of the Company excluding the aforesaid information. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

8. FIXED DEPOSIT

As on 30th June, 2008, the Company held Rs. 78.59 Lacs of Non-Cumulative and Cumulative Fixed Deposit Accounts, out of which Rs. 0.81 Lacs of deposits have matured and remained unclaimed.

9. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Dr. Madanmohan Rao, Director 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.

10. DIRECTORS' RESPONSIBILITY STATEMENT

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

- i. Followed, in preparation of the accounts, applicable accounting standards and given explanation for material departure.
- ii. Selected and applied accounting policies consistently.
- iii. Made reasonable and prudent judgments and estimates for reflecting a true and fair view of the financial statements for the year ended on 30th June, 2008.
- iv. Taken proper and sufficient care for maintenance of adequate accounting records to safeguard assets of the Company and preventing and detecting frauds and irregularities.
- v. Prepared the annual accounts on a going concern basis.

11. REPORT ON CORPORATE GOVERNANCE

The report on Corporate Governance under clause 49 of the Listing Agreement, annexed herewith forms part of the Directors' Report.

Please refer the Corporate Governance Report for the disclosures on the constitution of the Audit Committee and Remuneration Committee of the Board of Directors of the Company.

12. AUDITORS

M/s. Patankar & Associates, Statutory Auditors, hold office up to 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 their re-appointment will be within the limits prescribed by Section 224(1B) of the Companies Act, 1956.

13. ACKNOWLEDGEMENT

The Directors place on record their grateful appreciation for the support extended to the Company by the Bankers, Government Authorities and its Customers. Your Directors also wish to express gratitude to the Company employees for their committed services and to the shareholders for their continued support.

For and on behalf of the Board of Directors

Natalino Duo
Chairman

Date: 31st October, 2008

ANNEXURE A

Information as per Section 217(1)(e) read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 30th June, 2008.

(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. 2,500,886/-
Foreign Exchange outgo was	Rs. 1,251,342/-

For and on behalf of the Board of Directors

Natalino Duo
Chairman

Date: 31st October, 2008

CORPORATE GOVERNANCE

The Company has implemented the Code as per the format prescribed and incorporated in the Listing Agreement and reports as follows for the financial year ended 30th June, 2008.

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

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 shareholders, employees, bankers, contracting parties and its customers.

Indiacom Limited strives to improve upon its existing processes and take innovative steps in its businesses to have sustainable growth in the long term. In order to improve margins in this competitive environment, the Company seeks to consistently improve productivity, reduce costs and make additions to the product line as the market situation demands. To gain customers' loyalty and patronage, the Company focuses on customer Service and offer products/services to meet customer's requirements.

2. Board of Directors:

The Board of Directors as on 30th June, 2008 consisted of 6 Directors.

Composition and category of Board of Directors as on 30th June, 2008 is as follows:

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

Number of Board Meetings held and the dates on which held:

Six Board Meetings were held during the period under report on 27th July, 2007, 27th September, 2007, 31st October, 2007, 31st January, 2008, 22nd February, 2008 and 21st April, 2008.

Attendance of each Director at the Board Meetings, last Annual General Meeting and number of other Directorships 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 Membership /Chairmanship		
	Board Meeting	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Sir Natalino Duo	5	Yes	Nil	Nil	Nil
Mr. Abhey Yograj	5	No	3	Nil	Nil
Dr. Madanmohan Rao	2	Yes	Nil	Nil	Nil
Mr. Ashok Kumar Dhingra	4	Yes	Nil	Nil	Nil
Mr. Raman Singh Sidhu*	0	NA	1	2	Nil
Mr. Ashok Mandore	6	Yes	Nil	Nil	Nil
Mr. V. Srinivasa Rao	6	Yes	Nil	Nil	Nil

* Mr. Raman Singh Sidhu has resigned as Director w. e. f. 21st August 2007

3. Information supplied to the Board

It has been a Company's policy that in addition to the matters, which statutorily require Board's approval, all other information specified under Clause 49 of the Listing Agreement with stock exchange are considered by the Board.

4. Audit Committee

The Audit Committee of the Board of Directors as on 30th June, 2008 comprised of the following directors :

- a. Dr. Madanmohan Rao, Chairman
- b. Sir Natalino Duo
- c. Mr. Abhey Yograj
- d. Mr. Ashok Kumar Dhingra

The Company Secretary is the secretary of the Committee.

During the period under report four meetings were held on 27th September, 2007, 31st October, 2007, 31st January, 2008 and 21st April, 2008.

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	4	1
Sir Natalino Duo	4	4
Mr. Abhey Yograj	4	4
Mr. Ashok Kumar Dhingra	4	3

Brief Terms of reference of Audit Committee

The terms of reference of the Audit committee are in line with provisions of Clause 49 of the Listing Agreement. The terms of reference broadly include the following;

- i. To review financial reporting process and disclosure of financial information.
- ii. To review the adequacy of internal audit function, including the structure, staffing, reporting structure coverage and frequency of internal audit.
- iii. To review the findings of the Internal Auditor relating to various functions of the Company.
- iv. To review adequacy of and compliance with internal control systems.
- v. To review reports of the Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and their observations.
- vi. To review and analyse financial condition of the Company.
- vii. Recommending the appointment of statutory auditors and internal auditors and fixing of their remuneration.
- viii. To review the quarterly, half-yearly and annual financial results of the Company and other financial statements before submission to the Board.

5. Remuneration Committee

The Remuneration Committee of the Board comprises of three Non-executive Directors, viz; Sir Natalino Duo, Chairman, Dr. Madanmohan Rao and Mr. Abhey Yograj.

The remuneration committee has been constituted to recommend/review the remuneration of the Managing Director and Wholetime Director. No meeting of the Remuneration Committee is held during the year.

Details of Remuneration of Mr. Ashok Mandore, Managing Director and Mr. V. Srinivasa Rao, Whole-time Director during the year are as follows:

Name of Director	Salaries(Rs.)	Provident Fund and Superannuation Fund (Rs.)	Perquisites(Rs.)	Total (Rs.)
Mr. Ashok Mandore	14,40,000/-	2,38,980/-	8,62,217/-	25,41,197/-
Mr. V. Srinivasa Rao	10,80,000/-	1,81,380/-	4,69,686/-	17,31,066/-

The amount of sitting fees paid for the financial year ended 30th June, 2008 to the non-executive directors for attending the Board Meetings and Audit Committee Meetings are as follows:

Sir Natalino Duo	Rs. 70,000/-
Mr. Abhey Yograj	Rs. 70,000/-
Dr. Madanmohan Rao	Rs. 25,000/-
Mr. Ashok Kumar Dhingra	Rs. 55,000/-

6. Shareholders'/Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee constituted to look into the shareholders' and investors' grievances comprises of three Directors - Dr. Madanmohan Rao, Chairman, Mr. Ashok Mandore, Member and Mr. V Srinivasa Rao, Member. Mr. R. U. Shanoy, Company Secretary is the Compliance Officer of the Company.

The Committee has not conducted any meeting during the year. The Company has received and resolved 13 (Thirteen) grievances of Shareholders/Investors during the year. There are no Shareholders'/Investors' grievances pending as on 30th June, 2008.

Annual Report 2007-2008**7. General Body Meetings**

Location and time for the last three Annual General Meetings were as follows:

Year	AGM	Location	Date	Time
2004-2005	17 th	Hermes Heritage, Pune , Maharashtra	30.12.2005	12 noon
2005-2006	18 th	Hermes Heritage, Pune, Maharashtra	22.12.2006	12.15 p.m.
2006-2007	19 th	Hermes Heritage, Pune, Maharashtra	22.12.2007	2.00 p.m.

Special Resolutions passed in last three Annual General Meetings

Meeting	Subject matter of Special Resolution
17 th Annual General Meeting	No Special Resolution was passed
18 th Annual General Meeting	<ol style="list-style-type: none"> 1. Approval of payment of commission to non-executive directors for five financial years commencing from 2006-07 upto 1% of the net profit of the Company. 2. Revision of managerial remuneration payable to Mr. Ashok Mandore, Managing Director for the period from 1st July, 2006 to 26th June, 2009. 3. Revision of managerial remuneration payable to Mr. V. Srinivasa Rao, Whole-time Director for the period from 1st July, 2006 to 28th May, 2009.
19 th Annual General Meeting	No Special Resolution was passed.

During the year no Extra-Ordinary General Meeting of the members of the Company was held.

For the period ended 30th June, 2008 no postal ballots were used/invited for voting at the meetings. At the ensuing Annual General Meeting, there is no resolution proposed to be passed through postal ballot.

8. a) **Disclosure:** During the year, there are no related party transactions that may have potential conflict with the interests of the Company at large. Transactions with related parties are disclosed in the Note No. 12 in the Notes to Accounts forming part of Annual Report.
- b) **Compliance:** There has been no non-compliance of the provisions/requirements of stock exchange, SEBI. No penalties/strictures have been imposed on the Company by stock exchange or SEBI or any statutory authority, on any matter related to capital markets during the last three years. The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement.

9. Means of communication

The Quarterly, Half-yearly and Yearly results are normally published in newspapers viz. Financial Express and Loksatta. 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

Monday, 29th December, 2008 at 3.30 p.m.

Venue

Hermes Heritage (Phase I), Commercial,
Shastri Nagar, Pune 411 006.

11.2 Financial Calendar (Tentative):

Results for Second Quarter ending December, 2008: End January, 2009

Results for Third Quarter ending March, 2009: End April, 2009

Results for the Fourth Quarter ending June, 2009 / year ending June, 2009: End July, 2009 / September, 2009

Results for the First Quarter ending September, 2008 have already been published.

11.3 Book Closure Date:

Tuesday, 23rd December, 2008 to

Monday, 29th December, 2008 (Both days inclusive)
(For the purposes of Annual General Meeting)

11.4 Dividend Payment Date:

Not Applicable as dividend is not recommended.

11.5 Listing of Equity Shares on Stock Exchange at:

OTC Exchange of India (OTCEI), Mumbai