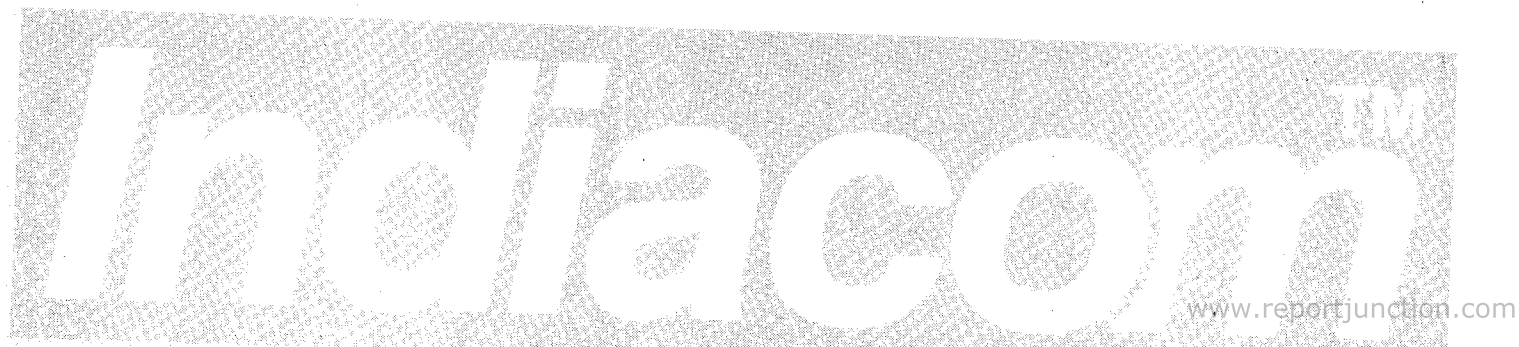




**21st Annual Report  
2008-2009**



**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. Ltd.,  
Navi Peth, Pune - 411 030.

**BANKERS**

Canara Bank  
Oriental Bank of Commerce  
Bank of Maharashtra

**REGISTERED OFFICE**

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

**REGISTRAR AND SHARE TRANSFER AGENT**

M/s. Bigshare Services Pvt. Ltd.  
E-2/3, Ansa Industrial Estate,  
Saki Vihar Road, Saki Naka, Andheri (E)  
Mumbai - 400 072.  
Telephone (022) 2847 0652

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**INDIACOM LIMITED**

**Registered Office: Hermes Heritage (Phase I), Commercial,  
Opposite MSEB, Shastrinagar, Pune-Nagar Road, Pune-411006**

**Notice** is hereby given that the Twenty First Annual General Meeting of Indiacom Limited will be held on Tuesday, 30<sup>th</sup> March, 2010 at 9.45 am at Hermes Heritage (Phase I), Commercial, Shastrinagar, Nagar Road, Pune – 411 006 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at, and the Profit and Loss Account for the financial year ended 31<sup>st</sup> December 2009 together with the Directors' report and the Auditors' Report thereon.
2. To appoint a director in place of Mr. Abhey Yograj, 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 an Ordinary Resolution:-

"RESOLVED THAT Mr. Ashok B. Mandore who was appointed as an Additional Director of the Company by the Board of Directors and who holds office upto the date of the Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company."

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT Mr. V. Srinivasa Rao who was appointed as an Additional Director of the Company by the Board of Directors and who holds office upto the date of the Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company."

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

"RESOLVED THAT pursuant to Section 269 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, approval of the Company be and is hereby accorded to the re-appointment of Mr. Ashok B. Mandore as the Managing Director of the Company for a period of five years w.e.f. 31<sup>st</sup> July 2009.

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals as may be required, the Company hereby approves the payment of remuneration to Mr. Ashok B. Mandore, Managing Director, for the period from 31<sup>st</sup> July, 2009 to 30<sup>th</sup> July, 2012 as given in the explanatory statement annexed hereto (being the minimum remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the term of his appointment) and as set out in the draft agreement, to be entered into between the Company and Mr. Ashok B. Mandore, submitted to this meeting and initialled by the Chairman for the purpose of identification, which is hereby specifically sanctioned.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to this resolution.

"RESOLVED FURTHER THAT Mr. Ashok B. Mandore shall not be liable to retire by rotation during the period of his

appointment as the Managing Director of the Company, pursuant to Article 133 of the Articles of Association of the Company."

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

"RESOLVED THAT pursuant to Section 269 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, approval of the Company be and is hereby accorded to the re-appointment of Mr. V. Srinivasa Rao as the Whole-time Director designated as Executive Director of the Company for a period of five years w.e.f. 31<sup>st</sup> July 2009.

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals as may be required, the Company hereby approves the payment of remuneration to Mr. V. Srinivasa Rao, Whole-time Director designated as Executive Director, for the period from 31<sup>st</sup> July, 2009 to 30<sup>th</sup> July, 2012 as given in the explanatory statement annexed hereto (being the minimum remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the term of his appointment) and as set out in the draft agreement, to be entered into between the Company and Mr. V. Srinivasa Rao, submitted to this meeting and initialed by the Chairman for the purpose of identification, which is hereby specifically sanctioned.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to this resolution.

"RESOLVED FURTHER THAT Mr. V. Srinivasa Rao shall not be liable to retire by rotation during the period of his appointment as the Whole-time Director designated as Executive Director of the Company, pursuant to Article 133 of the Articles of Association of the Company."

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

"RESOLVED THAT:

1. pursuant to the authority conferred on the Company by Article 8 of Articles of Association;
2. in accordance with Section 100 of the Companies Act, 1956 ("the Act"); and
3. subject to confirmation of the Honorable Bombay High Court;
  - the Company hereby approves the reduction of the subscribed and paid-up equity share capital and general reserve of the Company as outlined in detail in the Explanatory Statement with the specific approval being given to the following:
    - (a) the reduction of capital will be of an amount not exceeding Rs. 3,70,43,060/- (Rupees Three Crores Seventy Lacs Forty Three Thousand and Sixty Only) being the amount of accumulated loss as appearing in the audited balance sheet as at 31<sup>st</sup> December 2009;
    - (b) the reduction will be carried out after it is confirmed by the Honorable Bombay High Court under Section 101 of the Act;
    - (c) Of the total capital reduction, an amount of Rs. 3,30,47,560/- (Rupees Three Crores Thirty Lacs Forty Seven Thousand Five Hundred Sixty Only) will be applied for writing off the accumulated loss which will be effected by canceling the paid-up value of each equity share in the subscribed and paid-up equity share capital by cancellation of Rs. 4.55 out of Rs. 5 being the paid-up value of each equity share;
    - (d) An amount of Rs. 39,95,060/- (Rupees Thirty Nine lacs Ninety Five Thousand Sixty Only) will be applied for writing off the accumulated loss which will be effected by adjusting the General Reserves of the Company.
    - (e) After cancellation, with a view to facilitating converting of maximum number fractions into full shares, 72,63,200 equity shares of the reduced paid-up value of Re. 0.45 (Rupee nil Paise Forty five Only) will be consolidated into 6536 (Six Thousand Five Hundred Thirty Six) equity shares of the paid-up value of Rs. 500/- (Rupees five hundred only) each fully paid-up. Fraction of share of 0.88 of paid-up value of Rs. 440/- arising on the consolidation shall be written-off from the accumulated loss and the subscribed and paid-up share capital shall be reduced to that extent.
    - (f) All the shareholders holding equity shares of Rs. 5/- each in the Company before such capital reduction and consolidation shall be entitled to equity share(s) of paid-up value of Rs. 500/- each. However, any fractions of shares entitled to any shareholder arising out of such consolidation as above shall be sold to the Company's Promoters and/or Employees Welfare Trust at a price based on the value of the shares with reference to the audited balance sheet of the Company as at 31<sup>st</sup>

December 2009 and the proceeds shall be distributed to such shareholders in proportion to their holdings.

- (g) after the reduction of capital, the aggregate subscribed and paid-up share capital of the Company will be Rs. 32,68,000/- (Rupees Thirty Two Lacs Sixty Eight Thousand Only) divided into 6536 equity shares of Rs. 500/- each fully paid-up.

"RESOLVED FURTHER THAT the Board of Directors of the Company (or its Committee) be and is hereby authorized to apply to the Honorable High Court of Judicature at Bombay for seeking its sanction to the above reduction in terms of section 101 and other applicable provisions of the Act and to do all necessary acts, things, matters and deeds for obtaining the order of the High Court to the reduction of capital in terms of this resolution and giving effect to the order."

By Order of the Board of Directors  
Indiacom Limited

Dated: 25th February, 2010

R. U. Shanoy  
Company Secretary

**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 Friday, 26<sup>th</sup> March, 2010 to Tuesday, 30<sup>th</sup> March, 2010, both days inclusive, for the purpose of Annual General Meeting.
- 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 retiring by rotation seeking reappointment at the Annual General Meeting (In pursuance of Clause 49 of the Listing Agreement)**

Particulars	Mr. Abhey Yograj	Mr. Ashok Mandore	Mr. V. Srinivasa Rao
Date of Birth	01-09-1943	02-08-1950	02-08-1956
Appointed on	05-05-2000	31-07-2009	31-07-2009
Qualification	Bachelors Degree In Mechanical Engineering	MBA from Jamnalal Bajaj Institute	Fellow member of the Institute of Company Secretaries of India
Expertise	Mr. Abhey Yograj is the founder of Tecnova India Pvt. Ltd an associate of Tecnova SA, France. He is a speaker on different forums concerning entry of foreign multinationals into the Indian market.	Mr. Mandore is having rich experience of more than 34 years in Marketing and General Management. He was responsible for the overall management including devising business and marketing strategies and management of overall resources of the Company including the human resources.	Mr. Rao is having an extensive experience in matters pertaining to Finance, Corporate and General Laws and Corporate Affairs. He had earlier held the position of Vice President (Corporate Affairs) and Company Secretary before being co-opted as a member on the Board of Directors of the Company.

Particulars	Mr. Abhey Yograj	Mr. Ashok Mandore	Mr. V. Srinivasa Rao
Directorships held in Other public companies	Zaffiro Fashions Ltd. L'oreal India Ltd. Cortec Hygiene Products Ltd.	NIL	NIL
Memberships and Chairmanships of Board Committees in other Public Companies	NIL	NIL	NIL
Shareholding	As on date Mr. Yograj holds 30,000 shares in the Company.	As on date Mr. Mandore holds 4,97,784 shares in the Company.	As on date Mr. Rao holds 3,08,956 shares in the Company.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956:****ITEM NO. 4**

The term of Mr. Ashok B. Mandore as Managing Director of the Company expired on 26<sup>th</sup> June, 2009.

Mr. Ashok B. Mandore was appointed by the Board of Directors on 31<sup>st</sup> July 2009 as an Additional Director of the Company. In terms of Section 260 of the Companies Act, 1956 Mr. Ashok B. Mandore holds office up to the date of this Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 has been received from a member of the Company proposing Mr. Ashok B. Mandore as a candidate for the office of Director.

Mr. Ashok B. Mandore is an MBA from Jamnalal Bajaj Institute with rich experience in Marketing and General Management. He was responsible for the overall management including devising business and marketing strategies and management of overall resources of the Company including the human resources.

The Board of Directors is of the view that the services of Mr. Ashok B. Mandore will be of immense value to the Company. Your Directors, therefore, recommend his appointment as Director of the Company.

None of the Directors except Mr. Ashok B. Mandore is concerned or interested in the resolution.

**ITEM NO. 5**

The term of Mr. V. Srinivasa Rao as Whole-time Director of the Company expired on 28<sup>th</sup> May, 2009.

Mr. V. Srinivasa Rao was appointed by the Board of Directors on 31<sup>st</sup> July 2009 as an Additional Director of the Company. In terms of Section 260 of the Companies Act, 1956 Mr. V. Srinivasa Rao holds office up to the date of this Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 has been received from a member of the Company proposing Mr. V. Srinivasa Rao as a candidate for the office of Director.

Mr. V. Srinivasa Rao is a Fellow member of the Institute of Company Secretaries of India and having an extensive experience in matters pertaining to Finance, Corporate and General Laws and Corporate Affairs. He had earlier held the position of Vice President (Corporate Affairs) and Company Secretary before being co-opted as a member on the Board of Directors of the Company. He has been in the Company since 1989.

The Board of Directors is of the view that the services of Mr. V. Srinivasa Rao will be of immense value to the Company. Your Directors, therefore, recommend his appointment as Director of the Company.

None of the Directors except Mr. V. Srinivasa Rao is concerned or interested in the resolution.

**ITEM NO. 6**

The term of Mr. Ashok B. Mandore as Managing Director of the Company expired on 26<sup>th</sup> June, 2009.

The Board of Directors, at its meeting held on 31<sup>st</sup> July, 2009, has re-appointed Mr. Ashok B. Mandore as Managing Director of the Company for a period of five Years with effect from 31<sup>st</sup> July 2009. The terms of his remuneration for the period from 31<sup>st</sup> July, 2009 to 30<sup>th</sup> July, 2012 are specified below. The said remuneration is approved by the Remuneration Committee of the Board of Directors in its meeting held on 31<sup>st</sup> July, 2009.



The terms and conditions including remuneration are as follows:

### 1. Basic Salary:

Rs.1,20,000/- (Rupees One Lakh Twenty Thousand Only) per month in the range of Rs. 1,20,000/- to Rs. 1,80,000/-. The increments will be decided by the Remuneration Committee and the Board of Directors from time to time.

### 2. Allowances/Perquisites/Incentive:

These shall be allowed in addition to salary. These perquisites are classified as under:

- a. Commission: One percent of the net profits of the Company, computed in the manner laid down under Section 309(5) of the Companies Act, 1956.
- b. Housing: The Company shall provide rent-free furnished accommodation with free gas, electricity and water. In case no accommodation is provided by the Company, the Managing Director shall be entitled to House Rent Allowance limited to 50% of his salary.  
Explanation: The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income-Tax Rules, 1962.
- c. Medical Reimbursement: Reimbursement of the Medical Expenses incurred for self and family subject to a ceiling of One month's Salary in a Year or Three Months' Salary over a period of Three Years.
- d. Leave Travel Concession: Leave Travel Concession for self and family once in a Year, incurred in accordance with the Rules of the Company.  
Explanation: Family for (c) and (d) means the spouse, the dependent children and the dependent parents.
- e. Club Fees: Fees of Club subject to a maximum of two clubs.
- f. Personal Accident Insurance & Mediclaim Policy: Personal Accident Insurance and Mediclaim Policy of an amount, the annual premium of which does not exceed Rs.25,000/- per annum.
- g. Car: The Company shall provide a Company maintained car with driver. If the Managing Director employs his own driver (who is not on company's payroll) driver's wages and cost of uniform shall be reimbursed at actuals subject to such ceilings as may be provided, as per the rules of the Company.
- h. Telephone: The Company shall provide telephone with fax and Internet, Broadband connections at the residence of the Managing Director.

### 3. Retirement Benefits:

- a. Contribution to Provident Fund and Superannuation Fund as per the approved scheme of the Company in force from time to time.
- b. Gratuity Payable as per the Company's scheme for executive management cadre.

Period of service	Rate of Gratuity
5 years or more but less than 10 years	- Half month's salary for each year of service
10 years or more but less than 15 years	- 2/3 <sup>rd</sup> of month's salary for each year of service
15 years of service or more	- One month's salary for each year of service

- c. Leave: On full pay and allowance as per the rules of the Company but not exceeding one month's leave for every eleven months of service. Accumulation of un-availed leave shall be as per the rules of the Company. Un-availed leave can be encashed only at the time of separation from the Company.

### 4. Overall Ceiling:

Salary, allowances, perquisites and incentive shall be subject to overall limit of 5% of the net profits of the Company calculated as per the provisions of the Companies Act, 1956. However, in case of loss or inadequacy of profits, the aforesaid remuneration shall be payable as the minimum remuneration in accordance with Schedule

XIII and other applicable provisions of the Companies Act, 1956.

**5. General:**

- a. Perquisites shall be valued in terms of actual expenditure incurred by the Company in providing benefit to the employees. However, in cases where the actual amount of expenditure can not be ascertained with reasonable accuracy (including car provided for official and personal purposes and loans) the perquisites shall be as per the income tax rules.
- b. Mr. Ashok Mandore, Managing Director, will not be entitled to any sitting fees for attending meetings of the Board or of any committee thereof.
- c. Mr. Ashok Mandore, Managing Director, will be subject to all other service conditions as applicable to any other employee of the Company.

The resolution set out at item No. 6 of the accompanying notice together with explanatory statement are and should be read as abstract under Section 302 of the Companies Act, 1956. The draft agreement between the Company and Mr. Ashok Mandore is available for inspection by the members at the registered office of the company between 10 00 a.m. and 12 Noon on any working day (except Saturday).

Disclosures in compliance of Schedule XIII of the Companies Act, 1956 are as follows:

**I. General Information**

- (1) Nature of Industry: Mass Data Processing, Publication of Directories and dissemination of information through print, electronic and Voice media.
- (2) Date of commencement of commercial production: 21<sup>st</sup> January 1988
- (3) Financial Performance based on given indicators: The Company recorded a turnover of Rs. 1458.97 lakhs for the Financial Year ended 31<sup>st</sup> December, 2009 as against the previous year's turnover of Rs. 2337.33 lakhs. The net loss after taxes is Rs. 370.43 lakhs as against the profit after tax of Rs. 75.12 lakhs for the previous Financial Year.
- (4) Export performance and net foreign exchange collaborations: During the financial year ended 31<sup>st</sup> December, 2009, the Company continued to earn foreign exchange by licensing content to search engines.
- (5) Foreign Investments or collaborators, if any: Nil

**II. Information about the appointee:**

- (1) Background details: Mr. Ashok B. Mandore, aged 59 years, is an MBA from Jamnalal Bajaj Institute with rich experience in Marketing and General Management. He is not a director of any other company.
- (2) Past remuneration: Rs. 1,20,000/- Per month + Gratuity - Half month's salary for each year of service + Personal Accident & Medical Policy Insurance with annual premium was limited upto Rs. 20,000/- and other perquisites as specified in the resolution
- (3) Recognition or rewards: - Nil
- (4) Job profile and his suitability: Responsible for the overall management including devising business and marketing strategies and management of overall resources of the Company including the human resources. With his academic qualifications, practical experience of about 34 years and expert knowledge in the business, he is well qualified to occupy the position of Managing Director.
- (5) Remuneration proposed: Rs. 1,20,000/- (Rupees One Lakh Twenty Thousand Only) per month in the range of Rs. 1,20,000/- to Rs. 1,80,000/- with the increments as decided by the Remuneration Committee and the Board of Directors from time to time. Other perquisites as specified in the resolution.
- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: There are few players in similar industry being closely held / family owned businesses and therefore direct comparison in respect of size and the position is not possible.
- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: Nil

**III. Other information**

- (1) Reasons of losses: During the year 2008-09, operations of almost all media companies were drastically affected due to the recessionary trends and severe cut back in the expenditure on advertising and publicity. This trend affected the revenue generation capacity of the Company. Further, the situation was aggravated with the expiry of several important BSNL Telephone Directory contracts and new contracts not being awarded after the ending of old contracts. Even the revenue potential of BSNL operated contracts could not be realized due to the unjustified stand taken by BSNL in not allowing the printing of the Telephone Numbers provided by the private sector even when the advertising customer was keen to



have all his numbers printed and pay for it. The delay in implementation of the new Integrated Telephone Directory policy recommended by TRAI continues to adversely affect the market for the Telephone Directory with Yellow Pages publications and result in sustained decline in the revenue generated thereby affecting the profitability to a large extent. The profitability further eroded on account of additional costs the Company had to incur in the initial part of the financial year due to sharp increase in paper prices and other inputs. All these factors had an adverse effect on the Company's financial position as reflected in its Balance Sheet.

- (2) Steps taken or proposed to be taken for improvement: The Company's business is being restructured for focusing on key markets, further reduce operational costs and restore viability of business by leveraging on its core asset i.e. 'Database' and marketing it to newer segments of the market.
- (3) Expected increase in productivity and profits in measurable terms: - The efforts are expected to result in healthy bottom line with cash surplus.

Except Mr. Ashok Mandore, no other Director of the Company is concerned or interested in this item of business.

#### ITEM NO. 7

The term of Mr. V. Srinivasa Rao as Whole-time Director of the Company expired on 28<sup>th</sup> May, 2009.

The Board of Directors, at its meeting held on 31<sup>st</sup> July, 2009, has re-appointed Mr. V. Srinivasa Rao as Whole-time Director designated as Executive Director of the Company for a period of five Years with effect from 31<sup>st</sup> July 2009. The terms of his remuneration for the period from 31<sup>st</sup> July, 2009 to 30<sup>th</sup> July, 2012 are specified below. The said remuneration is approved by the Remuneration Committee of the Board of Directors in its meeting held on 31<sup>st</sup> July, 2009.

The terms and conditions including remuneration are as follows:

1. **Basic Salary:**  
Rs. 90,000/- (Rupees Ninety Thousand Only) per month in the range of Rs. 90,000/- to Rs. 1,50,000/-. The increments will be decided by the Committee and the Board of Directors from time to time.
2. **Allowances/Perquisites/Incentive:**  
These shall be allowed in addition to salary. These perquisites are classified as under:
  - a. **Commission:** One percent of the net profits of the Company, computed in the manner laid down under section 309(5) of the Companies Act, 1956.
  - b. **Housing:** The Company shall provide rent-free furnished accommodation with free gas, electricity and water. In case no accommodation is provided by the Company, the Whole-time Director shall be entitled to House Rent Allowance limited to 50% of his salary.  
Explanation: The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income-Tax Rules, 1962.
  - c. **Medical Reimbursement:** Reimbursement of the Medical Expenses incurred for self and family subject to a ceiling of One month's Salary in a Year or Three Months' Salary over a period of Three Years.
  - d. **Leave Travel Concession:** Leave Travel Concession for self and family once in a Year, incurred in accordance with the Rules of the Company.  
Explanation: Family for (c) and (d) means the spouse, the dependent children and the dependent parents.
  - e. **Club Fees:** Fees of Club subject to a maximum of two clubs.
  - f. **Personal Accident Insurance & Mediclaim Policy:** Personal Accident Insurance and Mediclaim Policy of an amount, the annual premium of which does not exceed Rs. 20,000/- per annum.
  - g. **Car:** The Company shall provide a Company maintained car with driver. If the Whole-time Director employs his own driver (who is not on company's payroll) driver's wages and cost of uniform shall be reimbursed at actuals subject to such ceilings as may be provided, as per the rules of the Company.
  - h. **Telephone:** The Company shall provide telephone with fax and Internet, Broadband connections at the residence of the Whole-time Director.

**3. Retirement Benefits:**

- a. Contribution to Provident Fund and Superannuation Fund as per the approved scheme of the Company in force from time to time.
- b. Gratuity Payable as per the Company's scheme for executive management cadre.

Period of service	Rate of Gratuity
5 years or more but less than 10 years	- Half month's salary for each year of service
10 years or more but less than 15 years	- 2/3 <sup>rd</sup> of month's salary for each year of service
15 years of service or more	- One month's salary for each year of service

- c. Leave: On full pay and allowance as per the rules of the Company but not exceeding one month's leave for every eleven months of service. Accumulation of unavailed leave shall be as per the rules of the Company. Unavailed leave can be encashed only at the time of separation from the Company.

**4. Overall Ceiling:**

Salary, allowances, perquisites and incentive shall be subject to overall limit of 5% of the net profits of the Company calculated as per the provisions of the Companies Act, 1956. However, in case of loss or inadequacy of profits, the aforesaid remuneration shall be payable as the minimum remuneration in accordance with Schedule XIII and other applicable provisions of the Companies Act, 1956.

**5. General:**

- a. Perquisites shall be valued in terms of actual expenditure incurred by the Company in providing benefit to the employees. However, in cases where the actual amount of expenditure can not be ascertained with reasonable accuracy (including car provided for official and personal purposes and loans) the perquisites shall be as per the income tax rules.
- b. Mr. V. Srinivasa Rao, Whole-time Director, will not be entitled to any sitting fees for attending meetings of the Board or of any committee thereof.
- c. Mr. V. Srinivasa Rao, Whole-time Director, will be subject to all other service conditions as applicable to any other employee of the Company.

The resolution set out at item No. 7 of the accompanying notice together with explanatory statement are and should be read as abstract under Section 302 of the Companies Act, 1956. The draft agreement between the Company and Mr. V. Srinivasa Rao is available for inspection by the members at the registered office of the company between 10 00 a.m. and 12 Noon on any working day (except Saturday).

Disclosures in compliance of Schedule XIII of the Companies Act, 1956 are as follows:

**I. General Information**

- (1) Nature of Industry: Mass Data Processing, Publication of Directories and dissemination of information through print, Electronic and Voice media.
- (2) Date of commencement of commercial production: 21<sup>st</sup> January 1988.
- (3) Financial Performance based on given indicators: The Company recorded a turnover of Rs. 1458.97 lakhs for the Financial Year ended 31<sup>st</sup> December, 2009 as against the previous year's turnover of Rs. 2337.33 lakhs. The net loss after taxes is Rs. 370.43 lakhs as against the profit of Rs. 75.12 lakhs for the previous Financial Year.
- (4) Export performance and net foreign exchange collaborations: During the financial year ended 31<sup>st</sup> December, 2009, the Company continued to earn foreign exchange by licensing content to search engines.
- (5) Foreign Investments or collaborators, if any: Nil

**II. Information about the appointee:**

- (1) Background details: Mr. V. Srinivasa Rao, aged 53 years, is a Fellow member of the Institute of Company Secretaries of India and having an extensive experience in matters pertaining to Finance, Corporate and General Laws and Corporate Affairs. He had earlier held the position of Vice President (Corporate Affairs) and Company Secretary before being co-opted as a member on the Board of Directors of the Company. He has been in the company since 1989. He is not a Director of any other company.
- (2) Past remuneration: Rs. 90,000/- Per month + Gratuity - Half month's salary for each year of service + Personal accident and mediclaim policy insurance was limited upto Rs. 10,000 per annum and other perquisites as specified in the resolution