

24th Annual Report

2012-2013



BOARD OF DIRECTORS

Sir Natalino Duo	Chairman
Mr. Abhey Yograaj	Director
Dr. Madanmohan Rao	Director
Mr. Ashok Kumar Dhingra	Director
Mr. Ashok Mandore	Director
Mr. V. Srinivasa Rao	Managing Director

AUDITORS

M/s. Patankar & Associates
Chartered Accountants,
Firm Reg. No. 107628W
Office no. 19-23, 4th Floor, Goldwings,
S. No. 118/A, Plot No. 543, Parvati Nagar,
Sinhgad Road, Pune 411030

BANKERS

Canara Bank
Oriental Bank of Commerce

REGISTERED OFFICE

Hermes Heritage, (Phase-I), Commercial, Shastri Nagar,
Pune-Nagar Road, Pune-411006
Tel: 020-26603600

REGISTRAR AND TRANSFER AGENT

M/s. Bigshare Services Private Limited
E-2/3, Ansa Industrial Estate, Saki Vihar Road,
Saki Naka, Andheri (E), Mumbai-400072
Tel: 022-28470652

CONTENTS

Notice	2
Directors' Report	3
Auditors' Report	6
Balance Sheet	11
Statement of Profit and Loss	12
Notes	13

Notice

Notice is hereby given that the Twenty Fourth Annual General Meeting of Indiacom Limited will be held on Monday, 30th September, 2013 at 11.30 a.m. at Hermes Heritage, Phase I (Commercial), Shastri Nagar, 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 Statement of Profit and Loss for the financial year ended 31st March 2013 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 a director in place of Mr. Ashok Mandore, who retires by rotation and being eligible offers himself for re-appointment.
4. 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.

By Order of the Board of Directors of
Indiacom Limited

Dated: 31st August, 2013

V Srinivasa Rao
Managing Director

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) The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, 26th September, 2013 to Monday, 30th September, 2013, both days inclusive, for the purpose of Annual General Meeting.
- d) Members holding shares in physical mode are requested to notify the change in their address to the Company's Share Transfer Agent, 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.

DIRECTORS' REPORT

To the Members,
INDIACOM LIMITED,

Your Board of Directors present the Twenty Fourth Annual Report together with the Audited Statements of Accounts for the period ended 31st March, 2013.

FINANCIAL RESULTS

(Rs. In lacs)

Particulars	2012-13	2011-12
Turnover	641.04	569.11
Earnings before Finance Charges, Depreciation, and Amortization	157.28	84.37
Less: Finance Charges	64.30	78.80
Less: Depreciation and Amortisation	91.87	127.75
Profit/(loss) for the year	1.11	(122.18)

OPERATIONS

The turnover of the Company for period ended 31st March, 2013 has been Rs. 641.04 lacs as compared to Rs. 569.11 lacs for period ended 31st March, 2012. The Profit for the financial year 2012-13 has been Rs. 1.11 lacs as compared to Loss of Rs. 122.18 lacs for financial year 2011-12. The company is making efforts, to transit from its Traditional Print Publication business to a combined I.T. enabled Services and Digital media offering company. With the increased popularity and usage of Internet, Smart Mobile phones and Digital Media, the Information Service industry is leaning more towards online/mobile medium of dissemination and accessing of Information & Contents. The Company has entered into the digital media market this year with the launch its first mobile application. With its online offerings, data centric services and digital media products, the Company now has larger vision for sustainable growth and progress. In this context, your company continues its efforts to enlarge its Database and its contents.

Your Company continues to publish advertisements through Print media as its standalone annual yellow pages business directory. This is combined with online/digital media services to provide better return on investment to the advertising clients and also disseminate the information in a more cost effective way.

FUTURE OUTLOOK

Emerging Technology Trends in Digital and Online Media are constantly impacting the Local search market and the way local business information is being accessed through different devices/platforms. This has also had significant impact on the advertising spend of the Enterprises at all levels.

Financial year 2012-13 was challenging in terms of the transition of the company from its Traditional Print Publication business to an I.T. Service Company with Digital offerings. The ongoing transition has paved the way for the company to offer new products and services and stimulate growth with a newer focus and vision from now onwards. Your company management is in the process of reorganization and defining the focus areas with sustainable and profitable future prospects.

Your Company's ability to harness the growing market is also dependent on securing long term funds to invest in content & technology upgradation, enhancing organizational capability to handle newer projects. Your directors will continue making efforts in this regards.

DIVIDEND

As you are aware the Company has made a profit of Rs. 16.97/- per share of face value of Rs. 500/- each. In view of the working capital requirement of the Company, the Board of Directors recommends not to distribute any dividend for the year under review.

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.

PARTICULARS OF EMPLOYEES

There is no employee whose information is required to be provided as per Section 217(2A) of the Companies Act, 1956 read with The Companies (Particulars of Employees) Rules, 1975.

FIXED DEPOSIT

As on 31st March 2013, the Company did not hold any Non-Cumulative and Cumulative Fixed Deposit Accounts. However, out of the matured fixed deposits Rs. 0.92 Lac of deposits has remained unclaimed.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Abhey Yograj and Mr. Ashok Mandore, Directors, retire by rotation and being eligible offer themselves for re-appointment at the ensuing Annual General Meeting. Necessary resolutions in this behalf are being placed before the members for approval. With effect from 15th January, 2013 Mr. V Srinivasa Rao is appointed as the Managing Director of the company.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) Followed, in the preparation of the annual accounts for the financial period ended 31st March 2013, the applicable accounting standards along with proper explanation relating to material departures;
- b) Selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial period and of the profit of the company for that period;
- c) Taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) Prepared the annual accounts on a going concern basis.

AUDITORS AND STATEMENT IN THE AUDITORS' REPORT

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.

Regarding the statement of the Statutory Auditors in their Report on preparation of accounts on going concern basis, the Board of Directors would like to place on record that the Company's operations was impacted by the changes, affecting the traditional print media & the Telephone Directory backed directional media, across the world. However, measures taken in the areas of cost reduction, and focusing on high potential content licensing and integrated media services, have started yielding results. With the increased deployment of enriched Database for multipurposes i.e. Printed yellow & Digital pages including providing cost effective total coverage media solutions, the Management is hopeful of increasing the revenue and contribution. With the steps taken to generate revenues from newer streams, the Company hopes to consolidate further and grow. Hence, it has adopted the going concern basis, in the preparation of the financial Statements.

ACKNOWLEDGMENT

The Directors place on record their gratitude for the support extended to the Company by the Bankers and its Customers. Your Directors also wish to express gratitude to the Company employees for their committed services and to the shareholders for their understanding and co-operation.

For and on behalf of the Board of Directors

Date: 31st August, 2013

Natalino Duo
Chairman

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 financial year ended 31st March, 2013.

CONSERVATION OF ENERGY

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

TECHNOLOGY ABSORPTION

Not applicable

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earnings during the period under report was Rs. 1,35,11,915/- and Foreign Exchange outgo was NIL.

For and on behalf of the Board of Directors

Date: 31st August, 2013

Natalino Duo
Chairman

**Independent Auditors' report
To the Members of Indiacom Limited**

Report on the financial statements

We have audited the accompanying financial statements of Indiacom Limited ('the Company'), which comprise the Balance Sheet as at 31st March 2013 and the Statement of Profit and Loss of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the said financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2013; and
- ii. in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date

Auditor's Report to the Members of Indiacom Limited (Continued)

Emphasis of matter

We draw attention to Note No. 25 of accompanying financial statements regarding the financial results having been prepared on a going concern basis. The Company's accumulated losses have fully eroded the net worth of the Company. As on 31st March, 2013 the Company has a negative net worth and its current liabilities exceed the current asset by Rs. 4,17,00,594. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The ability of the Company to continue as going concern is dependent upon the Company's ability to successfully arrange adequate funding for its working capital requirements and to repay its loans when they fall due for repayment. However, for the reasons mentioned in the above referred note, the Company continues to adopt the going concern basis in preparing the financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - c. The Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of accounts.
 - d. In our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
 - e. On the basis of written representation received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Patankar & Associates,
Chartered Accountants,
Firm Reg. No. 107628W

Pune:
Dated: 31st August, 2013

S S Agrawal
Partner
Mem. No. 49051

ANNEXURE REFERRED TO THE INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INDIACOM LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013.

In term of the Companies (Auditors Report) Order, 2003, on the basis of information and explanation given to us and the books and records examined by us in the normal course of audit and such checks as we considered appropriate, to the best of our knowledge and belief, we state as under:

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.

Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.

2. The inventories were physically verified by the management at reasonable intervals during the year.

In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

In our opinion the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of inventories as compared to book records.

3. The Company has taken interest free unsecured loans from three parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year and the balance as at the year-end is Rs. 47,99,282. The terms and conditions on which the loans are taken are not prima-facie prejudicial to the interest of the Company. The Company is regular in repayment of principle.

The Company has not granted any loans to parties covered in the register maintained under Section 301 of the Companies Act, 1956.

4. In our opinion, there are generally adequate internal control procedures commensurate with the size of the Company and nature of its business for purchase of inventory and fixed assets and for sale of services. During the course of our audit, no major weakness has been noticed in the internal control systems in respect of these areas.
5. In our opinion, the transactions that need to be entered into the register maintained under section 301 have been so entered. In our opinion, professional services availed in pursuance of contract or arrangement entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding value of Rupees Five Lakhs, in respect any party during the year, no comparison of prices could be made available as these professional services are of special nature. There were no transaction of purchase of goods and materials, and sale of goods, materials and services with parties covered in the register maintained under Section 301 of the Companies Act, 1956.
6. In our opinion the Company has complied with the directives issued by the Reserve Bank of India and provisions of section 58A, 58AA and other relevant provisions of the Companies Act, 1956