

## Notice of AGM



**Creating Wealth**

IndiaCo Ventures Limited

Notice is hereby given that the 27<sup>th</sup> Annual General Meeting of the Members of IndiaCo Ventures Limited Company will be held on Friday, the 24<sup>th</sup> September, 2010 at Sayaji Hotel, Mumbai-Bangalore Bypass Highway, Wakad, Pune – 411057 at 10.00 A.M. to transact the following business:

**A. ORDINARY BUSINESS:**

1. To receive, consider and adopt Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2010 and Profit & Loss Account for the year ended on that date along with the Reports of the Auditors and Directors thereon.
2. To appoint a director in place of Mr. Pradip Dubhashi, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Mr. Rahul Rathi, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s S. J. Agrawal & Associates, Chartered Accountants, the retiring Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

**B. SPECIAL BUSINESS**

**5. RE-APPOINTMENT OF MR. DHANANJAY BENDRE AS EXECUTIVE DIRECTOR:**

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

“**RESOLVED THAT** pursuant to provisions of sec. 198, 269, and all other applicable provisions, if any of the Companies Act 1956, read with Schedule XIII thereto, the re-appointment and remuneration payable to Mr. Dhananjay Bendre, as an Executive Director of the Company, for a period of three years effective from September 24, 2010, on the terms and conditions contained in the draft agreement and given in the Explanatory Statement, on the remuneration by way of salary, commission and perquisites as contained in the Agreement (a Draft of which is open for inspection and for the purposes of identification initialed by the Chairman thereof), be and is hereby approved.”

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to vary, alter or modify the different components of the above- stated remuneration as may be agreed to by the Board of Directors and Mr. Dhananjay Bendre.”

**6. APPOINTMENT OF MR. SHYAM IYER AS EXECUTIVE DIRECTOR:**

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

“**RESOLVED THAT** pursuant to provisions of sec. 198, 269, and all other applicable provisions, if any of the Companies Act 1956, read with Schedule XIII thereto, the re-appointment and remuneration payable to Mr. Shyam Iyer, as an Executive Director of the Company, for a period of three years effective from September 24, 2010, on the terms and conditions contained in the draft agreement and given in the Explanatory Statement, on the remuneration by way of salary, commission and perquisites as contained in the Agreement (a Draft of which is open for inspection and for the purposes of identification initialed by the Chairman thereof), be and is hereby approved;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to vary, alter or modify the different components of the above- stated remuneration as may be agreed to by the Board of Directors and Mr. Shyam Iyer.”

**7. APPROVAL FOR PREFERENTIAL ALLOTMENT:**

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

**“RESOLVED THAT** pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment to or re- enactment thereof) and in accordance with the existing Preferential Issue Guidelines issued by the Securities and Exchange Board of India (“SEBI”) contained in Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009 (the “Regulations”) and subject to all necessary approvals, consents, permissions and/ or sanctions of the Government of India, Reserve Bank of India, Foreign Investment Promotion Board, Secretariat of Industrial Approvals under the Foreign Exchange Management Act, 1999 (including any statutory modification or re- enactment thereof, for the time being in force) and other applicable laws, and enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed, and subject to such terms and conditions as may be determined by the Board of Directors of the Company (hereinafter referred to as 'the Board' which expression shall include any committee constituted for the time being, thereof) and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, consents, permissions or sanctions and agreed to by the Board, the consent and approval of the Company be and is hereby accorded to board and the Board be and is hereby authorized to offer, issue for cash and allot on a preferential basis 500,000 Equity shares of the face value of Rs. 2/- each at an issue price of Rs. 65/- each for cash aggregating to Rs. 3,25,00,000 (Rupees Three Crores Twenty Five lakh) on such terms and conditions including conditions as to dividend, premium, conversion, etc. as the Board may, in its absolute discretion, deem fit and in accordance with the Articles of Association of the Company to:

● **Mr. Brian Brown (Non- promoter)**

**FURTHER RESOLVED THAT** the above mentioned equity shares of the Company, of the face value of Rs. 2/- each shall be offered to the above mentioned person on the following terms and conditions:

The equity shares to be issued & allotted to the above mentioned person shall be locked in for a total period of 1 (One) year from the date of the allotment of the equity shares to the proposed allottee.

The Relevant Date for the purpose of determining the price of the shares in accordance with the SEBI ICDR Regulations shall be the 30<sup>th</sup> day prior to the date of the Annual General Meeting for approving the allotment of equity shares.

The allotment of shares shall be completed within a period of 15 (fifteen) days from 24<sup>th</sup> September, 2010 i.e. the date of the Annual General Meeting provided that where the allotment is pending on account of pendency of any approval from SEBI, RBI, Stock Exchange or any other governmental or regulatory authority, the allotment shall be completed by the Company within a period of 15 (fifteen) days from the date of such approvals.

The details of all monies utilized out of the preferential issue proceeds shall be disclosed under an appropriate head in the balance sheet and or Directors' Report of the Company, indicating the purposes for which such monies have been utilized and that details of the unutilized monies shall also be disclosed under a separate head in the balance sheet of the Company indicating the form in which such unutilized monies have been invested.

**FURTHER RESOLVED THAT** the share certificates for 5,00,000 Equity shares shall be issued in physical form to the respective holders of equity shares and will be signed by two directors of the company and an authorized signatory and that the Common Seal of the Company be affixed in presence of the above said Directors and the authorized signatory of the Company;

**FURTHER RESOLVED THAT** the equity shares so issued shall upon allotment have the same rights of voting as the existing equity shares and be treated for all other purposes pari passu with the existing equity shares of the Company and that the equity shares so allotted, shall be entitled to the dividend declared, if any, including any other corporate benefits;

**FURTHER RESOLVED THAT** a certificate from Statutory Auditors' of the Company shall be obtained to the effect that the proposed issue of equity shares to the above mentioned allottee is in accordance with the SEBI (ICDR) Regulations relating to the preferential issue and such certificate shall be available at the registered office of the Company for inspection of the shareholders of the Company;

**FURTHER RESOLVED THAT** for the purpose of giving effect to the above resolution, Mr. Rahul Patwardhan, Director be and is hereby authorized to agree and accept all such condition(s), modification(s) and alteration(s) as may be stipulated by any relevant authorities while according approval or consent to the issue as may be considered necessary, proper or expedient and give effect to such modifications(s) and to resolve and settle all question, difficulties or doubts that may arise in regard to such issue and allotment and to do all acts, deeds and things in connection therewith and incidental thereto without being required to seek any further consent or approval of the members of the Company to the extent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution;

**FURTHER RESOLVED THAT** Ms. Deepti Dhebane, Company Secretary of the Company be and is hereby authorized to file the requisite documents with the RBI/ ROC/ Stock Exchange(s)/ SEBI/ FIPB and such other authorities, as may be required, and to do all such acts, matters, deeds and things and execute such documents in writing as they think fit for giving effect to the aforesaid resolution.

**Registered Office:**

IndiaCo Center, 4th Floor, Symphony,  
S. No. 210 A/1, Range Hills Road, Shivaji Nagar,  
Pune- 411 020, Maharashtra, India  
e-mail: [info@indiaco.com](mailto:info@indiaco.com)  
Pune  
Date: 27.08.10

**By Order of the Board for IndiaCo Ventures Limited**

sd/-  
Deepti Dhebane  
Company Secretary

**NOTES:**

1. The relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item no. of the notice set out above is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED HEREWITH AND, IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE COMMENCEMENT OF 27<sup>TH</sup> ANNUAL GENERAL MEETING.
3. The Share Transfer Books and Register of Members of the Company will remain closed from 20.09.10 to 24.09.10 (both days inclusive) for the Annual General Meeting.
  - a) Members holding shares in physical form are requested to notify/ send the following to the Registrar & Transfer Agent of the Company MONDKAR COMPUTERS PRIVATE LIMITED, 21, SHAKIL NIWAS, OPP. SATYA SAIBABA TEMPLE, MAHAKALI CAVES ROAD, ANDHERI (E), MUMBAI- 400093:-
    - i. any change in their address/ e-mail id/ ECS mandate/ bank details;
    - ii. particulars of their bank account, in case the same have not been sent earlier; and
    - iii. share certificate(s), held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholding into one account.
  - b) Members holding shares in the dematerialized form are requested to notify all changes with respect to their address, email id, ECS mandate and bank details to their Depository Participant.
4. The Shareholders/ Proxies are requested to produce at the Registration Counter, the attached attendance slip, duly completed and signed, for admission to the meeting hall. Photocopies of Attendance Slip will not be entertained for issuing Gate Pass for attending Annual General Meeting. However, in case of non- receipt of Notice of Annual General Meeting, members are requested to write to the Company at its registered office for issuing the duplicate of the same.
  - a) Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the board resolution authorizing their representatives to attend and vote on their behalf at the meeting.
  - b) All the documents referred to in the accompanying notice and explanatory statements are open for inspection at the registered office of the Company on all working days between 11.00 a.m. to 1.00 p.m. up to the date of Annual General Meeting.
  - c) Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to submit to the Registrar & Transfer Agents of the Company the prescribed Form 2B.

**REQUEST TO MEMBERS**

Members desirous of getting any information/ clarification on the Accounts and operations of the Company or intending to raise any query are requested to forward the same at least 10 days in advance of the meeting to the Company Secretary so as the same may be attended appropriately.

Members are requested to bring their copies of Annual Report, as the same shall not be distributed at the meeting.

## EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

### Item No. 5:

The appointment is subject to the approval of members. The terms and conditions of his appointment are as follows:

1. Period of appointment: Three years beginning September 24, 2010 and ending on September 24, 2013.
2. Details of Remuneration: As provided in the resolution.
3. The agreement executed between the Company and Mr. Dhananjay Bendre, may be terminated by either party by giving one month notice in writing of such termination.
4. Mr. Dhananjay Bendre shall perform such duties as shall from time to time be entrusted to him, subject to the superintendence, guidance and control of the Board of Directors and he shall perform such other by the Board of Directors and he shall perform such other duties as shall from time to time be entrusted to him by the Board of Directors and/ or the Managing Director.

The resolution seeks the approval of the members in terms of Section 269 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 for the appointment of Mr. Dhananjay Bendre as the Executive director of the Company for a period of three years commencing on September 24, 2010.

### Statement as per Schedule XIII:

#### I. GENERAL INFORMATION:

- 1) Nature of Industry: Financial Services Industry

#### II. INFORMATION ABOUT THE APPOINTEE:

- 1) Background details: B.Sc., MBA with over 23 years experience in various roles and various organizations, experience developing product strategies and services internationally; He has developed networks, strategic Partnerships, Business planning, Channel Development, BPO, software outsourcing, Investments and in Mergers & acquisitions. He has built and developed businesses in diverse industry verticals such as Finance, Banking, Construction, Government, Municipal Corporations, FMCG, Pharmaceutical, for Medium scale organizations/large corporations across the globe. He completed his Bachelors in Science and Masters in Business Administration (Marketing).
- 2) Past remuneration: Rs.1,92,000/- per month
- 3) Recognition or awards: Several Recognitions from National and International bodies.
- 4) Job profile and his suitability: He has built several startup companies and has experience to manage large teams of over 200 employees, and achieving revenue targets. His past experience in M&A, Investment banking, global network, and leadership qualities would help Indiaco to scale up to Global Financial Company in near future.
- 5) Remuneration proposed: Rs. 1,92,000/- per month plus bonus & ESOP as per company rules.
- 6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person: The remuneration proposed is in line with Industry standards.
- 7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: No relationship with Management or with any individual working with the company. He is purely identified as professional to help company scale up its operations

#### III. OTHER INFORMATION:

- 1) Reasons of loss or inadequate profits:  
The company has not been able to generate sufficient revenues to cover the operational expenses. The company operates in an industry where the expenses occur on a regular basis but the revenues depend on the maturity of the investments. The company hopes to generate profits in the long term from the investments made.
- 2) Steps taken or proposed to be taken improvement:  
The company has recruited some key experienced employees and is actively pursuing activities such as Investment Banking, Advisory Services etc. to be able to recover the expenses on an ongoing basis.
- 3) Expected increase in business and profits in measurable terms:  
The company is actively pursuing investment opportunities from which the company expects to generate long term profits. Although the same cannot be quantified at this moment, the company expects to double its revenues by the next year.

#### IV. DISCLOSURES:

##### 1) Remuneration package.

1. Salary per month: Rs. 1,92,000/-
2. Bonus: As per company rules
3. Company Performance linked incentive: As per company rules
4. Individual performance linked incentive: As per company rules
5. Perquisites and allowances: As per company rules
  - a) Medical reimbursement/ allowance
  - b) Leave travel concession/ allowance
  - c) Club fees
  - d) Provision for driver/ driver's salary allowance
  - e) Personal accident insurance: As per the Company rules.
6. Other benefits: As per company rules
  - a) Earned/ privilege leave: As per the rules of the Company.
  - b) Encashment of leave: As per the rules of the Company.
  - c) Company car and telephone: Use of the Company's car and telephone at the residence for official purposes, as per the rules of the Company;

None of the Directors except Mr. Dhananjay Bendre is concerned or interested in this resolution.

The copy of abovementioned agreement is available for inspection at the registered office of the Company during the working hours between 10 A.M. to 5 P.M., except on public holiday.

#### Item No. 6:

The appointment is subject to the approval of members. The terms and conditions of his appointment are as follows:

1. Period of appointment: Three years beginning September 24, 2010 and ending on September 24, 2013.
2. Details of Remuneration: As provided in the resolution.
3. The agreement executed between the Company and Mr. Shyam Iyer, may be terminated by either party by giving one month notice in writing of such termination.
4. Mr. Shyam Iyer shall perform such duties as shall from time to time be entrusted to him, subject to the superintendence, guidance and control of the Board of Directors and he shall perform such other by the Board of Directors and he shall perform such other duties as shall from time to time be entrusted to him by the Board of Directors and/or the Managing Director.

The resolution seeks the approval of the members in terms of Section 269 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 for the appointment of Mr. Shyam Iyer as the Executive director of the Company for a period of three years commencing on September 24, 2010.

#### Statement as per Schedule XIII:

##### I. GENERAL INFORMATION:

- 1) Nature of Industry: Financial Services Industry

## II. INFORMATION ABOUT THE APPOINTEE:

- 1) Background details: Shyam Iyer holds a bachelor degree in Mechanical Engineering and an MBA in Finance both from India. His other qualifications include Series 7 (NYSE), Series 3 (NYSE), CAIIB London, CIB INDIA. In 1993 he left India and went on to work with Merrill Lynch International initially in London and thereafter in Dubai from 1994 to 2000 as a Private Banker responsible for the Middle East and South Asia region. He managed in excess of USD300 Million of client assets investing primarily in the global bond and equity markets. He has extensive knowledge of various global instruments including derivatives, options, futures, foreign exchange etc. In his stint at Merrill Lynch he also did a number of cross border GDR issues listed in New York, London and Luxembourg.
- 2) Past remuneration: Rs.75,000/- per month.
- 3) Job profile and his suitability: Over his 22 year career, Shyam Iyer has acquired extensive knowledge as well as contacts across Europe and Asia related to Investment Banking. He currently has strategic partners based in Mumbai, Hong Kong and London with whom he works on cross border deals.  
He has also served as an advisor/director in several companies with varied responsibilities in relation to activities encompassing Corporate Finance Advisory (both Debt & Equity), Mergers & Acquisitions and Private Equity.
- 4) Remuneration proposed: Rs. 1,50,000/- per month plus bonus & ESOP as per company rules.
- 5) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person: The remuneration proposed is in line with Industry standards.
- 6) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: No relationship with Management or with any individual working with the company. He is purely identified as professional to help company scale up its operations.

## III. OTHER INFORMATION:

- 1) Reasons of loss or inadequate profits:  
The company has not been able to generate sufficient revenues to cover the operational expenses. The company operates in an industry where the expenses occur on a regular basis but the revenues depend on the maturity of the investments. The company hopes to generate profits in the long term from the investments made.
- 2) Steps taken or proposed to be taken improvement:  
The company has recruited some key experienced employees and is actively pursuing activities such as Investment Banking, Advisory Services etc. to be able to recover the expenses on an ongoing basis.
- 3) Expected increase in business and profits in measurable terms:  
The company is actively pursuing investment opportunities from which the company expects to generate long term profits. Although the same cannot be quantified at this moment, the company expects to double its revenues by the next year.

## IV. DISCLOSURES:

### 1) Remuneration package.

1. Salary per month: Rs. 1,50,000/-
2. Bonus: As per company rules
3. Company Performance linked incentive: As per company rules
4. Individual performance linked incentive: As per company rules
5. Perquisites and allowances: As per company rules
  - a) Medical reimbursement/ allowance
  - b) Leave travel concession/ allowance
  - c) Club fees
  - d) Provision for driver/ driver's salary allowance
  - e) Personal accident insurance: As per the Company rules.
6. Other benefits: As per company rules
  - a) Earned/ privilege leave: As per the rules of the Company.
  - b) Encashment of leave: As per the rules of the Company.
  - c) Company car and telephone: Use of the Company's car and telephone at the residence for official purposes, as per the rules of the Company;

None of the Directors except Mr. Shyam Iyer is concerned or interested in this resolution.

The copy of abovementioned agreement is available for inspection at the registered office of the Company during the working hours between 10 A.M. to 5 P.M., except on public holiday.

**Item No. 7:**

The Company has embarked on an ambitious growth plan for the near future. The Company shall be investing in new ventures and shall also participate in supporting other Companies/ Ventures in their growth plans through consultancy and financial assistance. The Company would thus require long term resources to achieve the same. It is proposed to authorize Board of Directors to issue Equity Shares by way of private placement to the investors.

The Board proposes to issue on a preferential basis, for cash consideration, in terms of the Regulations 5,00,000 Equity shares of the face value of Rs. 2/- each at an issue price of Rs. 65/- each for cash aggregating to Rs. 3,25,00,000 (Rupees Three Crores Twenty Five lakh) to Mr. Brian Brown on such terms and conditions as to dividend, premium, conversion, etc. as the Board may, in its absolute discretion, deem fit and in accordance with the Articles of Association of the Company.

The present resolution is proposed to be passed in order to enable the Board of Directors of the Company make the above mentioned preferential issue and allotment of shares.

The following disclosure is made for the preferential issue of equity shares in accordance with the provisions of Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009.

**(i) OBJECTS OF THE ISSUE:**

The Company has embarked on an ambitious growth plan for the near future. The Company shall be investing in new ventures and shall also participate in supporting other Companies/ Ventures in their growth plans through consultancy and financial assistance. The Company would thus require long term resources to achieve the same.

**(ii) INTENTION OF THE PROMOTERS/ DIRECTORS/ KEY MANAGEMENT PERSONS TO SUBSCRIBE TO THE OFFER:**

None of the Promoter Companies intends to subscribe to this proposed issue.

**Change in Control:**

The Promoters of the Company will continue to be in control of the Company and there will not be any change in the management/ control of the Company as a result of the proposed preferential allotment. As a result of the preferential allotment, there shall be no change in the Board of Directors of the Company.



**(I) SHAREHOLDING PATTERN OF THE COMPANY BEFORE AND AFTER THE PROPOSED ISSUE:**

	Category	Pre Issue Holding (as on 27.08.10 - date of notice)		Post Issue Holding	
		No. of Shares	% Holding	No. of Shares	% Holding
A	Promoter's Holding				
1	Promoters				
	- Indian Promoters	7342000	39.61	7342000	38.57
	Sub- total	7342000	39.61	7342000	38.57
B	Non Promoter Holding				
2	Institutional Investors	-	-	-	-
a	Mutual Funds and UTI	-	-	-	-
b	Companies (Central/ State Govt.)	-	-	-	-
c	Foreign Investors	593960	3.20	1093960	5.75
	Sub- total	593960	3.20	1093960	5.75
3	Others				
a	Private Corporate Bodies	5627447	30.36	5627447	29.56
b	Indian Public	2341195	12.63	1632085	12.30
c	NRI/ OCB	477418	2.58	477418	2.51
d	Directors & Relative/ Clearing Members	2152815	11.62	2152815	11.31
	Sub- total	10598875	57.19	10598875	55.68
	<b>Grand Total</b>	<b>18534835</b>	<b>100</b>	<b>19034835</b>	<b>100</b>

**(ii) LOCK IN REQUIREMENT:**

The equity shares to be issued to the investors shall be locked in for a period of 1 year from its date of allotment as prescribed under SEBI (Disclosure & Investor Protection) Guidelines, 2000, as amended from time to time.

In addition to the above, the entire pre- preferential shareholding of the proposed allottees, if any, shall be locked- in from the Relevant date up to a period of 6 months from the date preferential allotment.

**(iii) PROPOSED TIME WITHIN WHICH ALLOTMENT WILL BE COMPLETED:**

The Company will complete the allotment of Warrants within a period of 15 days from the date of declaration of the result of postal ballot or where the allotment on preferential basis requires any approval by any regulatory authority or Central Government, the allotment of shares will be completed within 15 days from the date of such approval.

**(iv) IDENTITY OF ALLOTTEE:**

Mr. Brian Brown is the allottee to whom equity shares are proposed to be allotted on a preferential basis. The number of shares and percentage of holding by the proposed allottees prior to and after the proposed issue is as under:

Name of the proposed Allottees	Pre- issue equity shareholding		Post- issue equity shareholding	
	No. of Shares	% Holding	No. of Shares	% Holding
Mr. Brian Brown	Nil	Nil	5,00,000	2.63

**(v) PRICING OF THE EQUITY SHARES:**

The conversion of aforesaid warrants shall be at a price not less than the higher of the following in terms of Guidelines for preferential issues as amended from time to time:-

- (i) The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during the six months preceding the relevant date: or
- (ii) The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during the two weeks preceding the relevant date.

**Explanation:**

- (i) **Relevant date** for the purpose of this clause means the date thirty days prior to the date of Annual general meeting, in terms of Section 81 (1A) of the Companies Act, 1956, to consider the proposed issue.
- (ii) **Stock Exchange** for the purpose of this clause means any of the recognized stock exchanges in which the shares are listed and in which the highest trading volume in respect of shares of the Company has been recorded during the preceding six months prior to the relevant date, in the present case, the Bombay Stock Exchange Limited.

None of the Directors of your Company is interested in this resolution except to the extent of his shareholding in the Company.

The Directors recommend this Resolution under Item No. 7 for your consideration.

**Registered Office:**

IndiaCo Center, 4th Floor, Symphony,  
S. No. 210 A/1, Range Hills Road, Shivaji Nagar,  
Pune- 411 020, Maharashtra, India  
e-mail: [info@indiaco.com](mailto:info@indiaco.com)  
Pune  
Date: 27.08.10

**By Order of the Board for IndiaCo Ventures Limited**

sd/-  
Deepti Dhebane  
Company Secretary

**INDIACO VENTURES LIMITED**  
**Regd. Office: 4TH FLOOR, SYMPHONY, S. NO 210 A/1,**  
**RANGE HILLS ROAD, SHIVAJINAGAR, PUNE- 411020**

**ATTENDANCE SLIP**

Ledger Folio No.: ..... No. of shares held: .....

Name: .....

Address of shareholder: .....  
.....

Whether entitled to vote:

- a) No. of votes in person.....
- b) No. of votes by proxy: .....
- c) No. of votes as duly authorised representative.....

Name of Proxy/ authorised representative and his folio No.: .....

Place: .....

Date: .....

Signature of Shareholder

- Note: 1. Shareholders are requested to present this slip, duly filled in and signed, at the time of attending the meeting.  
2. In case a shareholder is attending the meeting by proxy, he is requested to handover this slip to the proxy, duly filled in and signed.

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**INDIACO VENTURES LIMITED**  
**Regd. Office: 4TH FLOOR, SYMPHONY, S. NO 210 A/1,**  
**RANGE HILLS ROAD, SHIVAJINAGAR**  
**PUNE – 411020**

**PROXY**

I/We ..... of .....  
being (a) shareholder(s) of IndiaCo Ventures Limited , holding share(s) No.(s) .....  
..... on the share register, do hereby appoint  
..... of ..... in the district of .....  
..... (or failing him ..... L/F N. .... of .....)  
as my/our proxy to vote for me/ us and on my/our behalf at the meeting of the shareholders of the IndiaCo Ventures Limited to be held at the 27<sup>th</sup> ANNUAL GENERAL MEETING of the Company to be held on Friday 24<sup>th</sup> September, 2010 at Sayaji Hotel, Mumbai-Bangalore Bypass Highway, Wakad, Pune – 411057 on and at any adjournment thereof.

Signed this ..... day of .....2010.

Signature .....

- Note: 1. Proxy duly executed and stamped should be deposited with Regd. Office of the company not less than 48 hours before the date of meeting.  
2. Re. 1/- Revenue Stamp should be affixed to this and it should then be signed by the shareholder.  
3. The shareholders may choose to vote differently for his entire holding & may vote against or for the resolution in the notice.  
4. Incomplete form in any manner will be liable to be rejected.

Affix Re. 1/- Revenue Stamp
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Creating Wealth...

#### **STATUTORY AUDITORS**

S.J. Agrawal & Associates,  
Chartered Accountants

#### **BANKERS**

Citibank, N.A. ● Royal Bank of Scotland ● HDFC Bank ● IDBI Bank

#### **REGISTRAR & TRANSFER AGENTS**

M/s Mondkar Computers Private Limited  
21, Shakil Niwas, Opp. Satya Saibaba Temple,  
Mahakali Caves Road, Andheri (E), Mumbai-400093  
Tel# (022) 28366620  
E-mail: [mondkar\\_computers@rediffmail.com](mailto:mondkar_computers@rediffmail.com)

#### **REGISTERED OFFICE**

IndiaCo Center, 4th Floor, Symphony, S. No. 210A/1, Range Hills Road, Shivaji Nagar, Pune- 411 020, Maharashtra, India Tele No.:  
+91-20- 25560254/ 25560264, Fax: +91-20-25560243

Website: [www.indiaco.com](http://www.indiaco.com) and [www.indianano.com](http://www.indianano.com)

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**Dear Shareholders,**

I would like to extend a warm welcome to all of you on your company's 27th Annual General Meeting. I thank you sincerely for your support and conviction in your company. The annual report contains audited accounts and director's report, which are available for you to review.

### **Company Performance: Financial Year 2009-2010**

It is now a start of global journey where your company's approach to growth and strategy is about combining innovation with scale. The year gone by has seen us achieve several milestones.

I am happy to report some of the highlights of your company's exceptionally strong operational performance during the year 2009-10

The year was active and challenging for your company. In spite of deteriorating market conditions and overall volatile environment, your company has successfully moved forth with its growth initiatives, demonstrating its inherent strength and stability. Your company recorded an operating profit of INR 31.29 million not withstanding the economic slow down witnessed globally. The company achieved earnings per share of INR1.56 and the profit after tax (PAT) of INR 26.73 million.

For the benefit of our new shareholders, I wish to explain the nature of business of your company. Your company is in the business of Private Equity investments, where the growth of top line and bottom line does not determine the benchmark and is not a criterion of progress. It will be your company's endeavor to show-case the progress of its investments, in certain cases your company will provide a complete report termed as "natural parameters of investment". In this report, your company will benchmark each investment on a set of fundamental and static criteria, which would then be measured on a yearly and quarterly basis.

This will provide all stake holders a transparent overview of your company's investment operations.

I would also like to mention that your company has always been and will be transparent which means your company will disclose the good news and the bad news in the same manner.

### Highlights 2009-2010

#### Private Equity – IndiaCo India Fund (IIF)

Your company is now launching its first third party private equity fund, IndiaCo India Fund ('IIF' or 'the Fund') which will be sponsored and advised by your company. When the market sentiment changed during the peak of the financial crisis, we had to inadvertently delay some of the growth initiatives that your company had planned. The financial crisis last year was quite severe and given the current global market conditions, your company had decided to defer the launch of the Private Equity fund to 2009-2010. The investment mood has significantly changed since the credit crisis last year and the investment mood seems to have regained momentum. Your Company plans to launch the fund in this financial year, we will report on the progress in the coming quarters.

#### The fund will focus on the following sectors identified by the Strategic Group:

Telecom Tower O&M and Value Added Services ('VAS')  
Energy Saving Companies  
Healthcare  
Domestic consumption driven sectors/companies  
Infrastructure Ancillaries  
Information Technology ('IT') & IT Enabled Services ('ITES')

#### IndiaCo Telecom Pvt. Ltd.

IndiaCo Telecom Pvt. Limited (ITPL) is a subsidiary of IndiaCo Ventures Limited. IndiaCo Telecom has been formed as a special purpose vehicle focusing on investing in companies manufacturing telecom infrastructure hardware products (e.g. antennas, couplers, VoIP products and handsets), telecom infrastructure products and services (e.g. operation & maintenance and software applications and mobile content, m-commerce, application development, and content delivery platforms). Your company has already invested in two companies and considering further investment in 3-4 potential opportunities.

#### New Initiatives - Energy

Your company had identified clean energy and healthcare as two potential sectors and intends to create special purpose vehicles for these investments, under the clean tech initiative; IndiaCo was in the process of identifying target companies. Your company has access to the technologies in bio-fuels, wind energy, fuel cells, and solar photo-voltaic, amongst other domains. IndiaCo is looking at exploring the niche areas with untapped growth potential instead of run of the mill sectors pursued by other investors. Depending on the market outlook in FY 2009-10, your company will decide to launch the Clean Energy initiative, your company will be launching a niche area in the clean energy space, we plan to set forth an Energy Efficiency Fund this year, we will report on the progress in the coming quarters.

#### The Academic Bridge Program - "Innovate with IndiaCo"

This initiative under your company is to promote development and entrepreneurial spirit in India. The intent is to facilitate exchange of resources between the entrepreneurs, academic community and investors, for the purpose of innovation, invention, and creating sustainable business enterprises. This program helps your company create an ecosystem that churn out investment opportunities for IndiaCo and assists your company extend its reach within investor and academic circles. Your company sponsored several business plan competitions and learning programs through this initiative.

#### Support to Business plan competitions

- Entrepreneurs in their graduate level MBA's have been launching their companies using Thammasat Asia Moot Corp (TUAMC) as a springboard toward success. Your company was called by Asia Moot Corp to judge the final round.
- Mentor Edge is an initiative by Mentors and Experts across India to provide hand-holding, mentoring and networking support to aspiring entrepreneurs. It was initiated by Centre for Innovation Incubation and Entrepreneurship (CIIE) in October 2009. Entrepreneurs and professionals with significant experience, knowledge and ability to add value to start-up/ entrepreneur



are mentors here. I, as a representative of your company have been selected as a mentor to Advice on strategic and operational issues across areas like business planning, marketing strategy, fund raising; scale up plans and other start-up related issues and Access to funds (debt or equity).

- Your company supported Indira Innovate – a business plan competition for budding entrepreneurs. Indira business schools provides 'Management education in a corporate environment'

### **Mentoring**

- Indian School of Business has a five-year investment plan along with Goldman Sachs to provide 10,000 underserved women around the world with a business and management education. Your company was a part of this program as a mentor along with interaction with the students of Indian School of Business about the feasibility of business plans in the real world.
- Symbiosis Centre for Management and HRD organized the regional round of Lock, Stock & Trade, a unique entrepreneurship event, an initiative of National Entrepreneurship Network and SPJIMR, where your company acted as a mentor to educate the students about the opportunities and ways to implement the same.
- The Tata Nen Hottest Startup Awards are a result of the combined efforts of Tata and the National Entrepreneurship Network (NEN), a non-profit organization, and India's leader in entrepreneurship education, where your company has a strong presence in the expert panel to provide guidance and mentorship

### **Strategic Initiatives**

IndiaCo has several new partnerships this year and we continue to build new relationships for the current year, I am happy to report the following:

#### **IndiaCo Ventures' MoU with CTI-PFAN**

Launch CTI PFAN and your company will work together towards the promotion of energy efficiency technologies and companies in India. Your company signed an agreement with Bangkok-based CTI-PFAN to work together towards the promotion of energy efficiency technologies and companies in India. The Private Financing Advisory Network (CTI PFAN) is a multilateral public-private partnership that nurtures promising, innovating clean and renewable energy projects by bridging the gap between investors and clean energy entrepreneurs and project developers

#### **IndiaCo a part of Grow VC's Virtual VC Co-investment Fund**

Your Company is the first partner to join the fund and participate in the concept and this will pave the way for other VC's to join the fund. The early stage startups space in India is an extremely exciting one and the virtual fund would open doors for VC's to be a part of this promising market which has tremendous talent and potential given they get access to better funding options.

#### **Knowledge Management – ArthashastraTM**

Your company believes in strong processes, to this effect; it has deployed knowledge management systems with a single purpose that all information, learning and knowledge gained by the company should be available to all members of the team.

The “IC Knowledge Milestones and Systems (ArthashastraTM)” is a proprietary data mining and reporting tool to analyze and synthesize companies, technologies, funds and other relationships that your company works with. This system is based on a dynamic mechanism that allows effective communication between portfolio companies and exploration of new potential investment opportunities in a secure environment.

#### **Team IndiaCo**

The team at IndiaCo comprises of experienced entrepreneurs and executives who work toward the common goal of “Creating Wealth” for the shareholders. We are always looking for entrepreneurial talent combined with strong academic background to enrich the IndiaCo team.

### Acknowledgments

I would like to take this opportunity to thank all our esteemed customers, institutional funds, clients, investee companies, for their continued support, IndiaCo has the ability to change with the times, and the entrepreneurial drive to implement these changes at a rapid pace. I am, therefore, confident that your company will come out as a much stronger and better diversified global entity in the near future.

My thanks to the employees of your company for the outstanding work that they have done in an extremely difficult year and to you for your continued support.

I would like to extend a warm welcome to all of you on your company's 27th Annual General Meeting. I thank you sincerely for your support and conviction. The annual report contains the audited accounts and Director's report, which are available for you to review and scrutinize. I will be sharing the highlights of your company's performance in the past year.

My profound gratitude to all share owners for your support and patronage.

Sincerely,

**Rahul Patwardhan**  
Vice-Chairman & Managing Director  
IndiaCo Ventures Limited



In the past year, the global economy witnessed a major recovery in business and is on course to regaining lost ground in terms of volumes. India has been a major beneficiary of this recovery due to increased global consumption demand. India may have been partially insulated from the past meltdown; however it has not remained unscathed. We have been faced with innumerable challenges including waning consumption demand, downtrend in industrial production, slowing services sector growth, mounting stress on external balance, unemployment, etc.

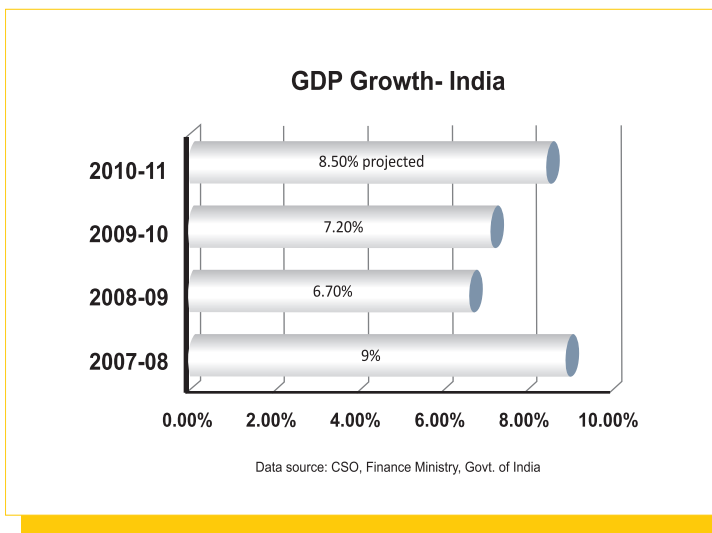
We believe that risk appetite has returned into the markets which has led to the improvement in the equity markets and capital markets have re-opened.

As the economic pace is picking up, global commodity prices have staged a comeback from lows and global trade has also seen a decent growth over the last two years. Unprecedented Government intervention and exceptionally large interest rate cuts by the central bank in advanced and emerging economies have contributed a lot to pull the global economy up from the deepest recession since the World War II. Several Governments around the world launched stimulus packages to prop up the economic growth, generate employment opportunities and triggered the overall economic growth with the aim to reduce uncertainty in the economy and increased confidence. To finance the stimulus packages, Indian Government has raised over \$100 billion over the last four quarters in a way to finance the stimulus package.

However, the Euro debt crisis especially in Greece, Spain, and Ireland towards the end of the fiscal year has again created doubts of another subprime bubble disrupting the global recovery.

It is expected that the economy will continue to pick up in the medium to long term period. India, equipped with inherent strong macro-economic fundamentals continues to grow faster than most emerging and developed economies and continues to pull investors from across the globe. This coupled with the presence of a young demographic profile, large domestic population and high marginal propensity to consume contributes towards shortening the length and severity of the current slowdown and a faster revival.

## INDIAN ECONOMY GDP Growth



As per the advance estimates of GDP for 2009-10 released by the Central Statistical Organisation (CSO), the economy is expected to grow more than 8% per cent in 2010-11, with the industrial and the service sectors growing at 8.2 and 8.7 per cent respectively. Current fiscal year has seen wide fluctuations in the macro parameters e.g. inflation, bank rates, oil prices, gold prices and revisions in economic growth rates. After three years of continued growth fiscal year 2009-10 reported a growth rate of 7.60% against the projected growth of 8.50%, which is the lowest growth in last five years. With the elections reinforcing the stable government there was renewed confidence among investors in India. With the elections reinforcing the stable government there was renewed confidence among investors in India.

## Inflation & Monetary Policy

The fiscal year has witnessed volatile fluctuations in inflation rates. It ranged from 11.50%-12% in the first half of the year to 5%-6% at the end of the year. The RBI plans to come out with solutions to such wide ranging economic fluctuations through its monetary policy. Initially, to tighten the liquidity in the market, RBI reduced the bank rate and put restrictions on lending to specified sectors, resulting in a decline in the inflation rate.

### Stimulation packages

The fiscal year has seen domestic and global stimulating packages to improve the liquidity and encourage public expenditure. In February 2009, finance ministry declared stimulation package whereby excise duty and service tax was reduced by 40% and 20% respectively, this increased the liquidity for the end consumer and the market.

### Political Scenario

The volatile market needed a stable and sustainable Government which would ensure consistency in fiscal and socio-economic policies. The election results were very positive and the erstwhile government has won and is going to continue its hold its power in the centre. This has improved the overall market sentiment which was reflected in the corresponding 35%-40% rise in the market. A clear mandate for the new government has raised hopes that a strong coalition would be able to push through economic reforms to boost investment.

### Disinvestment strategy

The elected government has announced a “100 day reform programme” to implement the most awaited fiscal measures which would improve overall market sentiment and macro-economic elements to stimulate economic growth prospects. The finance ministry has announced a disinvestment strategy which is creating huge opportunity in the private sector. The finance ministry has estimated a total collection of INR1.50 lacs Crores over the next three fiscal years through disinvestment strategy. In our perspective, this will create opportunities for VC and PE funds to participate in the entire disinvestment programme.

### Institutional Activity

Foreign money inflows into India witnessed a sharp increase during FY 2009-10 reduced sharply in 2008-09 as the global financial meltdown forced investors to squirrel away their money in risk-free assets in developed markets. As per central bank survey, the total foreign inflows to India fell nearly 70% from a year ago to \$19.7 billion (Rs97, 121 crore) in 2008-09, the lowest in the past four years. In 2009-2010 FIIs net investments were more than \$25 Billion (₹ 1, 11,000 crore) in equity markets and more than \$5 billion (₹ 25,600 Crore) in debt.

### Sectoral overview

#### Telecom

The Subscribers base has continued to grow buoyantly, with 20million wireless subscribers added in April 2010. Total number of subscribers has crossed 570 million with the overall tele-density close to 48%. During the year, there were new entrants such as Uninor, Videocon, STel taking the total Telecom operators to 15 and has intensified the competition in Indian Telecom space.

The operators are focusing more on cost reduction which in turn has led to the sharing of towers, focusing on VAS and also diversification into overseas markets. Given the large number of operators in India, tariff wars and thinning margins, consolidation seems inevitable in coming years.

In telecom infrastructure space, demand for passive telecom infrastructure in India would continue to grow at a healthy rate, at least over the medium term, and that this increased demand would be accompanied by greater sharing of infrastructure by the existing as well as new telecom players. The need for such sharing would be dictated by the imperative of remaining profitable in an increasingly competitive market.

Opening of 3G spectrum would create need for advance infrastructure which will lead to increased order flow for telecom infra companies and O&M players.

#### Clean Energy

The global energy demand has been growing relentlessly for the past century, and over 80% of it is met by fossil fuels; coal, oil and natural gas. By 2006 the global energy consumption was over 8000 Million ton of oil equivalent (Mtoe), 43% of which was supplied by oil. This demand is expected to reach over 16 bltn oil equivalent by 2030, with oil still being the prime energy supplier.

India today is one of the top economic superpowers of the world with an average GDP of 8% in the last four years. India currently ranks as the world's eleventh greatest energy producer and as the world's fifth greatest energy consumer. The growing population and economy needs a steady supply of energy to sustain. The primary sources of energy in India are oil, gas, coal and electricity. India ranks 3rd amongst the coal producing countries in the world. This fuel accounts for 55% of the country's total energy supplies. Despite a steady increase of over 5% in the production, the existing demand exceeds supply. About 75% of the coal in the country is consumed by the power sector. Several Indian state governments in India have formed policies to increase the use of solar power and biomass for energy generation.

The total global clean energy investment from 2004-07 was \$333 bn with over 50% year-on-year growth. From 2005-07 the wind sector saw highest investment with \$50.2 bn followed by solar and biofuels at \$28.6 bn and \$19.2 bn respectively. However the solar energy sector showed the highest growth rate at 199% per annum. This trend followed the next year with solar accounting for almost 40% of total clean technology investment dollars in 2008 followed by biofuels at 11%.

India currently ranks as the world's eleventh greatest energy producer and fifth largest energy consumer. According to the 11th New and Renewable Energy five-year plan proposed by government renewable energy market is expected to reach \$19 billion in by 2012 which will contribute 10% of total power generation capacity. Climate change concerns coupled with high oil prices are driving increasing growth in renewable energy industry. We believe that clean energy sector will create huge investment opportunities in the years to come.

### Infrastructure ancillary

After taking a major toll in the year 2008-09, the momentum in the infrastructure sector has also picked up.

This has led to the revival of order book of most of the infrastructure companies including the equipment manufacturers and infrastructure ancillary companies.

India's spending on infrastructure has been in the region of about 3% to 4% of the GDP, which the government now plans to take to 9% by the year 2012. This is possible as the government is hoping to spend about \$500 billion on this sector in the Eleventh Five Year Plan as compared to \$220 billion in the Tenth Five Year Plan. Companies which are ancillary to infrastructure projects such as equipment manufacturers that are used in an array of construction activities like roads, ports, bridges, buildings, coal mines, power and so on will be the major beneficiaries of the massive infrastructure spending planned by the government.

### Healthcare

Healthcare industry accounted for 5.9 per cent of the country's GDP in 2008. (As per E&Y healthcare report) Private healthcare to form a large share of the healthcare spend, and would increase to US\$ 33.6 billion in 2010 from US\$ 14.8 billion in 2002. India has 0.7 beds per thousand patients as against a world average of 2.6. Bed to thousand-population ratio of 1.85 is likely to be reached by 2012. In addition to this, wellness service market which includes Allopath, Alternative therapies, Beauty treatments, Counseling, Fitness/slimming, Nutrition, Rejuvenation is about ` 11,000 crores and is expected to grow more than 30% CAGR in next five years. We also believe that "Medical Tourism" in India will be one of the major sources for foreign exchange.

### Domestic Consumption:

Domestic demand continues to accelerate as evidenced by a slew of macro and micro indicators from the PMI, credit growth to auto sales and infrastructure build-out. With demand remaining strong, we think core inflation will likely remain elevated through FY11, and should inflation forecast of 7.5%. This would prompt further action by the Reserve Bank of India to withdraw accommodation.

India is currently the 12th largest market. The analysis done by McKinsey says that "if India continues on its current high growth path, over the next two decades the Indian market will undergo a major transformation. Income level would almost triple and India will climb from its 12th largest consumer market today to become the 5th largest market by 2025 after US, Japan, China, and UK." The average disposable income per month is expected to reach \$4000 by 2025. It is forecasted that total spending on food, beverage and tobacco is expected to reach US \$378 billion. The market for alcoholic beverages is expected to grow by 9.6 percent annually to 2025. Annual growth rate of the apparel sector by India's urban middle class to 2025, with ready-to-wear clothing gaining in popularity would be approximately 13.4%

Total spending on communication consumption currently is \$45 billion which is expected to rise to \$145 billion by the end of 2025. The automotive industry in India is set to experience explosive growth as disposable income increases. The middle income group those with an annual household income of Rs 2-10 lakh per annum--is expected to increase at 13.7% per year in the next four years as against 12.2% in the last four year period.

### **IT Sector:**

The economic activity in the country is apparently speeding up, the technology companies are hiring again, and acquisitions and mergers are on the cards. The total size of the IT market is now projected to increase from US\$14.7bn in 2010 to US\$26.6bn by 2014. Government procurement should also grow robustly in 2010, along with opportunities in healthcare, education, telecoms and financial services.

The Indian software market should continue to grow, with software spending CAGR for 2010-2014 projected at 15%. In terms of sectors, the most obvious growth opportunities are in the public sector and among small and medium-sized enterprises (SMEs). Despite current economic headwinds, the local market is likely to sustain vendor investment, with small and medium firms becoming more sophisticated in their demand for customised software and applications to increase business flexibility. In recent years, the SME market in India for hardware deployment has grown and this has resulted in an increasing opportunity for applications. More demand for solutions and hardware now comes from second- and third-tier cities. Industry reforms and privatisations, government regulations and new global competition have encouraged SMEs to use more technology. Recently, there has been an increased enthusiasm for hosted applications and software as a service(SaaS),which improved telecoms infrastructure makes more feasible.

Over the next one to two years, vendors are expected to compete for a share of significant spending on major public sector IT projects such as ID cards, e-government and railway modernisation. There are increasing number of large projects, particularly from the government, but also from key verticals such as banks, telecoms, defence, manufacturing and retail.

The Indian market has traditionally been low margin, with India's IT majors such as Infosys, Wipro and TCS focusing most of their attention outside the domestic market. Particularly with the US and global economic downturn, however, vendors are now more attuned to the growing size of the Indian IT services market opportunity. According to IDC-Nasscom strategic review 2010, global technology spending is expected see growth rate of 3.9% CAGR between 2008-2013.

We believe industries such as Banking and Financial services (BFSI), insurance space, security and reporting requirements and new areas such as green IT will be the future growth drivers in the next few years.

### **Summary: Indian Economy**

Going forward, with a stable political outlook, expected robust economic growth, human infrastructure, power and recent fiscal announcements, India definitely remains as one of the top destinations for investments in the world.

One of the competitive features of Indian economy is the self driven demand which accounts for 75% of the GDP which is much higher than other emerging markets. The investor community believes that worst is over, and hopeful about recovery towards the end of 2009. Investments would continue to grow in India and will be driven by a sustainable growth, the scale of the economy and the vibrant diversified corporate sector. The private domestic demand is consistently increasing.

The total number of private equity and QIP deals announced during 2009 stands at 221 deals, with a total announced value of \$11.17 billion compared to 312 deals with an announced value of \$10.59 billion in the year 2008 and 405 deals with an announced value of \$19.03 billion in 2007.

There has been a decline in the volume of PE deals in 2009 as investors continued to focus on existing portfolios and applied greater precaution while selecting targets for investment. However, the average PE ticket size increased from \$33.93 in 2008 to \$50.55 million during 2009. The top 8 PE deals accounted for more than 41% of the total PE deal value in 2009. In 2008, the top 8 deals accounted for 28% of total deal values for the whole year.

The highest proportion of PE/QIP investment (in terms of announced value) was made in the real estate & infrastructure and banking & financial sectors with an investment of \$4.6 billion and \$1.3 billion respectively, together accounting for over 53% of Private Equity/QIP investment made in India during 2009.

Private equity firms invested US\$ 1.4 billion over 84 deals in India during October-December quarter of 2009, taking the annual investment numbers to US\$ 3.82 billion over 232 deals, according to a study by Venture Intelligence, a research service focused on private equity (PE) and merger and acquisition (M&A) transactions.

The deals that will be completed in the coming years are likely to continue to be growth focused, although average deal sizes are expected to rise due to the volume of capital pushing up entry multiples.

The large amounts of cash that investors hold and greater optimism in the market suggest that deal size in this country may significantly grow. This emerging market is expected to flourish--deal activity has picked up in the beginning of 2010 and private equity firms are looking to make big returns from growing companies in India. Private equity investments are likely to see an uptrend in the coming days due to renewed optimism from investors flush with capital.



## ABOUT INDIACO

IndiaCo is a financial advisory and investment firm listed on the Bombay Stock Exchange (BSE) that provides growth capital, strategic direction, management expertise, and hands-on operational expertise to fast growing companies. As a financial advisory firm, IndiaCo advises private equity funds, provides financial restructuring, research, mergers & acquisition services, investment banking and allied advisory services.

IndiaCo's philosophy is to work very closely with companies, assisting them with:

- Strategic direction, management expertise and business development
- Financial structuring and funding
- Technology access and product enhancement

### IndiaCo Business Model

IndiaCo is a relationship and process-driven company with a variety of experience that encompasses the fields of corporate finance, advisory, international business and venture capital with a “unique” ability of being able to build from scratch.

IndiaCo is able to drive growth across diverse sectors and business models because of accumulation of expertise in specific areas. In depth knowledge of technology and finance enables IndiaCo to identify “deficiencies” within the enterprise and to provide both financial as well as operational solutions structured to mitigate the risk factors significantly in order to achieve growth.

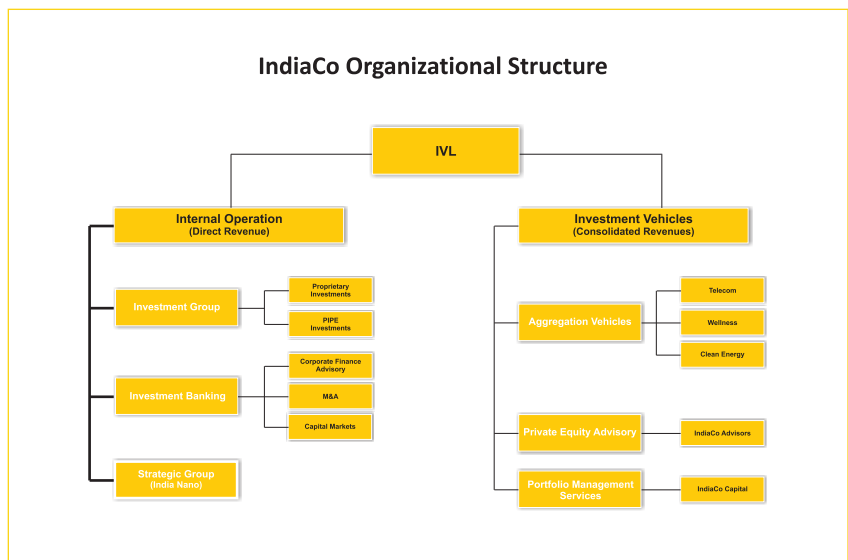
IndiaCo has nurtured and grown an extensive network of relationships which gives IndiaCo, and in turn the enterprise, access to management talent which can be brought in to add value to the enterprise. The management team along with the Board of Directors and Advisors are committed to work cohesively toward increasing shareholder value.

IndiaCo aims to maintain medium access with a degree of exclusivity; to build awareness, yet continue to retain an image of exclusivity.

The IndiaCo team always works alongside the management of portfolio companies for value creation and to determine how to take advantage of quickly changing market opportunities and overcome the many challenges that confront today's enterprises.

### Infrastructure

IndiaCo believes in supporting all its integrated processes and its workforce with top-of-the-line infrastructure to cover both its internal and external business needs. IndiaCo operates from a state-of-the-art 5500 sq. feet office space facility, situated in a strategic location in the commercial hub of Pune city. IndiaCo office is equipped with high-speed wireless internet, advanced anti intrusion systems, central air-conditioning, unlimited parking space, environmentally responsible and energy efficient lighting systems, security and access control system, amongst other facilities.





IndiaCo Ventures Limited is currently run under three main business groups namely; Investment Group, Advisory Group and Strategic Group. Each of these groups is created to align and augment all of IndiaCo's past experience, knowledge and credentials and work collectively to “create successful companies”.

### Investment Group

The investment group primarily invests and monitors IndiaCo's proprietary capital and private equity funds. Our investment model hinges on providing hands-on strategy and guidance to all underlying investments. IndiaCo utilizes a variety of financial instruments to minimize risk while optimizing the investee company's financial structure. IndiaCo actively participates in investee companies by assisting in business strategy, business development, and best practices. This also ensures corporate governance and adequate disclosure to investors.

The fundamental philosophy at IndiaCo has always been to provide effective deployment of capital and ensure the efficient use of funds, ensuring every stake holder earns maximum returns. To this effect, IndiaCo has over the past few years invested its own capital as well as invested, advised and catalyzed returns for external funds.

### Advisory Group

We leverage our global resources and market intelligence to deliver innovative, comprehensive solutions to our clients.

Advisory services include:

- Advisory services to Private Equity and Ventures Capital Funds on capital deployment
- Private Equity placement services to fast growing companies
- Business strategy and financial restructuring services
- Due diligence and valuation services
- Strategy and execution of inorganic growth plans through Mergers and Acquisitions

### Strategic Group (“SG”)

Comprised of members from the investment advisory team as well as dedicated personnel, the Strategic Group is one of the keys to IndiaCo's successful investment track record. It is mix of engineers, chartered accountants and MBAs.

SG members have dedicated industry focus as well as process focus to provide IndiaCo with deep sector knowledge as well as the ability to identify operational process gaps in a company when studying an investment.

Along with our in house developed tools such as Knowledge Management System (“KMS”) and IP Insight, SG members analyze industry trends, competing businesses/technologies and technology/process curves to be able to pinpoint possible investment/exit opportunities and areas for enhancement of a company's growth.

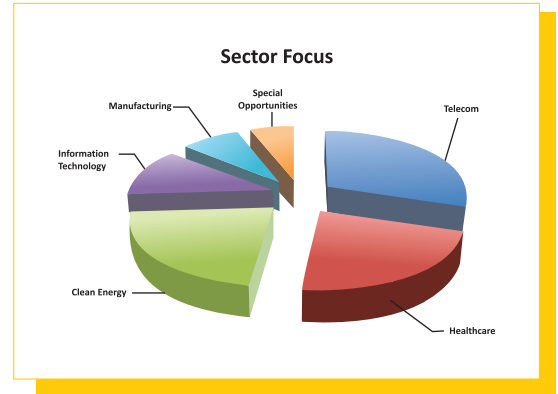


## INDIACO INVESTMENT STRATEGY

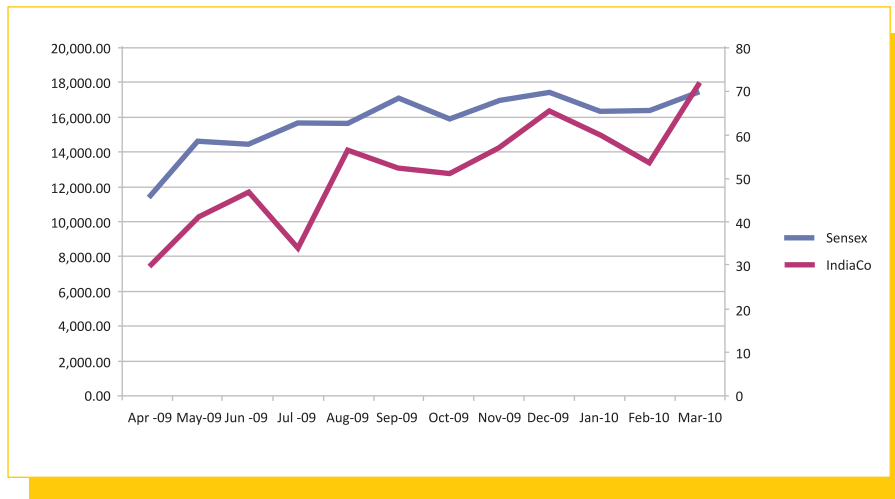
IndiaCo's investment strategy is to invest in companies that need growth capital and have competitive advantages such as; Innovative product/technology/business model, management expertise, etc.  
Enterprise Value Creation

IndiaCo has focused on the growth of the companies wherein the investments are made by providing the following expertise:

- Strategy development and implementation
- Provide experience & relationships
- Technology acquisition/development and synergistic assessment
- Market analysis and advise development
- Competitive evaluation
- Assistance in building successful global enterprises

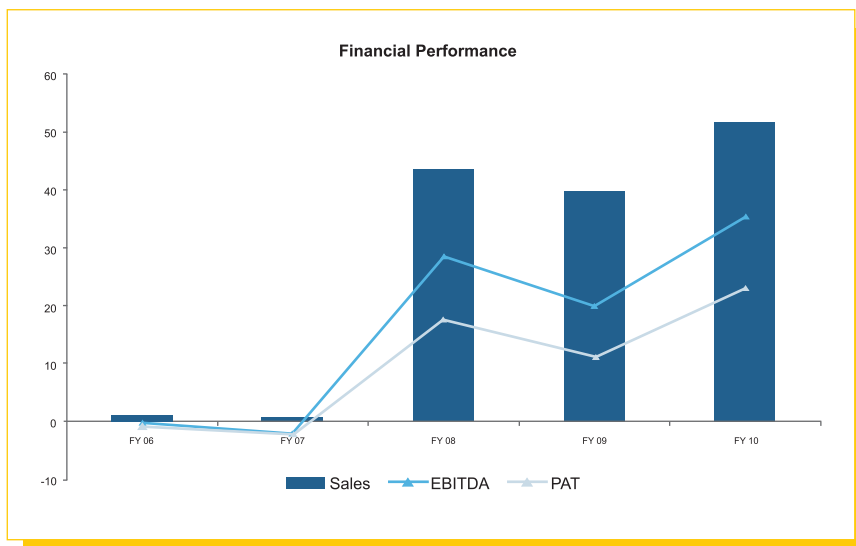


**Stock Performance: April 2009 – March 2010**



**Notes:**

1. The stock price has been adjusted at face value Rs. 2/- to show it in comparison with movement of sensex.
2. Stock split face value Rs. 10/- to face value Rs. 2/- on 27.06.09.
3. Bonus: 1:1 on equity shares of Rs. 2/- face value on 28.07.09.



### INDIACO SUBSIDIARIES



#### INDIACO TELECOM PRIVATE LIMITED (ITPL)

The Telecom sector in India has witnessed rapid growth over the last few years, and this growth has been sustained even in these trying economic conditions. India is the fastest growing telecom market in the world today. However, telecom infrastructure and systems have not kept pace, leading to poor quality of service to consumers.

IndiaCo Telecom Pvt. Limited ('IndiaCo Telecom' and / or 'ITPL') has been formed as a special purpose vehicle focusing on investing in companies manufacturing telecom infrastructure hardware products (e.g. antennas, couplers, VoIP products and handsets), telecom infrastructure products and services (e.g. operation & maintenance and software applications and mobile content, m-commerce, application development, and content delivery platforms).

The above segments are in growth stage, with significant opportunities for new players and for existing players to scale up. The segment is composed of many small and mid sized companies, who are undercapitalized, niche players, and without management bandwidth and required resources to scale up. ITC plans on an exit strategy through a public listing, by aggregating investments in a pool of telecom focused companies.

IndiaCo Telecom has already invested in Info-Dynamic Telesystems Pvt. Ltd and Verity Technologies Pvt. Ltd. IndiaCo aims to invest in 3-4 more companies operating in this sector and create a portfolio of up to 5-6 companies to address synergistic spectrum of products and services in Telecom. It will enhance growth and profitability in portfolio companies through access to world class telecom management experts, timely access to funds, efficiencies of scale, customer and geographical synergies and financial & operational optimization.

IndiaCo is raising capital through its subsidiary IndiaCo Telecom, where IndiaCo will bring in strategic investors who have the ability to add value and invest along side IndiaCo.



#### INFO DYNAMIC TELESYSTEMS PVT. LTD.

*"IndiaCo offered us a fabric of high ethical values, platform of transparent relationships and acumen required to handle dynamics of the fast paced growth of our organization. With such encouraging business spirit and high levels of trust, we believe, the foundation of formidable success is built for testing times ahead".*

**- MR. SATYAJEET LIMAYE**  
MD AND CEO, INFO DYNAMIC TELESYSTEMS PVT LTD.  
Website: [www.infodynamicgroup.net](http://www.infodynamicgroup.net) -

## INDIACO INVESTMENT STRATEGY

Info Dynamic Telesystems Private Limited, incorporated in 2002, is a telecom infrastructure and services company that provides total delivery and support functions for Indian and overseas telecom projects. The company provides services which are required for the roll out of operations of a telecom service provider. Its activity spectrum includes survey, project management, project rollout, O&M offshore services and expertise provision.

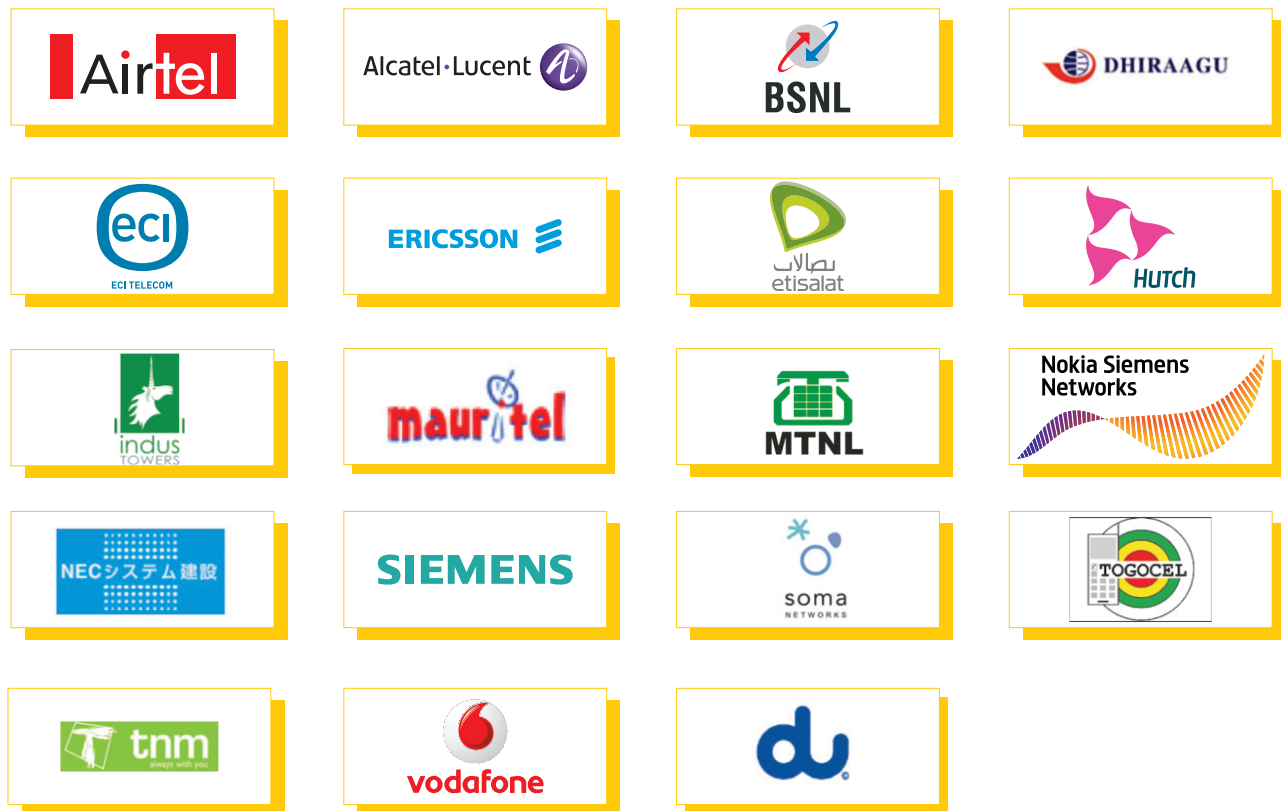
After IndiaCo's investment in 2008, the company focused on expansion and new business. Company's turnover increased from INR 3Cr ( FY08 ) to INR 29.30 Crs ( FY2010). Company has consistently maintained its growth and has achieved a net profit of 2.52 crores in FY10 as compared to profit of 1.73 Crores in FY 09.

### Future plans:

With help of IndiaCo the company is planning to get additional investment to acquire more business and to cover more geographies. The strategic investor is expected to bring in global relationships in Telecom Industry and funds for expansion. Company is in active discussion with investors.

The company plans an IPO in next 24-36 months with turnover of INR 100 Crores plus by FY 2013. In the next 5 years, Info Dynamic expects to become a global integrated telecom infrastructure and services provider and include network planning, network optimization, network sharing and Network Management Systems (NMS) as part of its services product portfolio.

### Clients Include :





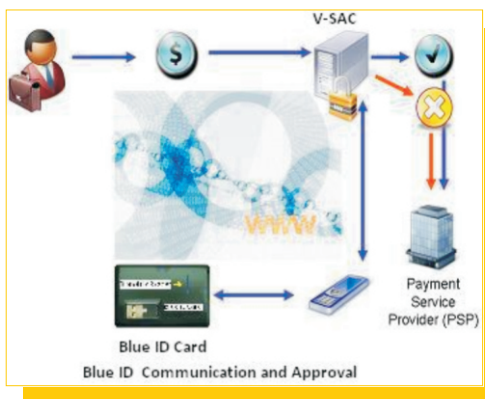
### VERITY TECHNOLOGIES PVT. LTD.

*IndiaCo has helped Verity in the development and implementation of the company's strategic direction as it enters into its next phase of significant growth and expansion. IndiaCo has a hands on and pragmatic approach. We value our relationship with IndiaCo"*

**-MS. ANURADHA BANSAL**  
CEO, VERITY TECHNOLOGIES PVT. LTD.

**Verity Technologies** is a Mobile Technology Company that aims to create disruptive change Financial Transactions and Session-Based Access Control through an Authentication and Identity Management System. The uniqueness of the technology is in its "Anonymity", the patent-pending process deployed ensures the privacy of the individual being authenticated is not breached.

Verity is the only Mobile Technology Company in India to be recognized for its R&D capabilities by Department of Science and Technology, Government of India and to be empanelled with National Informatics Center, Department of Information Technology, Government of India. At present it is participating in the pan-India roll out of E-Courts Software for the Indian Judiciary through its NIC affiliations. Verity is venture funded by Indiaco Ventures Limited and Bennet and Coleman, India.



### Blue ID – Anonymous Authentication

Blue ID's cutting edge technology makes it compatible with legacy platforms, existing technologies and standards in the Financial Transactions including Scosta, EMV, 8353 among others. By offering personal mobile security and authentication solutions, it also addresses the security concerns of ecommerce, Web 2.0, Telco 2.0 and NFC mass-market adoption.

### The Blue ID Portfolio has 5 variants with varying levels of security

- Blue ID 5 – One to Many Biometric Card
- Blue ID 4 – One to One Biometric Card
- Blue ID 3 – One to One Non-Biometric Card
- Blue ID 2 – Phone as the Authenticator
- Blue ID 1 – NFC Cards with CRM Interface  
(for retail segment only)

- Initiate real-time session control based on your personal identity
- Control access to applications, electronic goods, buildings, even your home
- Only you can authorize your credit card
- Prevent identity theft
- Secure point of sale transactions using debit or credit cards Passport, driving license and other identity card schemes
- Manage your online identity in Web 2.0 and social networking
- Shop online with complete anonymity and peace of mind
- Authenticate web login and single-sign-on activities
- Make secure payments with your mobile phone
- Protect other payment cards, such as Bank Cards, from exploitation
- Lock-down devices applications to deter theft and safeguard sensitive data

### Sector Focus:

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>● Financial Services           <ul style="list-style-type: none"> <li>- Credit Cards / Debit Cards / Ecom / Mcom</li> <li>- Reduction of fraud losses to banks</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>● Retail           <ul style="list-style-type: none"> <li>- Loyalty cards</li> </ul> </li> </ul> |
|--|---|

### Future Plans

Verity plans to consolidate its position at the cusp of Telecom and Security through commercialization of Blue ID. Indian Government, Indian Banks, Mobile Network Operators and Retailers are expected to provide the first 3 reference clients for the product.

### Customers Include



## INDIACO SUBSIDIARIES

### INDIACO HEALTHCARE PRIVATE LIMITED (IHPL)

IndiaCo has created a special purpose vehicle (SPV) in the healthcare sector, which is a subsidiary of IndiaCo Ventures Limited. We have identified the key areas within the sector which are growing exponentially and have decided to integrate them into our focus areas. We are primarily looking at tertiary services in the healthcare segment, including diagnosis and treatment of disease and disability in sophisticated large research, specialized intensive care units, advanced diagnostic support services, specialist cancer care, neurosurgery, burns care and plastic surgery, research in biotechnology, stem cell technology, etc. IndiaCo Ventures has already invested in Laser Cosmetics Pvt. Ltd. which provides high end specialized medical services in cosmetic surgery, facial bone sculpting, craniofacial & laser therapies. We are in the process of identifying companies within this sector for further investment.



**DR. KRISHNA SHAMA RAO,**  
FOUNDER, LASER COSMETICS PVT. LTD.  
Website: [www.maaya.ws](http://www.maaya.ws)



### LASER COSMETICS PVT. LTD. – MAAYA KLINIK

“Maaya Klinik is a first-of-its-kind medical facility in India for cosmetic surgery, facial bone sculpting, craniofacial & laser therapies. The Klinik was started by Professor Dr. Krishna Shama Rao who is an internationally renowned surgeon in the field of craniofacial & cosmetic surgeries.”

#### Journey

Maaya Klinik commenced activities in mid 2006. In the last two years of its existence, Maaya has provided surgical services such as liposuction, cosmetic breast surgery, nose reshaping, facial bone sculpting, etc to clients within India and abroad. They have several clients for LASER therapies for needs such as unwanted hair removal, skin scars, post-acne scars, skin rejuvenation & other cosmetic dermatology related issues. Maaya Klinik uses some of the most advanced LASER equipments in the world at its Kliniks. IndiaCo was worked alongside Maaya Klinik to provide a strategic roadmap for the growth of the company, management advice on strategic initiatives and identify and provide access to business connections.

The company intends to set up its own centers as well as offer franchisee option and create a nationwide presence in next 2-3 years. Company has several national and international investment proposals and company is in process of evaluating the proposals with help of IndiaCo.



### “INDIACO INDIA FUND” (IIF) - PRIVATE EQUITY FUND

India Growth Opportunities Fund is an India focused private equity fund which will pursue a theme-based approach to identify companies in selected verticals.

IndiaCo has extensive experience in managing and guiding businesses into fast-growing, scaled operations often with embedded intellectual property. IndiaCo has extensive database and relationships which enables IndiaCo to get right investment opportunities. The management team at IndiaCo has extensive experience in PE investments, and expertise in sectors identified by the company. IndiaCo has track record of fund management and providing exceptionally high return to its investors. IndiaCo is offering an exceptional opportunity to the investors to leverage the India growth story and take advantage of attractive entry valuations.

The objective of the fund is to provide superior returns to our investors through our knowledge of offering advice to restructure and grow businesses. The fund will focus on investment horizon of 3 to 5 years and will invest in growth stage companies which can be taken to IPO in 3-4 years and pre-IPO deals.

The Global Opportunities Fund offsets high risk by spreading across growing sectors. These sub-sectors are carefully identified and range from rational hi-growth opportunities to the exponential growth sectors as perceived by IndiaCo.

#### Fund Focus:

Telecom Tower Services	Infrastructure services i.e. network management, service management
Healthcare	Biotech; wellness; export focused companies with IP
Energy Saving Companies	Technology; products; services
IT Product Companies (that have a patentable advantage)	Export focused companies with IP; design and engg., Educational institutes, including online/distance learning
Domestic consumption driven sectors/companies	Food, consumer products
Infrastructure Ancillaries	

#### IndiaCo Energy Efficiency Fund

IndiaCo Energy Efficiency Fund (IEEF) will make private equity investments by providing growth capital to companies that provide energy efficiency related services and products. The specific areas of interest are smart lighting, energy monitoring tools and technologies/products that would reduce the energy consumption of buildings and manufacturing sectors. The Fund would actively invest in companies that have existent IP or ones that have the potential to absorb IP.

Against a backdrop of national concern about climate change and rising oil imports, interest in implementing energy efficiency initiatives has been increasing in India's government, business and investment sectors.. Consequently, while still in its nascent stages, India's ESCO (Energy Services Company) industry has grown at a staggering 5 year CAGR of ~96% from 2003 to 2007 according to World Resources Institute estimates.

This will be further strengthened by Government's new initiative, namely National Mission for Enhanced Energy Efficiency (NMEEE). Under this initiative, the Government intends to promote the proper utilization of energy by various sectors. The PAT (Perform, Achieve and Trade) scheme being introduced will assign energy efficiency improvement targets to the country's most energy intensive industrial units. The industrial units will be allowed to purchase ESCerts to meet their targets.

IndiaCo Energy Efficiency Fund would closely look at companies that provide energy efficiency solutions or technologies in the space of smart lightings, HVAC (Heating Ventilation Air Conditioning), heat recovery and cogeneration, architectural solutions and energy monitoring & management IT tools.



## INDIACO FUTURE INITIATIVES

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The fund has received recognition and support from Asian Development Bank (ADB), United Nations Environment Program (UNEP) and European Investment Bank Group (EIBG). IndiaCo has been awarded a grant under UNEP's Seed Capital Assistance Facility (SCAF) program for IEEF's seed capital component developmental activities. The fund will target an IRR of 30 – 40 % and total commitments of USD 50 million. The investment strategy of the Fund will be:

- Invest in Energy Efficiency Companies directly and/or technologies that enable energy efficiency
- 10 investments averaging USD 4 million each in existing energy efficiency companies
- 10 investments averaging USD 1 million each for providing seed capital to early stage companies.



## CERTIFICATION BY MANAGING DIRECTOR

I, Rahul Patwardhan, Vice Chairman & Managing Director of IndiaCo Ventures Limited, to the best of my knowledge and belief, certify that:

1. I have reviewed the balance sheet and profit and loss account and all its schedules and notes to accounts, as well as cash flow statement of the company for the year ended 31st March 2010;
2. To the best of my knowledge and information:  
(A) these statement(s) do not contain any materially untrue statement (neither they) omit to state (any) material fact (nor they) (contain any) statement that might be misleading;  
(B) these statement together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations
3. There were, no transactions entered into by company during the year, which are fraudulent, illegal or violative of the Company's code of conduct;
4. The company's other certifying officers and I, along with the other certifying officers of the company) are(is) responsible for establishing and maintaining internal controls and procedures, and I have evaluated the effectiveness of the company's internal controls and procedure; and the auditors, the Audit committee and I have not come across any deficiencies in the design or the operation of the internal controls and procedure; and the Auditors, the Audit Committee and I have not come across any deficiencies in the design of operation of the internal controls during the year;
5. There was no instance of any fraud involving management or employees having a significant role in the company's internal systems
6. There were no significant changes in internal control and/or accounting policies during the year;

I further declare that all the board members and senior management have affirmed compliance with the code of conduct for the current year.

Rahul Patwardhan  
Managing Director  
Place: Pune  
Date: 27.08.10



To,

The Members,

Your Directors have pleasure in presenting the Twenty Seventh Annual Report of the Company together with the Audited Accounts for the year ended March 31, 2010.

### FINANCIAL RESULTS

Particulars	2009-10	2008-09
Total Income	50,314,751.25	3,58,84,340
Less: Expenditure	19,024,274.44	2,05,70,202
Profit/(Loss) Before Tax	31,290,476.81	1,53,14,138
Tax expenses including deferred tax	(45,56,000)	(35,35,000)
Profit / (Loss) for the year	26,734,476.81	1,17,79,138
EPS	1.56*	6.92

\* Post bonus 1:1 and sub- division of Face value of Rs. 10/- into face value of Rs. 2/- each.

#### **DIVIDEND:**

The Board of Directors has decided not to recommend any dividend in the year under review and plough back the profits earned in the business activities for future growth of the company.

#### **DEPOSITS:**

The Company has not accepted any deposits pursuant to the provisions of Section 58A of the Companies Act, 1956 and as such, no amount of principal or interest was outstanding as of the Balance sheet date.

#### **DIRECTORS:**

During the period, Mr. Sasha Mirchandani and Mr. Vinayak Bhattacharjee have resigned from the Board of the Company. The Board places on record the gratitude for the services rendered by them during their tenure as members of the Board.

Both Mr. Sasha Mirchandani & Mr. Vinayak Bhattacharjee are now on IndiaCo Advisory board.

In accordance with the Companies Act, 1956 and the Articles of Association of the Company, Mr. Rahul Patwardhan and Mr. Dhananjay Bendre are liable to retire by rotation & are eligible for reappointment.

#### **AUDITORS:**

The auditors M/s S.J. Agrawal & Associates, Chartered Accountants, retire at the ensuing Annual General Meeting and have confirmed their eligibility & willingness to accept office, if reappointed.

#### **MANAGEMENT DISCUSSION AND ANALYSIS (MDA)**

The detailed analysis of the operating performance of the Company for the year, the state of affairs and the key changes in the operating environment has been included in the Management Discussion and Analysis Section which forms part of the Annual Report.

#### **CORPORATE GOVERNANCE:**

It has always been the company's endeavour to excel through better Corporate Governance and fair and transparent practices. As required by Clause 49 of the Listing Agreement, a separate report on Corporate Governance forms part of the Annual Report. The

Auditors certificate on the compliance of Corporate Governance norms as stipulated in Clause 49 of the Listing Agreement with the stock exchange is attached and forms part of this Report. We have documented our internal policies on corporate governance. The Management's discussion & Analysis of the financial position of the Company is provided in this Annual report and is incorporated here by reference.

### **PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956:**

There were no employees employed during the year or part of the year, getting remuneration in excess of Rs. 200,000/- per month or Rs. 2,400,000/- per annum and particulars of which are required to be given pursuant to section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

### **EMPLOYEES STOCK OPTION SCHEME 2007 & 2009 (ESOS):**

Pursuant to the resolution passed by the members at the Annual General Meeting held on 21st September, 2007 and 29th of September, 2009, the company has introduced Employee Stock Option Scheme, 2007 and 2009 respectively (referred to as "the scheme") to enable the employees of IVL and its subsidiaries to participate in the future growth and financial success of the Company.

All options vest in a graded manner and those are to be exercised within a specific time period. The Company has used the intrinsic value method to account for the compensation cost of stock to employees of the Company. Intrinsic value is the amount by which the quoted market price of the underlying shares on the date prior to the date of the grant exceeds the exercise price of the option

Disclosures in respect of the IndiaCo Ventures Limited Employee Stock Option Scheme, 2007 and Employee Stock Option Scheme, 2009 in compliance with Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended, are set out in Annexure II to this Report and forms part of this report.

### **INVESTORS' RELATIONS AND GRIEVANCES**

Investors' Relations have been cordial during the year. As a part of compliance, the Company has formed Shareholders' and Investors' Grievance committee to address the issues relating to investors. There were no investor grievances pending as on 31st March, 2010. A detailed report on the above appears in Corporate Governance Report annexed to this Report.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' responsibility statement, the Directors of the Company hereby state and confirm:

- i. That in the preparation of the Annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii. That they had selected such Accounting policies, applied them consistently, made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the Company for that period;
- iii. That they had 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;
- iv. That they had prepared the annual accounts on going concern basis.

## CORPORATE SOCIAL RESPONSIBILITY:



सिद्धिमुलं प्रवचनम्  
भा. प्र. सं. इन्दौर  
IIM INDORE



INDIRA



We recognize that we have a corporate social responsibility towards a diverse group of stakeholders including shareholders, employees, business partners, local communities, and society at large, including special interest groups that represents public interest concerns such as Non- Governmental organizations (NGOs). Our investment decisions take account of economic, environmental, and social impacts and their management. The interests of shareholders do not necessarily take precedence over the interests of other stakeholder groups and our business strategy is designed to promote social justice in the workplace.

In all its operations the Company will always comply with local laws and regulatory requirements, and make representations to the relevant authorities if it believes that policies & practices of host governments undermine our policies. We undertake environmental & social impact assessments prior to undertaking any new investment and evaluate these impacts regularly to ensure that they are responsibly managed on an ongoing basis. We expect our joint venture & alliance partners to respect our policies. Their concurrence with the principles upheld by our policies is an important factor in our decision to form or remain in a relationship with them.

It is our policy to support social investment, in partnership with professional social development organizations, government agencies and NGOs, that contribute to the sustainable development goals of the communities. It is our policy that all our business activities will be undertaken so that they contribute to sustainable development goals and do not detract from them.

IndiaCo promotes education and entrepreneurship at the grassroots level. Under its academic bridge program “Innovate with IndiaCo”, your company has been actively engaged in a special initiative to promote development and entrepreneurial spirit in India. The objective of this program is to facilitate exchange of resources between the entrepreneurs, the academic community & investors, for the purpose of innovation, invention and creating sustainable business enterprises.

IndiaCo has been associated with the top business schools in India and we actively mentor the businesses which emerge from e-cells and help bridge the gap between startups and venture capitalists. IndiaCo has also been working alongside various education and social entrepreneurship related initiatives for economical development in rural areas to foster economic growth in India. Your company's work in entrepreneurial development has been recognized by various multilateral agencies including the World Bank.

IndiaCo continues to support pre-school and primary education with emphasis on the underprivileged sections of the local community. For the past 5 years, IndiaCo companies have been supporting Identity Foundation, an NGO dedicated to educating and nurturing deprived children.

IndiaCo is pleased to report that through Identity foundation, you have touched the lives of numerous children and contributed to a better future for them. While your Vice-Chairman and Managing Director continues to be personally committed to Identity Foundation's activities in Pune, partners include a few of the city's leading corporate houses, the Pune Municipal Corporation and companies, partners, friends and corporate partners.

Your company and its employees continue to contribute a part of their monthly salary to Identity Foundation.

### **Employment and social justice in the workplace**

We aim to provide our staff with safe working conditions as well as just & competitive conditions and terms of employment. This means respect for individuals regardless of ethnic origin, creed, age or gender. We are an equal opportunities employer. We try to recruit, train and promote from within the country of operation. We respect the right of individual employees to have access to fair grievance procedures. Through training and appraisal, we encourage staff to develop their own professional skills to the mutual advantage of both the individual and company.

### **All employees must be responsible for the following:**

- co-operate with any measures introduced to ensure equal opportunity;
- report any suspected discriminatory acts or practices;
- not to induce or attempt to induce others to practice unlawful discrimination;
- not to victimize anyone as a result of them having reported or provided evidence of discrimination;
- not to harass, abuse or intimidate others on account of their race, creed, colour, etc.;
- not to canvass job applicants in an attempt to discourage them from applying or taking up a post.

### **Business ethics and conduct policy**

Integrity, honesty and fairness are fundamental to the way we conduct our business. IndiaCo staff should avoid accepting hospitality or gifts that might appear to place them under an obligation. All business transactions must be properly recorded and accounted for. We expect the same. We expect the same ethical standards to be applied in all of our business relationships in all areas of operation and we promote our business ethics and conduct policy with all of our business associates.

### **LISTING OF SHARES**

The Company's shares continue to remain listed with Bombay Stock Exchange, where the shares are actively traded.

### **SHARE CAPITAL**

During the year the Company sub- divided its share capital by reducing the face value of its equity shares from ` 10/- each to ` 2/- each. The Company also made a bonus issue of equity shares in the ratio of 1:1 to the shareholders. The authorized capital of the Company is ` 13,00,00,000 divided into 6,50,00,000 shares of ` 2/- each after the sub- division. During the year under review the Company made allotment of 22,625 Equity Shares of ` 2/- each to the employees who exercised the options granted to them under the ESOP scheme 2007 and made an application for allotment of shares. The shares so allotted have been listed.

### **INTERNAL CONTROL SYSTEM**

The Company has in place adequate systems of internal control to ensure compliance with policies and procedures. The Board is responsible for developing, maintaining and regularly reviewing the group's system of internal controls including those related to financial reporting. This system is designed to meet the particular needs of the Company but by their nature can only provide reasonable but not absolute assurance against material misstatement or loss. The key procedures in the control system have been in place for the year under review and up to the date of approval of the Annual Report and Financial statements.

Management of business risks- This is an ongoing process, that identifies, evaluates and manages the risks faced by the Company. This is based on each business unit and corporate function producing a risk matrix which identifies the key business risks, the probability of those risks occurring, their impact if they do occur and the actions being taken to manage those risks to the desired level. The directors receive assurance directly from the business units and functional management through the completion of annual declarations confirming compliance with the Company's policies, procedures and risk management processes. These processes are designed to manage rather than eliminate risk of failure to achieve business objectives. The effective operation of internal control procedures is reviewed by planned audits. The Company's internal control system comprises audit and compliance by in- house internal audit division supplemented by internal audit checks from S. K. Doshi & Company, Chartered Accountants. The internal auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. Independence of the audit and compliance is ensured by the direct reporting of Internal Audit Division and Internal Auditors to the Audit Committee of the Board.

### **Management Structure**

The Board has overall responsibility for the Company. Each Executive Director has been given responsibility for specific aspects of the Company's affairs.

### **Delegation of authority**

Responsibility levels are communicated throughout the Company as part of corporate accounting. Segregation of duties as well as other control procedures are set out.

### **Quality & Integrity of Personnel**

The integrity & competence of personnel is ensured through high recruitment standards and subsequent training.

### **Financial Reporting**

The Company's internal control over financial reporting includes policies & processes that pertain to the maintenance of financial records that, in reasonable detail, accurately and fairly reflect transactions and the assets or liabilities position at a given balance sheet date.

### **Budgetary Process**

There is a comprehensive budgeting system with an annual budget covering capital expenditure, cash flow, the income statement and balance sheet. Monthly results are reported against budget, and revised forecasts for the year are prepared regularly. Separate approval processes and limits are in place for unbudgeted expenditure items.

### **AUDITORS' REPORT**

The observations of Auditors in their report, read with the relevant notes to accounts are self-explanatory and do not require further explanation.

### **HUMAN RESOURCE DEVELOPMENT**

Your Company takes great pride in the commitment, competence and vigor shown by its workforce in all realms of business. The Company continues to take new initiatives to further align its HR policies to meet the growing needs of its business. Company has adopted an HR manual covering rights and obligations of its employees.

### **SUBSIDIARIES**

A brief profile of the subsidiary Companies

#### **IndiaCo Telecom Private Limited**

IndiaCo Telecom Private Limited (ITPL) is a subsidiary of IndiaCo Ventures Limited. IndiaCo Telecom Pvt. Limited has been formed as a special purpose vehicle focusing on investing in companies manufacturing telecom infrastructure hardware products like antennas, couplers, VoIP products and handsets, telecom infrastructure products and services e.g. operation & maintenance and software applications and mobile content, m-commerce, application development, and content delivery platforms. Your company has already invested in two companies and considering further investment in 3-4 potential opportunities.

#### **IndiaCo Healthcare Private Limited**

IndiaCo has recently created a special purpose vehicle (SPV) in the healthcare sector, which is a subsidiary of IndiaCo Ventures Limited. We have identified the key areas within the sector which are growing exponentially and have decided to integrate them into our focus areas. We are primarily looking at tertiary services in the healthcare segment, including diagnosis and treatment of disease and disability in sophisticated large research, specialized intensive care units, advanced diagnostic support services, specialist cancer care, neurosurgery, burns care and plastic surgery, research in biotechnology, stem cell technology, etc.

### **OPERATIONS**

IndiaCo has two revenue streams Direct and Consolidated. The direct Revenue comes from the Advisory Group and from Investment Group, and the Consolidated revenue comes from its subsidiaries i.e. aggregation vehicles & from IndiaCo Advisors Pvt. Ltd, which is engaged in fund advisory business. IndiaCo also has strategic group which evaluates deals and opportunities based on relationships and advises the Advisory or investment group to pursue the opportunities.

In FY 2009-10 company took active steps to hire professional team to launch its Private Equity fund and also focused on generating revenue through Investment banking deals. Company is planning to launch its Energy efficiency fund for which it expects support from International agencies and intends to launch the fund by September 2010.

### **OUTLOOK**

The Company's activities comprise mainly of providing financial services, capital (investment) and operational expertise to select industry verticals. The market for such services and investments in India remains buoyant and the company is geared to face the challenges of a liberalized and growing economy. India remains an attractive destination for domestic as well as foreign investors and the inflow of foreign capital is supporting the country's march towards economic prosperity. IndiaCo is leveraging its network of associates to raise capital (both domestic and foreign) for investments into the various growth sectors of the economy such as Telecom, Health Care, Clean Energy, Manufacturing, IT & ITES and Real Estate. The company is aggressively pursuing investment opportunities and has lined up an attractive deals bucket in almost all of the above sectors.



With the markets improving company is confident to launch its Private Equity funds and actively engage in Fund advisory business. Company will also take decisions on exit from existing investments either partially or fully based on valuation of its portfolio companies.

### OPPORTUNITIES

India and China are two investment destinations for investors across the globe and the preferred option is India. Company has been focusing on Indian market for investments and with all International Funds and Institutions focusing on India, company expects to close its Private Equity Funds in FY 11. IndiaCo has the requisite pedigree, track record, team and the core competence to harvest these opportunities in a manner beneficial to all the stakeholders involved. Your company is engaging right talent to ensure it achieves its aim to be come worlds largest Financial Services Company in years to come.

### THREATS

The opening up of the financial sector to foreign Venture Capital/ Private Equity remains a threat to the company's business, due to the increasing competition in the market. These foreign firms have access to huge amounts of investment capital and this may impact the quality of investment opportunities available to the company. With the increased liquidity in the markets, a small number of good investment opportunities are being aggressively chased by a huge amount of capital, and hence your company may be forced to look at investment avenues other than those mandated earlier.

### RISKS & CONCERNS

The Company does not foresee any major threats or risks, yet there exist certain macroeconomic challenges in sustaining the growth momentum. The turmoil in global financial markets and the unexpected swings in the sensex have caused company valuations to plummet drastically and create uncertain environment. In spite of this, the private equity market in India continues to provide positive indicators. Your company has been able to partially insulate itself from any severe effects, as it invests primarily in private companies which are not listed on the stock exchange. Thus, the volatility of the secondary markets does not have a direct negative affect on our financials. We are able to assure our shareholders of steady and resilient growth

### ACKNOWLEDGEMENT

Your Directors place on record their gratitude to the Government authorities and Bankers for the assistance, co-operation and encouragement they extended to the Company and also appreciate the trust reposed by them in the Company and look forward to their continued patronage. The Directors are also grateful and pleased to place on record their appreciation for the excellent continuing support, guidance, cooperation and unstinting efforts of Investors, Dealers, Business Associates and Employees in ensuring an excellent all around operational performance. The Board also expresses its appreciation of the understanding and support extended by the shareholders and employees of the company..

### CAUTIONARY STATEMENT

Statements made in the report, including those stated under the caption "Management Discussion & Analysis" describing the Company's plan, projections and expectations may constitute "forward looking statement" within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied.

**For and on behalf of the Board of Directors**

sd/-  
**Rahul Patwardhan**  
Vice Chairman & Managing Director

sd/-  
**Dhananjay Bendre**  
Executive Director

sd/-  
**Deepti Dhebane**  
Company Secretary

Place: Pune  
Date: 27.08.10

## DIRECTORS' REPORT

### ANNEXURES TO THE DIRECTORS' REPORT

#### ANNEXURE "I" TO THE DIRECTORS' REPORT

Statement of Particulars under Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 forming part of Directors' Report for the year ended 31st March, 2010.

##### 1. CONSERVATION OF ENERGY

Company's Energy consumption is minimum. As the company is engaged in financial services sector, the directors have nothing significant to report under this head.

##### 2. TECHNOLOGY ABSORPTION

The Company has not undertaken any Research & Development activity hence the Directors have nothing significant to report under this head.

##### 3. FOREIGN EXCHANGE EARNINGS AND OUTGO

Disclosure of information relating to foreign exchange earnings & outgo as required under Rule 2(c) is already given in point no. 7 in 'Notes to Accounts' forming part of the Audited Annual Accounts.

#### ANNEXURE "II" TO THE DIRECTORS' REPORT

Pursuant to the applicable requirements of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the SEBI Guidelines", following disclosures are made in connection with the "IndiaCo Ventures Limited- Employee Stock Option Scheme, 2007 & 2009.

Sr.No.	Description	Details
1.	Name of the Scheme  Total Number of options to be granted under the plan	<b>ESOS 2007</b>  5,00,000 options of ` 2/- each
2.	Options granted during the year	2,38,100 options
3.	Pricing Formula	The Compensation Committee shall grant options at either of the following prices:  1.The latest available closing market price prior to the date of grant of the shares of the company on the exchange having the highest trading volume
3.	Pricing Formula	2. At a discount of 10% on the latest available closing market price prior to the date of grant of the share of the company on the exchange having the highest trading volume  3.At a discount of 20% on the latest available closing market price prior to the date of grant of the shares of the company on the exchange having highest trading volume  4. At a discount of 30% on the latest available closing market price prior to the date of the grant of shares of the company on the exchange having highest trading volume

## DIRECTORS' REPORT

Sr.No.	Description	Details	
9.	Money realized by exercise of option during the year	` 8,26,375	
10.	Total number of options in force at the end of year	3,01,375	
11.	Employee wise details of options granted to <b>Senior Managerial Personnel</b> as on 31st March, 2010	Dhananjay Bendre ( Executive Director & COO)	99000
		Suneel Parasnis (Independent Director)	5000
		Prithipal Singh (Independent Director)	5000
		Pradip Dubhashi (Independent Director)	5000
		Rahul Rathi (Independent Director)	5000
		Deepti Dhebane (Company Secretary)	15600
		Praveena Chandra (Vice- President- Venturing Group)	22600
	Employees who were granted options amounting to 5% or more of the options granted during the year	Dhananjay Bendre (Executive Director & COO)	99000
		Deepti Dhebane (Company Secretary)	15600
		Praveena Chandra (Vice- President- Venturing Group)	22600
		Som Chatterjee (Associate- Investment Group)	13100

Sr.No.	Description	Details	
12.	Employees who were granted options in any one year equal to or exceeding 1% of the issued capital of the company at the time of grant	Nil	
13.	Diluted Earning Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard 20 (AS-20)	N.A.	
14.	The impact of difference on profits and on EPS of the Company where the Company has calculated the employee compensation cost using the intrinsic value of the stock options.	Appendix-1	
15.	1. Weighted average exercise price of options granted during the year whose:	<ul style="list-style-type: none"> <li>• Exercise price equals market price- NA</li> <li>• Exercise price is greater than market price- NA</li> <li>• Exercise price is less than market price- INR 24.88 of ` 2/- face value</li> </ul>	
16.	2. Weighted average fair value of options granted during the year whose:	<ul style="list-style-type: none"> <li>• Exercise price equals market price-</li> <li>• Exercise price is greater than market price-</li> <li>• Exercise price is less than market price- `/- 22.91</li> </ul>	
	Description of the method and significant assumptions used during the year to estimate the fair values of options.	Appendix-2	

The company has followed the Intrinsic Value Method for accounting of ESOP compensation cost. Had the ESOP compensation cost been accounted with the Fair Value Method described under the guidance note on accounting for 'Employee Shared Based payments', issued by the Institute of Chartered Accountants of India [read with clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999)], the net profit and earning per share for the year would have been lower by Rs 709,919/- and 0.04 per share, respectively. The details of the computations are as follows:

### APPENDIX - 1

Proforma Adjusted Net Income and Earning Per

Particulars	Amount in (₹)
Net Income (as reported)	26,734,477
Add: Intrinsic Value Compensation Cost (Grant V & VI- "Employee Stock Option Scheme 2007")	969,358
Less: Fair Value Compensation Cost	1,679,277
<b>Adjusted Pro Forma net Income</b>	<b>26,024,559</b>
Earning Per Share: Basic	1.52
Earning per share: Basic (as reported)	1.56

### APPENDIX - 2

#### B. Methodology & Assumptions of Fair Value Method

Particulars	Grant - 09-Jul-2009
Method Applied	Black Scholes Option Pricing Model
<b>Assumptions</b>	
Risk Free Interest Rate	7.83%
Expected Life	2.50 to 5.50 years
Expected Volatility	72.55%
Dividend Yield	-
Market Price at the time of Option Grant	34.10

**Disclosure in compliance with the provisions of clause 12 of the Securities and Exchange Board of India (Employee stock option scheme and employee stock purchase scheme) Guidelines, 1999**

## DIRECTORS' REPORT

Sr.No.	Description	Details
16.	Name of the Scheme  Total Number of options to be granted under the plan	ESOS 2009  20,00,000 options
17.	Options granted during the year	Nil
18.	Pricing Formula	<p>The Compensation Committee shall grant options at either of the following prices:</p> <ol style="list-style-type: none"> <li>1.The latest available closing market price prior to the date of grant of the shares of the company on the exchange having the highest trading volume</li> <li>2. At a discount of 10% on the latest available closing market price prior to the date of grant of the share of the company on the exchange having the highest trading volume</li> <li>3.At a discount of 20% on the latest available closing market price prior to the date of grant of the shares of the company on the exchange having highest trading volume</li> <li>4. At a discount of 30% on the latest available closing market price prior to the date of the grant of shares of the company on the exchange having highest trading volume</li> <li>5. At a discount of 40% on the latest available closing market price prior to the date of grant of shares of the company on the exchange having the highest trading volume</li> <li>6. At a discount of 50% on the latest available closing market price prior to the date of grant of the shares of the company on the exchange having the highest trading volume</li> </ol>
19.	Options vested as on 31st March 2010	Nil
20.	Options exercised during the year	Nil
21.	Total number of shares arising as a result of exercise of options as on 31st March 2010	Nil
22.	Options lapsed/ cancelled during the year	Nil
23.	Variations of terms of options	N.A.
24.	Money realized by exercise of option during the year	Nil

## DIRECTORS' REPORT

Sr.No.	Description	Details
25.	Total number of options in force at the end of year	Nil
26.	Employee wise details of options granted to <b>Senior Managerial Personnel</b> as on 31st March, 2010	Nil
27.	Employees who were granted options amounting to 5% or more of the options granted during the year	Nil
28.	Employees who were granted options in any one year equal to or exceeding 1% of the issued capital of the company at the time of grant	Nil
29.	Diluted Earning Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard 20 (AS-20)	N.A.
30.	The impact of difference on profits and on EPS of the Company where the Company has calculated the employee compensation cost using the intrinsic value of the stock options.	N.A.
31.	<p>4. Weighted average exercise price of options granted during the year whose:</p> <p>5. Weighted average fair value of options granted during the year whose:</p> <p>6. Description of the method and significant assumptions used during the year to estimate the fair values of options.</p>	<p>N.A.</p> <p>N.A.</p>

**For and on behalf of the Board of Directors**

sd/-  
**Rahul Patwardhan**  
 Vice Chairman & Managing Director

sd/-  
**Dhananjay Bendre**  
 Executive Director

sd/-  
**Deepti Dhebane**  
 Company Secretary

Place: Pune  
 Date: 27.08.10

### INDIACO'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

At IndiaCo, Corporate Governance philosophy stems from our belief that corporate governance is a key element in improving efficiency and growth as well as enhancing investor confidence.

Corporate Governance assumes a great deal of importance in the business life of IndiaCo and is not just adherence to mandatory rules & guidelines but lies in observing the spirit behind the letter. We believe that our company shall go beyond adherence to regulatory framework. Our corporate structure, business and disclosure practices have been aligned to our Corporate Governance Philosophy. The driving forces of Corporate Governance at IndiaCo are its core values- Associate Delight, Investor Delight, and the pursuit of excellence. Transparency, accountability, fairness and communication with stakeholders are integral to our functioning. The Company's goal is to find creative and productive ways to delight its stakeholders i.e., investors, Associates and Society, thereby fulfilling the role of a responsible corporate representative committed to best practices.

IndiaCo believes that sound Corporate Governance practices provide an important framework to help the Board of Directors fulfill its responsibilities. We believe in system driven performance and performance oriented systems. We accord highest priority to these systems and protect the interests of all our shareholders and stakeholders. The Board is elected by shareholders. It is responsible for setting strategic objectives to management and ensuring that stakeholders' long term interests are served. We have tried to blend growth and efficiency with governance and ethics. Our Board of directors are guided by the formulated strategies and policies having a focus on optimizing value for various stakeholders like consumers, shareholders and the society at large. It does so by adhering to and enforcing the principles of sound corporate governance. Thus, the management is responsible to establish and implement policies, procedures and systems to enhance the long-term value of the Company and delight all of its stakeholders.

The traditional analysis of corporate governance focused on the allocation of power and duty among the Board of directors, management and shareholders. As the sole residual claimants on company assets, shareholders were presumed to have the most incentive to maximize company value. According to that perspective, the Board of directors acted as the shareholders' agent and management was responsible for daily operations. In today's scenario the Board and the management play the role of trustees. Effective corporate governance requires clear understanding of the respective roles of the Board and the senior management, and their relationships with others in the corporate structure. The relationship of the Board and the management with stockholders should be characterized by good citizenship; and their relationship with the government should be characterized by good a commitment to compliance.

We believe that sound corporate governance is critical to enhance and retain stakeholders' trust. Accordingly, we always seek to ensure that we attain our performance rules with integrity. Our Board exercises its fiduciary responsibilities in the widest sense of the term. We also endeavor to enhance long- term shareholder value and respect minority rights in all our business decisions.

#### **Our corporate governance philosophy is based on the following principles:**

- Satisfy the spirit of law and not just the letter of the law. Corporate governance standards should go beyond the law.
- Be transparent and maintain a high degree of disclosure levels. When in doubt, disclose.
- Make a clear distinction between personal conveniences and corporate resources.
- Communicate externally, in a truthful manner, about how the Company is run internally.
- Have a simple & transparent corporate structure driven solely by business needs.
- Management is the trustee of the Shareholders' capital and not the owner.

IndiaCo Ventures Limited remains focused on pursuing a business model that optimizes long term stakeholder value. Appropriate and timely disclosures, transparency in business dealings and high levels of integrity in decision making are inherent to the Company in this pursuit.

Your Company believes good governance is an essential ingredient of good business. Your Company recognizes that good Corporate Governance is a continuing exercise and reiterates its commitment to pursue the highest standards of Corporate Governance as shareholders across globe evince keen interest in its practices and performance.



IndiaCo Code of Conduct for its Board of Directors and senior management personnel is adhered to by all concerned persons to safeguard inherent risks associated with the Company's business and to help fulfill the corporate responsibility to various stakeholders. The Board continuously endeavors to improve upon these aspects on ongoing basis.

### **The role of our Board & Compliance**

The overall purpose of the Board is to represent Company's owners, ensure that the Company's strategic objectives are properly pursued and that the major business risks are actively monitored & managed. This goes beyond regulatory compliance and puts the interests of our shareholders as the Board's primary focus.

The Company has to manage a variety of political, technical and commercial risks. It is therefore important that the Board contains the appropriate mix of skills and experience to meet these challenges. IndiaCo's Board has such a mix. Selection of suitable non-executive directors is a matter for Board approval. The non-executive directors bring independent judgment to bear on issues of strategy, performance and resources, including key appointments and standards of conduct.

We require that our non-executive are free from any relationship or circumstances that could materially interfere with the exercise of their independent judgment. New directors receive a full induction to the Company. This consists of information covering the operations of the Board as well as meetings with the Board, Chief executive and other executive directors. All non-executives have direct contact with the Company's senior executives between Board meetings and also visit the Company's operations in order to familiarize themselves with its activities and to meet and engage with staff. The Board is responsible for overall group strategy, approval of major capital expenditure, the overall debt & equity structure and consideration of significant financing matters. The Board has continued to focus its efforts in 2009-10 on strategic issues which will create shareholder value, monitoring performance against agreed objectives and planning future business opportunities.

The Board meets at least 6-8 times each year. The agenda for the Board meeting is set by the Executive Director & COO in consultation with the Managing Director and the Company Secretary.

Formal procedures are in place to ensure the Board's powers of authorization of conflicts or potential conflicts of interests of directors are operated effectively.

### **Re-election of Directors**

In accordance with the company's Articles of Association one third of directors retire each year, with their re-appointment being subject to the approval of shareholders. This requires directors to submit themselves for re-election at least every three years.

This chapter, along with the chapters on Management Discussion and Analysis and Additional Shareholders Information, reports IndiaCo's compliance with existing as well as the revised Clause 49 and highlights the additional initiatives taken in line with international best practices.

## **1. BOARD OF DIRECTORS**

### **Size and Composition of the Board**

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and to separate the Board functions of governance and management. The Board consists of 9 members, 2 of who are executive or full time directors, and 7 are non-executive independent directors. One of the executive directors is founder of the company. The Company does not have any nominee director. The Board periodically evaluates the need for change in composition of its size.

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 committees across all the Companies in which they hold Directorship. All the Directors have made necessary disclosures regarding committee positions occupied by them in other companies.

The Constitution of the Board as on March 31, 2010 is given below:

Name of Director	Category
Mr. Rahul Patwardhan	Vice Chairman & M.D. [Promoter]
Mr. Dhananjay Bendre	Executive Director
Mr. Rahul Rathi	Non-Executive Director [Independent]
Mr. Suneel Parasnis	Non-Executive Director [Independent]
Mr. Prithipal Singh	Non-Executive Director [Independent]
Mr. Pradip Dubhashi	Non-Executive Director [Independent]
Mr. Shyam Iyer	Non-Executive Director [Independent]
Mr. Mohit Burman	Non-Executive Director [Independent]
Mr. Brian Brown	Non-Executive Director [Independent]

### Scheduling & Selection of agenda items for Board meetings

The meetings of the Board are generally held at the registered office of the Company. The Company Secretary prepares the agenda for each meeting, along with explanatory notes, in consultation with the board members and circulates the same in advance to the Directors. Every Board member is free to suggest items for inclusion in the agenda. The Board meets at least once a quarter to review the quarterly results and other items on the agenda. Additional meetings are held, when necessary. Independent directors are expected to attend at least four Board meetings in a year. . However, the Board being represented by independent directors from various parts of the world, it may not be possible for each one of them to be physically present at all the meetings. We effectively use teleconferencing facilities to enable their participation.

### Board Meetings

Seven (7) Board Meetings were held during the year 2009-10 and the maximum gap between any two meetings was less than 3 months.

The dates on which the Board Meetings were held are as follows:

Financial Quarter 2009-10	Dates of the Board Meetings
1st Quarter ended 30th June, 2009	<ul style="list-style-type: none"> <li>• 30th April, 2009</li> <li>• 27th June, 2009</li> </ul>
2nd Quarter ended 30th September, 2009	<ul style="list-style-type: none"> <li>• 28th July, 2009</li> <li>• 12th August, 2009</li> <li>• 21st August, 2009</li> </ul>
3rd Quarter ended 31st December, 2009	<ul style="list-style-type: none"> <li>• 27th October 2009</li> </ul>
4th Quarter ended 31st March, 2010	<ul style="list-style-type: none"> <li>• 28th January, 2010</li> </ul>

### Directors' Attendance record and Directorships held

The information as required under Annexure 1A to the Clause 49 of the Listing Agreement is made available to the Board. The agenda for the Board meetings were circulated prior to the meeting. Adequate information is circulated as part of the Board papers containing all the important and adequate information for facilitating deliberation at the meeting. The dates on which the Board meetings were held and the attendance thereat during the financial year ending 31st March, 2010 are as follows:

S. No.	Date of Board Meeting	Board Strength	No. of Directors Present
1.	30th April, 2009	7	3
2.	27th June, 2009	8	4
3.	28th July, 2009	8	3
4.	12th August, 2009	8	3
5.	21st August, 2009	8	4
6.	27th October 2009	10	5
7.	28th January, 2010	9	6

### Memberships in other Boards

Executive Directors may, with the prior consent of the Board of Directors, serve on the Board of one other business entity, provided that such a business entity is not in direct competition with our operations. Independent directors are not expected to serve on the Boards of competing Companies. Other than this there are no limitations on them, save those imposed by law and good corporate governance practices.

The details of outside directorships held by each of our directors in Public Limited Companies are given in the table below:

Name of the Director	Category of Directorship	Number of Directorships in other Public Limited Companies	Number of Committee positions held in other Companies	
			Chairman	Member
Mr. Rahul Patwardhan	Executive	-	-	2
Mr. Dhananjay Bendre	Executive	-	-	-
Mr. Rahul Rathi	Independent	-	-	-
Mr. Prithipal Singh	Independent	-	-	-
Mr. Pradip Dubhashi	Independent	3	1	2
Mr. Shyam Iyer	Non - Executive	-	-	-
Mr. Mohit Burman	Independent	8	-	-
Mr. Brian Brown	Independent	1	-	1
Mr. Suneel Parasnis	Independent	-	-	-

### Shareholding of Non- Executive Directors

Mr. Vinayak Bhattacharjee Non– Executive Director of the company who resigned during the year holds 4,68,440 Equity shares of face value of Rs. 2/- of the company as of 31st March 2010.

### Shareholding of Non- Executive Directors

Mr. Vinayak Bhattacharjee Non– Executive Director of the company who resigned during the year holds 4,68,440 Equity shares of face value of Rs. 2/- of the company as of 31st March 2010.

### Availability of Information to Board members

The Board has unfettered and complete access to any information within the Company and to any of our employees. Sufficient information is regularly provided to the Board as a part of agenda papers or is tabled in the course of the Board meeting. Where it is not practicable to attach or send relevant documents along with Agenda, the same are tabled at the meeting. At Board meetings officers who can provide additional insights into the items being discussed are invited.



### Discussion with independent directors'

The Board's policy is to regularly have separate meetings with independent directors to update them on business- related issues and new initiatives. In such meetings, the executive directors and other members of the senior management make presentations on relevant issues.

### Remuneration paid to Directors

The Company pays remuneration by way of Salary, Allowances and Perquisites to the Vice Chairman and Managing Director and the executive director as approved by the Board of Directors.

Details of Remuneration paid to Mr. Rahul Patwardhan, Vice- Chairman & Managing Director and Mr. Dhananjay Bendre, Executive Director during the period 1st April, 2009 to 31st March, 2010 are as follows:

#### Details of Remuneration:

( ` in lakhs per year)

Name of the Director	Salaries	Perquisites	Total
Rahul Patwardhan	15,05,649	3,000	15,08,649
Dhananjay Bendre	23,31,000	2,71,025	26,02,025

IndiaCo has a well-defined policy framework, which lays down procedures to be followed by Board Members, Senior Management and employees for ethical professional conduct. The code outlines fundamental ethical considerations as well as specific considerations that need to be maintained for professional conduct. All Board members and senior management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Managing Director to this effect is enclosed at the end of this report.

## 2. COMMITTEES OF BOARD

IndiaCo has four Board level committees. All decisions pertaining to the constitution of committees, appointment of members and fixing of terms of service for committee members is taken by the Board of Directors.

- Audit Committee
- Compensation Committee
- Shareholders Grievance Committee and
- Investment Committee (non- mandatory).

Details on the role and composition of these committees etc. are provided below:

### A) AUDIT COMMITTEE:

Purpose: The primary objective of the audit committee (the committee) shall be to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures, and transparency, integrity and quality of financial reporting.

The committee shall oversee the work carried out in the financial reporting process by the management, the internal auditors and the independent auditor and shall note the processes and safeguards employed by each.

#### The Audit Committee consists of the following members namely:

1. Mr. Shyam Iyer - Chairman
2. Mr. Suneel Parasnis - Member
3. Mr. Rahul Patwardhan- Member

The Audit Committee has been mandated with the terms of reference as are specified in Clause 49 of the Listing Agreement with the Stock Exchanges.

The Audit committee met four times on 24th April 2009, 30th July 2009, 28th October 2009, and 12th February, 2010 during the year under review.

### B) REMUNERATION/ COMPENSATION COMMITTEE:

The Board has formed a Compensation Committee, as an additional regulatory mechanism. The Committee was formed with the terms of reference of deciding the remuneration of executive and non- executive directors and having the power to administer & supervise the Employee Stock Option Scheme. It disconnects the Board of the responsibilities relating to compensation of the company's executive directors & senior management

**The Compensation committee presently consists of the following directors namely:**

1. Mr. Suneel Parasnis - Chairman(non- executive independent)
2. Mr. Shyam Iyer- Member (non- executive independent)
3. Mr. Prithipal Singh- Member (non- executive independent)

Mr. Suneel Parasnis is the Chairman of the committee.

Compensation committee met on 24th September 2009 and 12th January 2010.

### C) INVESTORS'/ SHAREHOLDERS' GRIEVANCE COMMITTEE:

The committee consists of one non- executive directors and one executive director namely Mr. Shyam Iyer as Chairman, and Mr. Rahul Patwardhan as Member. The functioning and terms of reference of the Committee are as prescribed and in due compliance with the Listing Agreement with the Stock Exchange and include reviewing existing Investor Redressal System, redressing of shareholder complaints like delay in transfer of shares, non- receipt of balance sheet, non- receipt of declared dividend, etc., and suggesting improvements in investor relations.

<b>Name of the Chairman</b>	Mr. Shyam Iyer
Name & Designation of Compliance Officer	Ms. Deepti Dhebane, Company Secretary & Compliance Officer
No. of Shareholders' complaints received so far	Nil
No. not solved to the satisfaction of shareholders	Nil
No. of pending complaints	Nil

### Compliance Officer

As per the Listing Agreement and guidelines and regulations issued by the Securities and Exchange Board of India (SEBI), Ms. Deepti Dhebane, Company Secretary of the Company is the Compliance Officer of the Company and can be contacted at:

Ms. Deepti Dhebane

Tel: + 91.20.25560254  
+91.20.25560264

IndiaCo Ventures Limited

+91.20.25560243

4th Floor, Symphony, S. No. 210 A/1, Range Hills  
Road, Shivaji Nagar,  
Pune 411 020  
Maharashtra, India

Email:investor-relations@indiaco.com

Further, no complaints have been received by the Company during the year under review.

### D) INVESTMENT COMMITTEE:

#### Members of the Committee:

1. Mr. Rahul Patwardhan
2. Mr. Shyam Iyer
3. Mr. Dhananjay Bendre

An Investment Committee, which although not mandatory as per SEBI guidelines, has been set up by IndiaCo as an additional regulatory mechanism after taking into consideration the objectives of the Company's operations. The committee:

1. Reviews and approves management's recommended investment objectives, policies and guidelines that direct the investment of the fund.
2. Reviews and evaluates the performance of the investment portfolio regularly, to assure adherence to policy guidelines and monitor progress towards achieving investment objectives.

### 3. MANAGEMENT

#### Disclosures

#### a) **Materially Significant Related Party Transactions**

The particulars of transactions between the Company and its related parties as per Accounting Standard- 18 (AS-18) are set out at Note 16 in Notes to Accounts. However, these transactions are conflicting with interest of the company.

#### b) **Details of non-compliances by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to Capital markets, during the financial year.**

The Company has complied with the requirements of the Listing Agreement with the Stock Exchange as well as the regulations & guidelines prescribed by SEBI. There were no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to the Capital markets during the year.

#### c) **Proceeds from Public issues, rights issue, preferential issue**

The Company did not make any public issue, rights issue, preferential issue in the financial year under review.

#### d) **As regards non-mandatory requirements of Corporate Governance norms, the Company has complied with the constitution of Remuneration Committee/ Compensation Committee.**

#### e) **Management Disclosure:**

No transactions of material nature has been entered by the Company with its Directors or Management and their relatives, etc. that may have potential conflict with the interest of the Company. The register of the contract containing transactions in which Directors are interested is placed with the Board regularly.

#### f) **Board of Advisors:**

The Board of Advisors consist of professionals of international repute and management of the company seeks their expertise and guidance from time to time to validate new initiatives, and to help management achieve set goals. New members have been added to the voluntary body of the Board of advisors during the financial year. The profile of the members so added follows as under:

- **Mr. Subramonia Sarma**

Subramonia Sarma is the Director of Entrepreneurship Development of the Wadhvani Centre for Entrepreneurship Development, at the Indian School of Business (ISB). Mr. Sarma spearheads its mentoring activities to bring together aspiring entrepreneurs, start-ups and growth-stage entrepreneurs, venture capitalists, successful entrepreneurs and academicians, on a common platform to interact and help build successful enterprises. He has over 25 years experience in supporting hi-tech entrepreneurs, and in evaluating projects, designing strategies and mentoring as a senior member of the Consultancy Cell of State Bank of India (SBI). Mr. Sarma was closely associated with SBI's cluster development initiative. He has also served as a member of the Technology Mission on Oil and Oilseeds and on the SSI panel of the AP Chapter of the Confederation of Indian Industry (CII).

- **Mr. Mark Blundell**

Mark Blundell is a dual UK/US national, resident in England, who has been a capital markets derivative professional in New York, Paris and London. His employers have included Citibank, Rabobank, WestLB, and the Chicago Mercantile Exchange. For the past five years he has been an early stage company entrepreneur, serving as a director of New Media United, Polymer Welding Technologies and Eurovoltaic plc, a pan-European solar power IPP.

During this time he has also been an advisory board member of Falcon Capital, a mezzanine private equity boutique, and recently founded Sandy Lane Advisors LLP in order to act as a catalyst for emerging cleantech company fund-raising. He is a phi beta kappa, magna cum laude graduate of Williams College and the Fletcher School of Law and Diplomacy at Tufts university. His connection to India began while at Williams, where he participated in a year long experiential education program run by the USEFI and the Fulbright foundation, living in all but one of India's states while researching the transition from traditional society to modernity.

- **Mr. Vinayak Bhattacharjee**

Vinayak is a Senior Managing Director of State Street Global Advisors in London, the world's largest asset management company. He has worked in Europe, US and Asia at international firms like Barclays Global Investors, F&C, SG Securities, ING Barings, Putnam Hayes & Bartlett and Lexecon. As a senior figure in the asset management industry for past 10 years, Vinayak has a deep experience of building and growing asset management businesses within different regulatory, commercial, market and client structures. Prior to this, he spent a further 10 years as a strategy consultant, equity analyst and corporate financier focused on emerging markets.

- **Mr. Sasha Mirchandani**

Sasha Mirchandani is presently Venture Partner at BlueRun Ventures. He focuses on consumer internet, mobile, media, entertainment and Knowledge Process Outsourcing (KPO). Prior to BRV, Sasha was the head of corporate affairs and new business at Mirc Electronics and CEO and Founder of Imercius Technologies. Sasha is on the board of Fractal Analytics, Algorhythm, Gulita Securities, Madhouse Media, and AsliSale.

### **Code of Ethics and Conduct**

IndiaCo has a well- defined policy framework, which lays down procedures to be followed by employees for ethical professional conduct. The code outlines fundamental ethical considerations as well as specific considerations that need to be made maintained for professional conduct.

The Vice Chairman & Managing Director has affirmed to the Board that this Code of Ethics and Conduct has been complied by the Board members and Senior Management.

### **MD Certification**

The MD certification of the financial statements and the cash flow statement for the year are enclosed.



### 4. SHAREHOLDERS

#### GENERAL BODY MEETING:

##### a) Details of location and time of holding of last three AGMs

AGM	Financial year	Venue	Date	Time	No. of Special Resolutions passed
24th AGM	31st March, 2007	Hotel St Laurn, 15 A, Koregaon Road, Adjacent to Hotel Taj Blue Diamond, Pune	21st September, 2007	11.00 A.M.	3
25th AGM	31st March 2008	IndiaCo Center, 4th Floor, Symphony, S. No. 210A/1, Range Hills Road, Shivaji Nagar, Pune – 411020, Maharashtra (India)	26th September, 2008	10.00. A.M.	2
26th AGM	31st March 2009	Hotel Sayaji, Mumbai- Banglore Highway, Wakad, Pune- 411057	29th September, 2009	10.00. A.M.	2

#### MEANS OF COMMUNICATION:

- a) Quarterly Reports: Quarterly reports are published in 'The Indian Express'/ Economic Times and 'LokSatta'.
- b) News Releases, Presentations, etc.: Official news releases, detailed presentations made to media, analysts, institutional investors, etc. are displayed on the Company's website [www.indiaco.com](http://www.indiaco.com). Official Media releases are sent to the Stock Exchanges.
- c) Website: The Company's website [www.indiaco.com](http://www.indiaco.com) contains a separate dedicated section 'Investor relations' where shareholders' information is available. The Annual Report of the Company is also available on the website in a user-friendly and downloadable form.
- d) Annual Report: Annual Report containing, inter- alia Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion & Analysis Report forms part of the Annual Report.
- e) Vice Chairman's Communique: Printed copy of the vice chairman's speech is distributed to all the shareholders at the Annual General Meetings. It is also sent to all shareholders who do not attend the Annual General Meeting. The same is also placed on the website of the Company.
- f) Designated Exclusive email-id: The Company has designated the following email- ids exclusively for investor servicing.

investor-relations@indiaco.com  
info@indiaco.com

The Company does not send its half yearly report to each household of shareholders.

### GENERAL SHAREHOLDER INFORMATION:

#### Company Registration Details:

The Company is registered in the state of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs is L51909PN1983PLC129492.

The financial year of the Company is for a period of 12 months from 1st April to 31st March every year.

AGM: Date, Time & Venue	27th Annual General Meeting on 24th September, 2010 at 11.00 a.m. at Sayaji Hotels Ltd. : 135/136, Mumbai-Banglore Bypass Highway, ; Wakad, Pune -411 057
Date of Book Closure	20th September 2010 to 24th September 2010
Financial Calendar (Tentative) Results for the quarter ending June 30, 2010	First week of August, 2010
Results for the quarter ending September 30, 2010	First week of November, 2010
Results for the quarter ending December 31, 2010	First week of February, 2011
Results for the quarter ending March 31, 2011	First week of May, 2011
Listing of Company's Shares	The Company's shares are listed on Bombay Stock Exchange (BSE)
Scrip Code ISIN No.	506131 INE064E01028
Payment of listing fees	Annual listing fee for the financial year as applicable has been paid by the Company to the BSE.

### STOCK MARKET DATA

Period	IndiaCo		Sensex	
	High	Low	High	Low
April, 2009	297.25	184.00	11,492.10	9,546.29
May, 2009	410.00	283.00	14,930.54	11,621.30
June, 2009	454.80	43.65	15,600.30	14,016.95
July, 2009	49.15	32.80	15,732.81	13,219.99
August, 2009	58.85	29.50	16,002.46	14,684.45
September, 2009	58.55	46.50	17,142.52	15,356.72
October, 2009	59.85	49.20	17,457.26	15,805.20
November, 2009	61.55	45.35	17,290.48	15,330.56
December, 2009	67.20	55.25	17,530.94	16,577.78
January, 2010	74.90	57.55	17,790.33	15,982.08
February, 2010	61.20	50.00	16,669.25	15,651.99
March, 2010	86.00	52.25	17,793.01	16,438.45

Source: BSE website

### SHAREHOLDING PATTERN AS ON 31st March, 2010:

Category	No. of Shares	Percentage
Promoters	6222000	36.31
Mutual Funds & UTI	Nil	Nil
Banks, Financial Institutions & Insurance Companies	Nil	Nil
FII's	593960	3.47
Corporates	5347371	31.21
Individuals	2375003	13.87
NRIs/ Foreign Nationals/ OCB	478278	2.79
Clearing Members	6013	0.04
Foreign Corporate Body	2112210	12.33
<b>Total</b>	<b>17134835</b>	<b>100</b>

## CORPORATE GOVERNANCE

### REGISTRAR & TRANSFER AGENTS

The Company has appointed M/s Mondkar Computers Private Limited, whose address is given below, as its Registrars & Transfer Agents. The Registrar handles and is delegated all matters relating to the shares of the Company including transfer, transmission of shares, dematerialization of shares certificates, sub-division/ consolidation of share certificates.

#### M/s Mondkar Computers Private Limited

21, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (E), Mumbai- 400093

Tel: (022) 28366620

E-mail id: mondkar\_computers@rediffmail.com

### DEMATERIALISATION OF SHARES

The Company's shares are tradable compulsorily in electronic form. The Company has established through its Registrar and Share Transfer Agents, connectivity with National Securities Depository Ltd. (NSDL) and Central Depository Services (I) Ltd. (CDSL).

As on 31st March, 2010, 1,34,65,515 equity shares out of 1,71,34,835 equity shares have been dematerialized.

### EQUITY SHARE WARRANTS

A total of 1,65,300 convertible warrants were allotted on preferential basis on September 26, 2008, to entities out of which 1,40,000 convertible warrants have been converted on 14th May 2010 and the same remains locked in as per table given below, at the option of the Board of Directors into equity shares and allotted as follows:

Name of the Entity	No. of warrants (the face value at the time of issue was ` 10/- per share)	Price of warrants	Upon conversion No. of Shares	Face value of converted shares	Lock-in Period
Iaquavit Management Services Private Limited	1,12,000	` 650/-	11,20,000	` 2/-	Locked in for trading till 14.05.13
Lupine Venture Private Limited	28,000	` 650/-	2,80,000	` 2/-	Locked in for trading till 14.05.11

There are no outstanding GDRs/ ADRs.

### SHARE TRANSFER SYSTEM

All share transfer and other communications regarding share certificates, change of address, dividends, etc., should be addressed to Registrar and Transfer Agents. Share transfers are registered and returned within maximum of 30 days from the date of lodgment if documents are complete in all respects. In case, the shares are transferred through Demat mode, the procedure is adopted as stated in Depositories Act, 1996.

### COMPANY'S REGISTERED OFFICE ADDRESS

#### IndiaCo Ventures Limited,

4th Floor, Symphony, S. No. 210 A/1, Range Hills

Road, Shivaji Nagar, Pune 411 020 Maharashtra

Phone# +91.20.25560264/ 25560254 Fax: 25560243

e-mail: info@indiaco.com

## DECLARATION

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The Board of Directors of the Company has adopted the code of conduct for the Directors and Senior Management of the Company. All the Board members and the senior management personnel have affirmed their compliance with the respective codes.

**Date:27.08.10**  
**Place: Pune**

sd/-  
**Rahul Patwardhan**  
**Vice- Chairman & Managing Director**

## AUDITOR'S REPORT ON CORPORATE GOVERNANCE

To,

The Members of IndiaCo Ventures Limited

We have examined the compliance of conditions of Corporate Governance by IndiaCo Ventures Limited, for the year ended on 31st March, 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination is limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As per the records available, we state that as on 30th June, 2010, there were no investor grievances remaining unattended/ pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For S.J. Agrawal & Associates**  
**Chartered Accountants**

sd/-

**S.J. Agrawal**  
**Partner**  
**Membership No: 030273**

**Date: 27.08.10**

## AUDITOR'S REPORT

### AUDITORS' REPORT

To the Members of M/s. INDIACO VENTURES LIMITED

1. We have audited the attached Balance Sheet of M/s INDIACO VENTURES LIMITED as at 31<sup>st</sup> March 2010, the Profit and Loss Account and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, 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 purposes of our audit;
  - b. In our opinion, the company has kept proper books of account as required by law so far as appears from our examination of those books.
  - c. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account.
  - d. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e. On the basis of written representation received from the directors, as on 31<sup>st</sup> March 2010 and taken on record by the Board of Directors and on the basis of information and explanation given to us we report that none of the director is disqualified as on 31<sup>st</sup> March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and 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 the affairs of the Company as at 31<sup>st</sup> March 2010;
    - ii) In the case of the Profit & Loss Account, of the Profit for the year ended on that date; and
    - iii) In the case of the cash flow statement, of the Cash Flow for the year ended on that date.

For S.J. AGRAWAL & ASSOCIATES,  
Chartered Accountants

sd/-  
S. J. Agrawal  
Partner  
Membership No: 030273

Place: Mumbai  
Date: 30<sup>th</sup> August, 2010

## AUDITOR'S REPORT

### Annexure to the Auditor's Report

Ref: M/s INDIACO VENTURES LIMITED

Referred to in paragraph 3 of our report of even date

- i) In respect of Fixed Assets
  - a. The Company has maintained memorandum of records showing details of fixed assets with original cost and depreciation written off in respect of identifiable units of assets and where such information for identifiable units of assets is not available, the records show the cost and depreciation written off in respect thereof as a group or class. However, comprehensive fixed assets register is being compiled.
  - b. All the assets have been physically verified by the management in accordance with the programme of verification, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.
  - c. During the year, the company has not disposed any assets.

- ii) In respect of Inventories

According to the information and explanations given to us, the inventory of securities have been held in dematerialized form and are verified with the demat account statements at reasonable intervals.

According to the information and explanations given to us, in our opinion, the procedures of physical verification of shares held in Demat Account followed by the management are reasonable and adequate in relation of the size of the Company and the nature of its business.

The transaction-wise stock details are compiled for control over the stocks of securities and necessary details are obtained from the custodians of shares and securities from the Depository Participants. Discrepancies noticed on verification have been properly dealt with.

- iii) According to the information and explanations given to us, the Company has not granted any loan secured or unsecured to the Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clauses (iii) (b), (iii) (c) & (iii) d of the Order are not applicable.

As informed to us, the Company has not taken any loans, secured or unsecured, from Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act 1956. Accordingly clauses (iii) (f) & (iii) g of the Order are not applicable.

- iv) In our opinion and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of fixed assets and for the sale of services. During the course of audit, we have not observed any major weakness in such internal controls.
- v) According to the information and explanation provided by the management, there have been no contracts or arrangements during the period that needs to be entered into the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of clauses (v) (a) and (b) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable.
- vi) As the Company has not accepted or renewed any deposit from the public, the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- vii) The Company has an internal audit system commensurate with the size and nature of its business.
- viii) Paragraph 4(viii) of the Order is not applicable.



## AUDITOR'S REPORT

- ix) According to the information and explanations given to us and records examined by us, the Company is generally regular in depositing, with the appropriate authorities, undisputed statutory dues.

According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and cess which have not been deposited on account of any dispute other than following :

Name of statute	Nature of dues	Amount (Rs. in Lacs)	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Assessment due	22.01	F.Y. 2005-06	CIT (Appeals) XXXII

- x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year.
- xi) In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has no default as on the balance sheet date in repayment of dues to financial institutions or banks. The Company has not issued any debentures and hence any default for repayment on this account does not arise.
- xii) According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) Paragraph 4(xiii) of the Order is not applicable
- xiv) In our opinion, proper records have been maintained of the transactions and contracts and timely entries have been made therein; also the shares, securities, debentures and other securities have been held by the company, in its own name.
- xv) According to information and explanations given to us, and the representations made by the management, the Company has not given any guarantee for loans taken by others from any bank or financial institution.
- xvi) Based on our examinations of the records and information and explanations given to us during the year no term loan has been obtained.
- xvii) According to the information and explanations given to us, and an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment.
- xviii) The company has not made any preferential allotment of shares during the year.
- xix) The company has not issued any debentures during the year nor there is any outstanding as on 31<sup>st</sup> March 2010.
- xx) The company has not raised any money by public issues during the year
- xxi) According to the information and explanations given to us, no fraud on or by company has been noticed or reported during the course of our audit.

For S.J. AGRAWAL & ASSOCIATES,  
Chartered Accountants

S. J. Agrawal  
Partner  
Membership No: 030273

Place: Mumbai  
Date: 30<sup>th</sup> August, 2010

## BALANCE SHEET AS AT 31ST MARCH, 2010

INDIACO VENTURES LIMITED			
BALANCE SHEET AS AT 31ST MARCH, 2010			
PARTICULARS	SCHEDULE	AS AT 31.03.2010	AS AT 31.03.2009
		Rs.	Rs.
<b><u>SOURCES OF FUNDS</u></b>			
SHARE CAPITAL	A	34,269,670.00	17,112,210.00
RESERVES & SURPLUS	B	165,566,687.38	155,746,794.57
SECURED LOAN	C	302,462.00	585,943.00
APPLICATION MONEY Warrants		87,605,300.00	16,475,300.00
DEFERRED TAX LIABILITY		862,000.00	640,000.00
		<b>288,606,119.38</b>	<b>190,560,247.57</b>
<b><u>APPLICATION OF FUNDS</u></b>			
<b><u>FIXED ASSETS</u></b>	D		
GROSS BLOCK		54,299,592.90	52,812,510.90
LESS :DEPRECIATION		11,661,201.00	6,867,003.00
		42,638,391.90	45,945,507.90
INVESTMENTS	E	231,001,616.00	134,824,053.00
CURRENT ASSETS, LOANS & ADVANCES	F	17,654,412.48	22,379,113.95
LESS :CURRENT LIABILITIES & PROVISIONS	G	3,325,972.00	13,916,790.28
		14,328,440.48	8,462,323.67
DEFFERED Expenditure		637,671.00	1,328,363.00
		<b>288,606,119.38</b>	<b>190,560,247.57</b>
		-	-

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS AS PER OUR REPORT OF EVEN DATES

For S.J. AGRAWAL & ASSOCIATES,

Chartered Accountants  
(S.J. AGRAWAL)  
Partner  
Mem. Mo. 030273

Rahul Patwardhan  
Director

Dhananjay Bendre  
Director

Deepti Debhane  
Company Secretary

PLACE : MUMBAI  
DATED : 12th August, 2010

PLACE : PUNE  
DATED : 12th August, 2010

## P & L AS AT 31ST MARCH, 2010

INDIACO VENTURES LIMITED			
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010			
PARTICULARS	SCHEDULE	CURRENT YEAR	PREVIOUS YEAR
		Rs.	Rs.
<b>INCOME</b>			
FROM OPERATION		26,685,000.00	20,796,248.60
INTEREST		242,577.00	300,789.00
DIVIDEND		134,667.07	30,108.33
PROFIT ON SALE OF INVESTMENT		23,111,068.50	14,706,936.10
OTHER INCOME		141,438.68	50,257.49
Total ->(a)		<b>50,314,751.25</b>	<b>35,884,339.52</b>
<b>EXPENDITURE</b>			
ADMINISTRATIVE & OTHER EXPENSES	H	14,230,076.44	16,439,916.08
DEPRECIATION		4,794,198.00	4,130,286.00
Total ->(b)		<b>19,024,274.44</b>	<b>20,570,202.08</b>
PROFIT FOR THE YEAR	Total (a-b)	31,290,476.81	15,314,137.44
ADD (LESS) : CURRENT TAX		(4,334,000.00)	(3,460,000.00)
TAX EFFECT OF TIMING DIFFERENCES ORIGINATING DURING THE YEAR		(222,000.00)	(250,000.00)
TAX EFFECT OF TIMING DIFFERENCES REVERSING DURING THE YEAR		-	500,000.00
ADD (LESS) : PROVISION FOR FBT		-	(325,000.00)
PROFIT AFTER TAX		26,734,476.81	11,779,137.44
Balance B/F		16,809,120.57	22,646,367.13
<b>BALANCE CARRIED TO BALANCE SHEET</b>		<b>43,543,597.38</b>	<b>34,425,504.57</b>

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS AS PER OUR REPORT OF EVEN DATES

For S.J. AGRAWAL & ASSOCIATES,

Chartered Accountants  
(S.J. AGRAWAL)  
Partner  
Mem. Mo. 030273

Rahul Patwardhan  
Director

Dhananjay Bendre  
Director

Deepti Debhane  
Company Secretary

PLACE : MUMBAI  
DATED : 12th August, 2010

PLACE : PUNE  
DATED : 12th August, 2010

(Sched A to E)

<b>INDIACO VENTURES LIMITED</b>			
<b>SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT &amp; LOSS ACCOUNT</b>			
		AS AT 31.03.2010 Rs.	AS AT 31.03.2009 Rs.
<b>SCHEDULE "A"</b>			
<u>SHARE CAPITAL</u>			
AUTHORISED			
6,50,00,000 Equity Shares of Rs.2/- each (Previous Year 1,30,00,000 Equity Shares of Rs.10/- each)		<b>130,000,000.00</b>	<b>130,000,000.00</b>
<u>ISSUED, SUBSCRIBED &amp; PAID UP</u>			
1,71,34,835 Equity Shares of Rs.2/- each fully paid (Pr. Year 17,11,221 Equity Shares of Rs.10/- each fully paid) (of the above 85,56,105 Shares allotted as fully paid-up by way of bonus shares, by capitalisation of profits) (Previous Year Nil)		34,269,670.00	17,112,210.00
		<b>34,269,670.00</b>	<b>17,112,210.00</b>
<b>SCHEDULE "B"</b>			
<u>RESERVES &amp; SURPLUS</u>			
Share Premium Account		119,328,865.00	118,547,740.00
Out Standing ESOP		2,694,225.00	2,773,550.00
Profit & Loss Account		43,543,597.38	34,425,504.57
		<b>165,566,687.38</b>	<b>155,746,794.57</b>
<b>SCHEDULE "C"</b>			
<u>SECURED LOAN</u>			
Vehical Loan From ICICI		302,462.00	585,943.00
		<b>302,462.00</b>	<b>585,943.00</b>
<b>SCHEDULE "E"</b>			
<u>INVESTMENTS</u>			
SHARES :			
QUOTED ( fully paid up equity shares )		3,792,316.00	144,053.00
Share Application Money (Pending Allotment)		412,500.00	-
MUTUAL FUND		1,500,000.00	6,300,000.00
UNQUOTED		173,096,800.00	72,428,000.00
Share Application Money (Pending Allotment)		52,200,000.00	55,952,000.00
		<b>231,001,616.00</b>	<b>134,824,053.00</b>

(Sched F TO G)

<b>INDIACO VENTURES LIMITED</b>			
<b>SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT &amp; LOSS ACCOUNT</b>			
		AS AT 31.03.2010	AS AT 31.03.2009
<b>SCHEDULE "F"</b>		Rs.	Rs.
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
<b>A : CURRENT ASSETS</b>			
<b>SUNDRY DEBTORS (UNSECURED &amp; CONSIDERED GOOD)</b>			
MORE THAN SIX MONTHS		82,145.14	-
OTHERS		4,520,525.79	638,767.57
<b>TOTAL (A)</b>		<b>4,602,670.93</b>	<b>638,767.57</b>
<b>B : CASH &amp; BANK</b>			
CASH IN HAND		42,620.00	16,661.00
BALANCE WITH BANK IN CURRENT A/C		1,103,273.40	4,213,083.17
BALANCE WITH BANK IN DEPOSIT A/C		5,119,178.00	-
<b>TOTAL (B)</b>		<b>6,265,071.40</b>	<b>4,229,744.17</b>
<b>C : LOANS AND ADVANCES</b>			
<b>(UNSECURED, CONSIDRED GOOD)</b>			
ADVANCES		2,428,571.44	2,576,415.50
ADVANCES RECOVERABLE IN CASH OR IN ADVANCE WITH STATUTORY AUTHORITIES		586,331.00	607,419.00
DEPOSITS		3,765,102.71	14,320,102.71
		6,665.00	6,665.00
<b>TOTAL (C)</b>		<b>6,786,670.15</b>	<b>17,510,602.21</b>
<b>GRAND TOTAL ( A + B + C )</b>		<b>17,654,412.48</b>	<b>22,379,113.95</b>
<b>SCHEDULE "G"</b>			
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>			
<b>A: CURRENT LIABILITIES</b>			
OUTSTANDING LIABILITY		1,728,477.00	1,761,790.28
		<b>1,728,477.00</b>	<b>1,761,790.28</b>
<b>B: PROVISIONS</b>			
FOR TAXATION		1,597,495.00	12,155,000.00
<b>GRAND TOTAL ( A + B )</b>		<b>3,325,972.00</b>	<b>13,916,790.28</b>

(Sched H)

<b>INDIACO VENTURES LIMITED</b>			
<b>SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT &amp; LOSS ACCOUNT</b>			
		AS AT	AS AT
		31.03.2010	31.03.2009
<b>SCHEDULE " H "</b>		Rs.	Rs.
<b><u>ADMINISTRATIVE AND OTHER EXPENSES</u></b>			
ADVERTISEMENT& PUBLICITY		1,129,092.00	1,076,912.30
AUDITORS' REMUNERATION		50,000.00	50,000.00
FINANCIAL CHARGES & EXPS		58,701.83	158,906.21
COMMUNICATION EXPS		240,340.00	449,411.03
CONVEYANCE & TRAVELLING EXPS		895,951.39	2,059,995.31
DIRECTOR'S REMUNERATION		22,000.00	12,000.00
BAD DEBTS		5,714.50	98,891.95
ANNUAL FEES AND SUBSCRIPTION		55,000.00	85,000.00
INSURANCE		21,875.00	1,814.00
INTERNET CHARGES		237,931.00	253,858.00
LEGAL & PROFESSIONAL FEES		490,900.00	706,572.00
GENERAL EXPENSES		64,184.00	53,291.00
PRINTING & STATIONERY		207,577.00	137,112.60
RENT & TAXES		644,997.00	233,007.00
REPAIRS AND MAINTANENCE		242,266.72	344,957.05
SALARIES AND ALLOWANCES		8,561,221.00	8,223,885.00
LEGAL FEES & EXPENSES		267,337.00	57,733.00
STAFF WELFARE EXPENSES		92,992.00	1,066,999.63
ESOP Expenses		611,367.00	903,665.00
POSTAGE & COURIER		51,339.00	20,765.00
POWER & FUEL		279,290.00	445,140.00
		<b>14,230,076.44</b>	<b>16,439,916.08</b>

**SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT**

**Schedule 'D'**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON 1.4.2009	ADDITION DURING THE YEAR	DEDUCT- IONS / TRANSFER	TOTAL AS ON 31.3.2010	UPTO 1.4.2009	PROVIDED DURING THE YEAR	DEDUCT- IONS / TRANSFER	TOTAL AS ON 31.3.2010	AS AT 31.3.2010	AS AT 31.3.2009
Office Premises	38,191,183	-	-	38,191,183	3,121,459	1,753,486	-	4,874,945	33,316,238	35,069,724
FURNITURE & FIXTURES	5,645,754	103,959	-	5,749,713	889,644	868,376	-	1,758,020	3,991,693	4,756,110
ELEC. FITTING & EQUIP.	92,017	31,726	-	123,743	65,203	8,290	-	73,493	50,250	26,814
OFFICE EQUIPMENTS	1,456,399	106,567	-	1,562,966	382,674	165,930	-	548,604	1,014,362	1,073,725
COMPUTER	1,450,714	320,000	-	1,770,714	949,883	262,054	-	1,211,937	558,777	500,831
MOTOR VEHICLES	1,602,014	536,000	-	2,138,014	437,248	347,181	-	784,429	1,353,585	1,164,766
AIR CONDITIONER	140,895	17,000	-	157,895	77,374	13,082	-	90,456	67,439	63,521
TELEVISION	9,490	-	-	9,490	5,288	761	-	6,049	3,441	4,202
Software	4,224,045	371,830	-	4,595,875	938,230	1,375,038	-	2,313,268	2,282,607	3,285,815
Current Year	52,812,511	1,487,082	-	54,299,593	6,867,003	4,794,198	-	11,661,201	42,638,392	45,945,508
Previous Year	46,450,928	11,542,742	5,181,159	52,812,511	2,736,717	4,130,286	-	6,867,003	45,945,508	43,714,211

## NOTES TO ACCOUNTS

### SCHEDULE 'I'

#### STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNT

##### A. SIGNIFICANT ACCOUNTING POLICIES

###### 1. BASIS FOR PREPARATION OF FINANCIAL STATEMENT

The Financial Statements are prepared on historical cost convention and the mercantile system of accounting. The accounts are prepared on going concern basis and are consistent with generally accepted accounting principles.

###### 2. CASH FLOW STATEMENT

The cash flow statement is prepared under the suggestive 'Indirect Method' of Accounting Standard-3 'Cash Flow Statements' issued by the Institute of Chartered Accountants of India and the same is annexed herewith.

###### 3. DEPRECIATION

Fixed Assets are stated at cost of acquisition including any attributable expenditure to bring asset to the working condition, less accumulated depreciation. Assets under installation or construction as at the Balance Sheet date are shown as capital work in progress.

Depreciation has been charged on the Fixed Assets under the written down value method, at the rates prescribed under Schedule XIV of the Companies Act, 1956.

###### 4. REVENUE RECOGNITION

Income from professional fees is recognised on completion of services. Interest on deposits is recognised on accrual basis. Dividend income from investments is recognised on cash basis.

###### 5. INVESTMENTS

- ▶ Long term Investments are valued at the cost of acquisition. Current Investments are valued at cost or market price which ever is less. Profit and loss on the current investments is calculated on First in First out (FIFO) basis.
- ▶ Investment is treated as current/ temporary; i.e., intention at the time of investing is to dispose the relevant investment in the 'near future' or the subsidiary operates under severe long-term restrictions impairing transfer of funds to the parent.

###### 6. TAXATION

Tax expenses are recognised as per the provisions of Income tax Act, 1961 at the prescribed tax rates of the relevant assessment year. Tax expenses include current tax and deferred tax. The deferred tax assets/ liabilities for the year, arising on account of timing differences, are recognised in the profit & Loss Account and the accumulated effect thereof is shown in the Balance Sheet as per the provisions of AS-22 'Accounting For Taxes on Income' issued by the Institute of Chartered Accountants of India.

###### 7. FOREIGN CURRENCY

Transactions in Foreign Currencies are recorded at the exchange rate prevailing at the time of booking the contract/ transaction. Any gain or loss arising on receipt/payment due to foreign exchange rate fluctuation is recognized in the Profit and Loss Account.

###### 8. EMPLOYEE STOCK OPTION SCHEME

The compensation cost relating to employee stock option scheme is determined by intrinsic value method. The compensation cost is amortised over the vesting period of the option on straight line basis.

###### 9. PROVISIONS

Provisions for expenses and liabilities are made on the basis of reliable estimate of the financial obligation occurring as a result of past event wherein the probable outflows of resources exist.



## NOTES TO ACCOUNTS

### B. NOTES TO ACCOUNT

#### 1. SEGMENT REPORTING

During the Financial Year 2009-10, the Company has income under only one reportable segment i.e., Advisory and consultancy services. However company had substantial income from its investments.

#### 2. RELATED PARTY DISCLOSURE

Related party disclosures as per the Accounting Standard-18 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India are given as follows:

During the year Company incurred Expenses on behalf of IndiaCo Telecom Pvt.Ltd., Subsidiary, amounting to Rs. 926/-. However same are recoverable in nature.

#### 3. EARNING PER SHARE

The earning per share has been computed on the basis of profits attributable to the Equity Share Holders with respect to weighted number of equity shares according to the provisions of the Accounting Standard-20 'Earning Per Share' issued by the Institute of Chartered Accountants of India. The detailed working is given herein below.

Particulars	2009-10	2008-09
Net Profit attributable to Equity share holders	2,67,34,477	1,17,79,138
Weighted Number of Equity Shares	1,71,21,637	17,01,476
Basic Earning Per Share Note * Post Bonus 1:1 & Split of Rs 10/- into Rs 2/-	1.56*	6.92

#### 4. INCOME TAX & DEFERRED TAX PROVISION

In compliance with the Accounting Standard-22 'Accounting For Taxes on Income' issued by the Institute of Chartered Accountants of India, the company has accounted net debit of Rs. 2,22,000 on account of deferred tax liabilities. The major components of the deferred tax asset and liabilities arising on account of timing differences are:

Particulars	Amounts (')	
	2009-10	2008-09
Reversal of deferred tax liabilities pertaining to earlier years	-	5,00,000
Debit of deferred tax liability arising on account of timing difference of depreciation during the year	(2,22,000)	(2,50,000)
Net Deferred Tax (Liability)/ Asset	(2,22,000)	2,50,000

#### 5. IMPAIRMENT OF ASSETS

There is no impairment of fixed assets during the financial 2009-10, as such the provision for impairment of assets as per Accounting Standard (AS-28) 'Impairment of Assets' issued by the Institute of Chartered Accountants of India is not made in the books of account.

#### 6. Employee Stock option plan (ESOP)

During the financial year 2009-10 the company has granted 2,38,100 (Previous Year 95,000) employee stock options under 'Employee Scheme Option Scheme 2007' vide resolution passed by the compensation committee in its meeting held on 9th July, 2009. The compensation cost relating to employee stock option scheme is determined by intrinsic value method and amortised over the vesting period of four years in accordance with the SEBI (Employee stock option scheme and employee stock purchase scheme) Guidelines, 1999. The details of options granted are as follows:

## NOTES TO ACCOUNTS

### ESOP Scheme details

Scheme	Vesting Period	Option Vesting each year				No. of Options At the Opening	No. of Options exercised during the year	No. of Options Cancelled/ lapsed during the year	No. of Options outstanding at the end of the year
		I	II	III	IV				
		%	%	%	%	'000	'000	'000	'000
Grant- I A	29.10.2007 To 29.10.2011	25	25	25	25	5.00	-	-	5.00
Grant- I B	29.10.2007 To 29.10.2011	25	25	25	25	70.00	11.125	10.50	48.375
Grant- II	28.11.2007 To 28.11.2011	25	25	25	25	0.50	-	0.00	0.50
Grant- III	17.10.2008 To 17.10.2012	25	25	25	25	95.00	11.50	33.00	50.50
Grant- IV A	09.07.2009 To 09.07.2013	50	20	20	10	208.10	-	31.10	177.00
Grant- IV B	09.07.2009 To 09.07.2013	50	20	20	10	30.00	-	10.00	20.00
<b>TOTAL</b>						<b>408.60</b>	<b>22.625</b>	<b>84.60</b>	<b>301,375</b>

### Details of ESOP Cost:

Scheme	Number of Options outstanding'000	Grant Price Rs.	Relevant Market Price Rs.	Intrinsic Value per option Rs.	ESOP Compensation cost for the Grant Rs
Grant- I A	5.00	45	50	5	25,000
Grant- I B	48.375	35	50	15	7,25,625
Grant- II	0.50	43	61	18	9,000
Grant- III	50.50	38	42	4	2,02,000
Grant- IV A	177.00	24	35	11	19,47,000
Grant- IV B	20.00	31	35	4	80,000
<b>Total</b>	<b>301,375</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,88,625</b>

## NOTES TO ACCOUNTS

### Details of ESOP Cost:

Scheme	Number of Options outstanding'000	Grant Price Rs.	Relevant Market Price Rs.	Intrinsic Value per option Rs.	ESOP Compensation cost for the Grant Rs
Grant- I A	5.00	45	50	5	25,000
Grant- I B	48.375	35	50	15	7,25,625
Grant- II	0.50	43	61	18	9,000
Grant- III	50.50	38	42	4	2,02,000
Grant- IV A	177.00	24	35	11	19,47,000
Grant- IV B	20.00	31	35	4	80,000
<b>Total</b>	<b>301,375</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,88,625</b>

### 7. Foreign Currency Out Flows and Inflows

Particulars of foreign currency Inflows and out flows:

#### I. Inflows:

##### Particulars

	2009-10		2008-09	
	Foreign Exchange	Amounts (Rs.)	Foreign Exchange	Amounts (Rs.)
Share Application Money			-	-
Export Services	8824USD	4,36,523	7,749 USD	3,61,262
			2,866 GBP	2,27,146
<b>Total</b>		<b>4,36,523</b>		<b>5,88,408</b>

#### II. Outflow:

Particulars	2009-10		2008-09	
	Foreign Exchange	Amounts (Rs.)	Foreign Exchange	Amounts (Rs.)
Foreign Travel Expenditure	300 GBP	24,400	1,830 GBP	1,50,029
	600 USD	27,865	1,000 USD	33,875
<b>Total</b>		<b>52,265</b>		<b>1,83,904</b>

## NOTES TO ACCOUNTS

**8. Break-up of Auditor Remuneration:**

<b>Particulars</b>	<b>2009-10</b>	<b>2008-09</b>
Statutory Audit	50,000	50,000
Certification	20,000	1,00,000

9. Requirements of para 3 & 4 regarding of part II of schedule VI to the companies Act, 1956 are not applicable to the company.

10. Previous Year's figures have been regrouped and rearranged wherever considered necessary.

As per our report of even date

**For S.J. Agrawal & Associates,  
Chartered Accountants**

**For and on Behalf of Board of Directors**

**SJ Agrawal  
Partner  
Membership No: 030273**

**Rahul Patwardhan  
Managing Director**

**Dhananjay Bendre  
Director**

**Deepti Dhebane  
Company Secretary**

**Place:** Mumbai  
**Date:** August 12, 2010

**Place:** Pune  
**Date:** August 12, 2010

## CASH FLOW

INDIACO VENTURES LIMITED			
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010			
		Amount in Rupees	
		09-10	08-09
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit/(Loss) After tax		26,734,476.81	11,779,137.44
Adjustments for :			
ESOP W/off		611,367.00	903,665.00
Depreciation		4,794,198.00	4,130,286.00
Deffered Tax		222,000.00	(250,000.00)
Dividend Income		(134,667.07)	(30,108.33)
Interest Income		(242,577.00)	(300,789.00)
Prior Period Expense		(504,174.00)	-
(Profit)/Loss on sale of Fixed Assets (Net)		-	-
<b>Operating Profit/(Loss) before working capital changes</b>		<b>31,480,623.74</b>	<b>16,232,191.11</b>
Adjustments for :			
(increase)/Decrease in Trade & Other receivables		6,760,028.70	2,592,417.45
increase/(Decrease) in sundry creditors & Other		(10,590,818.28)	1,329,912.73
	<b>Total</b>	<b>(3,830,789.58)</b>	<b>3,922,330.18</b>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>27,649,834.16</b>	<b>20,154,521.29</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
(Purchase)/Sale of fixed assets		(1,487,082.00)	(6,361,583.40)
(Purchase)/Sale of Investments		(96,177,563.00)	(35,121,864.87)
Dividend Income		134,667.07	30,108.33
Interest Income		242,577.00	300,789.00
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>(97,287,400.93)</b>	<b>(41,152,550.94)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
		71,672,894.00	13,432,293.00
<b>NET CASH FLOW</b>		<b>2,035,327.23</b>	<b>(7,565,736.65)</b>
<b>CASH OR CASH EQUIVALENTS AS BEGINNING</b>		<b>4,229,744.17</b>	<b>11,795,480.82</b>
<b>CASH OR CASH EQUIVALENTS AT THE END</b>		<b>6,265,071.40</b>	<b>4,229,744.17</b>
<b>NET</b>		<b>2,035,327.23</b>	<b>(7,565,736.65)</b>
		-	-

Rahul Patwardhan  
DIRECTOR

Dhananjay Bendre  
DIRECTOR

Deepti Dhebane  
COMPANY SECRETARY

We have verified the above Cash Flow Statement of M/s Indiaco Ventures Limited from the Audited Annual Accounts for the Year ended 31st March, 2010 and found the same to be drawn in accordance therewith.  
FOR

**S.J. AGARWAL & ASSOCIATES,**  
Chartered Accountants  
(S.J. Agarwal)  
Partner (Mem. No. 030273)

Mumbai, Dated : 12th August, 2010

## BS Abstract-IVL

### INDIACO VENTURES LIMITED. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

#### I. REGISTRATION DETAILS

a) Registration No 

L51909PN1983PLC129492
-----------------------

b) Balance Sheet Date 

3	1		0	3		2	0	1	0
---	---	--	---	---	--	---	---	---	---

#### II. CAPITAL RAISED DURING THE YEAR

(AMT. IN RS. THOUSAND)

a) Public Issue 

-	N	I	L	-
---	---	---	---	---

b) Right Issue 

-	N	I	L	-
---	---	---	---	---

c) Bonus Issue 

1	7	1	1	2
---	---	---	---	---

d) Other 

0	0	0	4	5
---	---	---	---	---

#### III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMT. IN RS. THOUSAND)

a) Total Liabilities 

2	8	8	6	0	6
---	---	---	---	---	---

Total Assets 

2	8	8	6	0	6
---	---	---	---	---	---

##### b) Sources of Funds :

Paid up Capital 

0	3	4	2	7	0
---	---	---	---	---	---

Reserves & Surplus 

1	6	5	5	6	7
---	---	---	---	---	---

Secured Loans 

0	0	3	0	2
---	---	---	---	---

Applicant Money 

8	7	6	0	5
---	---	---	---	---

Deferred Tax Liability 

0	0	8	6	2
---	---	---	---	---

##### c) Application of funds :

Net fixed assets 

4	2	6	3	8
---	---	---	---	---

Investments 

2	3	1	0	0	2
---	---	---	---	---	---

Net Current Assets 

1	4	3	2	8
---	---	---	---	---

Misc. Expenditure 

0	0	6	3	8
---	---	---	---	---

#### IV. PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS)

Total Income 

5	0	3	1	5
---	---	---	---	---

Total Expenditure 

1	9	0	2	4
---	---	---	---	---

Profit Before Tax 

3	1	2	9	1
---	---	---	---	---

Profit After Tax 

2	6	7	3	4
---	---	---	---	---

Earning per share 

Rs	1.56
----	------

Dividend per share 

					NIL
--	--	--	--	--	-----

#### V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY

Code not available.

For and on Behalf of Board of Directors

**Rahul Patwardhan**  
Vice Chairman & Managing Director

**Dhananjay Bendre**  
Executive Director & COO

**Deepthi Dhebane**  
Company Secretary

Place: Pune

Date : 12th August, 2010

**INDIACO VENTURES LIMITED**

**STATEMENT PURSUANT TO SECTION 212 (3) AND (5) OF THE COMPANIES ACT, 1956**

**NAME OF THE SUBSIDIARY :**

**INDIACO TELECOM PRIVATE LIMITED**

1. FINANCIAL YEAR OF THE SUBSIDIARY ENDED ON :	31.3.2010
2. NO. OF SHARES HELD BY INDIACO VENTURE LIMITED :	
EQUITY HOLDINGS	219180 SHARES OF Rs.10/- EACH FULLY PAID
EXTENT OF HOLDINGS	99.40%
3. NET AGGREGATE OF SUBSIDIARY'S PROFIT / LOSS SO FAR AS IT CONCERNS THE MEMBERS OF INDIACO VENTURES LTD.	Amount Rs. (361,583)
<b>A. NOT DEALT WITH IN THE ACCOUNT OF INDIACO VENTURES LTD.FOR THE YEAR ENDED 31ST MARCH, 2010</b>	
I. FOR THE SUBSIDIARY'S FINANCIAL YEAR ENDED AS IN 1 ABOVE	(83,702)
II. FOR THE PREVIOUS YEARS OF THE SUBSIDIARY SINCE IT BECAME A SUBSIDIARY OF THE HOLDING COMPANY	(277,881)
<b>B.DEALT WITH IN THE ACCOUNT OF INDIACO VENTURES LTD.FOR THE YEAR ENDED 31ST MARCH, 2010</b>	
I. FOR THE SUBSIDIARY'S FINANCIAL YEAR ENDED AS IN 1 ABOVE	NIL
II. FOR THE PREVIOUS YEARS OF THE SUBSIDIARY SINCE IT BECAME A SUBSIDIARY OF THE HOLDING COMPANY	NIL
4. MATERIAL CHANGES IN THE INTEREST OF INDIACO VENTURES LTD BETWEEN THE END OF THE FINANCIAL YEAR OF THE SUBSIDIARY COMPANY AND 31ST MARCH 2010	
A. FIXED ASSETS B. INVESTMENTS C. MONEY LENT D. MONEY BORROWED	NONE NONE NONE NONE

**For S.J. AGRAWAL & ASSOCIATES,**

**Chartered Accountants  
(S.J. AGRAWAL)  
Partner  
Mem. Mo. 030273**

**Rahul Patwardhan  
Director**

**Dhananjay Bendre  
Director**

**Deepti Debhane  
Company Secretary**

**PLACE : MUMBAI  
DATED : 12th August, 2010**

**PLACE : PUNE  
DATED : 12th August, 2010**

**INDIACO VENTURES LIMITED**

**STATEMENT PURSUANT TO SECTION 212 (3) AND (5) OF THE COMPANIES ACT, 1956**

**NAME OF THE SUBSIDIARY :**

**INDIACO HEALTHCARE PRIVATE LIMITED**

1. FINANCIAL YEAR OF THE SUBSIDIARY ENDEND ON :	31.3.2010
2. NO. OF SHARES HELD BY INDIACO VENTURE LIMITED :	
EQUITY HOLDINGS	460000 SHARES OF Rs.10/- EACH FULLY PAID
EXTENT OF HOLDINGS	100.00%
3. NET AGGREGATE OF SUBSIDIARY'S PROFIT / LOSS SO FAR AS IT CONCERNS THE MEMBERS OF INDIACO VENTURES LTD.	Amount Rs. (17,660)
<b>A. NOT DEALT WITH IN THE ACCOUNT OF INDIACO VENTURES LTD.FOR THE YEAR ENDED 31ST MARCH, 2010</b>	
I. FOR THE SUBSIDIARY'S FINANCIAL YEAR ENDED AS IN 1 ABOVE	(17,660)
II. FOR THE PREVIOUS YEARS OF THE SUBSIDIARY SINCE IT BECAME A SUBSIDIARY OF THE HOLDING COMPANY	(17,660)
<b>B.DEALT WITH IN THE ACCOUNT OF INDIACO VENTURES LTD.FOR THE YEAR ENDED 31ST MARCH, 2010</b>	
I. FOR THE SUBSIDIARY'S FINANCIAL YEAR ENDED AS IN 1 ABOVE	NIL
II. FOR THE PREVIOUS YEARS OF THE SUBSIDIARY SINCE IT BECAME A SUBSIDIARY OF THE HOLDING COMPANY	NIL
4. MATERIAL CHANGES IN THE INTEREST OF INDIACO VENTURES LTD BETWEEN THE END OF THE FINANCIAL YEAR OF THE SUBSIDIARY COMPANY AND 31ST MARCH 2010	
A. FIXED ASSETS B. INVESTMENTS C. MONEY LENT D. MONEY BORROWED	NONE NONE NONE NONE

**For S.J. AGRAWAL & ASSOCIATES,**

**Chartered Accountants  
(S.J. AGRAWAL)  
Partner  
Mem. Mo. 030273**

**Rahul Patwardhan  
Director**

**Dhananjay Bendre  
Director**

**Deepti Debhane  
Company Secretary**

**PLACE : MUMBAI  
DATED : 12th August, 2010**

**PLACE : PUNE  
DATED : 12th August, 2010**





## Auditors report

**PRADEEP GUPTA**

Chartered Accountants

### AUDITORS' REPORT

#### To the Members of M/s INDIACO TELECOM PRIVATE LIMITED

1. We have audited the attached Balance Sheet of M/s INDIACO TELECOM PRIVATE LIMITED, as at 31st March 2010, the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, 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 purposes of our audit;
  - b. In our opinion, the company has kept proper books of account as required by law so far as appears from our examination of those books.
  - c. The balance sheet, profit and loss account dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the balance sheet and profit & loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e. On the basis of written representation received from the directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and 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 the affairs of the Company as at 31st March 2010;
    - ii) In the case of the Profit & Loss Account, of the Loss for the year ended on that date.

**For PRADEEP GUPTA  
CHARTERED ACCOUNTANTS  
(PROPRIETOR)**

**Membership No. : 048979**

**Place : Pune**

**Date : 14th July, 2010/**



## Auditors report

**PRADEEP GUPTA**

Chartered Accountants

### Annexure to the Auditor's Report

Ref: INDIACO TELECOM PRIVATE LIMITED  
Referred to in paragraph 3 of our report of even date

- i) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal controls.
- ii) According to the information and explanation provided by the management, there have been no contracts or arrangements during the period that need to be entered into the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of clauses (v)(a) and (b) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable.
- iii) The internal audit is conducted by internal auditors appointed by its holding Company and the same is commensurate with its size and nature of its business.
- iv)
  - a) The company is regular in depositing with appropriate authorities undisputed statutory dues including fund, investor education protection fund, employee's state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
  - b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March 2010 for the period of more than six months from the date they became payable.
  - c) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess, which have not been deposited on account of any dispute.
- v) The Company has accumulated losses at the end of the financial period; which are more than fifty per cent of its net worth. The Company has incurred cash losses of Rs. 1.14 Lacs during the financial period covered by our audit.
- vi) In our opinion, proper records have been maintained of the transactions and contracts and timely entries have been made therein; also the company, in its own name, has held the shares, securities, debentures and other securities.
- vii) According to the information and explanations given to us, and an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment. No long term funds have been used to finance short-term assets.
- viii) According to the information and explanations given to us, no fraud on or by company has been noticed or reported during the course of our audit.
- ix) As per the information and explanations given to us and taking into consideration, the nature of the business of the company, clause (i), (ii), (iii), (vi), (viii), (xi), (xii), (xiii), (xv), (xvi), (xviii), (xix) & (xx) of paragraph 4 of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.

**For PRADEEP GUPTA**  
**CHARTERED ACCOUNTANTS**  
**(PROPRIETOR)**

**Membership No. : 048979**

**Place : Pune**

**Date : 14th July, 2010**

## BALANCE SHEET AS AT 31ST MARCH, 2010

<b>INDIACO TELECOM PRIVATE LIMITED</b>			
<b>Indiaco Centre 4th Floor, Symphony, Range Hill Road, Shivaji Nagar, Pune - 411020</b>			
<b>Balance Sheet as At 31st March 2010.</b>			
<u>SOURCES OF FUNDS</u>		<b>31.03.2010</b>	<b>31.03.2009</b>
		<b>Amount Rs.</b>	<b>Amount Rs.</b>
<u>Share Capital</u>	"A"	2,205,000.00	300,000.00
<u>Reserves &amp; Surplus</u>	"B"	54,788,500.00	-
<u>Share Application Money</u>		-	56,367,500.00
<b>Total :</b>		<b>56,993,500.00</b>	<b>56,667,500.00</b>
<u>APPLICATION OF FUNDS</u>			
<u>Investment (at cost )</u>	"C"	56,185,000.00	56,150,000.00
<u>Current assets, loans and Advances:</u>	"D"		
(a) Cash and Bank balances		125,956.00	255,782.00
(b) Loans & Advance		73,911.00	-
		<u>199,867.00</u>	<u>255,782.00</u>
<u>Current liabilities and provisions :</u>			
(a) Liabilities		20,000.00	253,163.00
		<u>20,000.00</u>	<u>253,163.00</u>
<u>Net Current Assets</u>		179,867.00	2,619.00
<u>Deferred Tax Asset</u>		160,000.00	124,000.00
<u>Misc Expenditure :</u> (to the extent not w/off or adjusted )		107,050.00	113,000.00
<u>Balance in Profit &amp; Loss A/c</u>		361,583.00	277,881.00
<b>Total :</b>		<b>56,993,500.00</b>	<b>56,667,500.00</b>

Notes To Accounts  
As per our report of even date

"E"

**PRADEEP GUPTA**

Chartered Accountants  
Pradeep Gupta  
Proprietor  
Mem. No. 048979

For and on behalf of the Board  
Rahul Patwardhan  
Director

Dhananjay Bendre  
Director

PLACE : PUNE  
DATE : 14th July, 2010

## P&L AT 31ST MARCH, 2010

<b>INDIACO TELECOM PRIVATE LIMITED</b>			
<b>Indiaco Centre 4th Floor, Symphony, Range Hill Road, Shivaji Nagar, Pune - 411020</b>			
<b>Profit &amp; Loss for the Year Ended on 31st March 2010.</b>			
		<b>Year Ended 31.03.2010 Amount Rs.</b>	<b>Period Ended 31.03.2009 Amount Rs.</b>
<b><u>INCOME</u></b>			
- Income from Operation		-	-
Total a->		-	-
<b><u>EXPENDITURE</u></b>			
Auditor Remuneration			
- Audit		10,000.00	10,000.00
- Income Tax		5,000.00	5,000.00
- Misc		5,000.00	5,000.00
Bank Charges		4,446.00	6,106.68
Travelling Expenses		-	110,858.00
Preliminary Exps W/off		5,950.00	5,950.00
Professional Fees		22,600.00	250,561.32
Domain Charges		-	6,375.00
Legal Exps.		66,706.00	2,030.00
Total b->		119,702.00	401,881.00
Profit (Loss) Before tax (a-b)		(119,702.00)	(401,881.00)
Tax Effect of Timing Differences Originating During the Year		36,000.00	124,000.00
Profit (Loss) After Tax		(83,702.00)	(277,881.00)
Balance B/F		(277,881.00)	-
Surplus carried over to Balance Sheet		(361,583.00)	(277,881.00)

Notes To Accounts  
As per our report of even date

“E”

**PRADEEP GUPTA**

Chartered Accountants  
Pradeep Gupta  
Proprietor  
Mem. No. 048979

PLACE : PUNE  
DATE : 14th July, 2010

For and on behalf of the Board  
Rahul Patwardhan  
Director

Dhananjay Bendre  
Director

## Schedules forming part of the Balance sheet as at 31.03.10

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31.03.2010				
		AS AT 31.03.2010		AS AT 31.03.2009
<b>SCHEDULE 'A' : SHARE CAPITAL</b>				
<u>Authorised</u>				
600,000 Equity Shares of Rs. 10/- each.		6,000,000.00		6,000,000.00
<u>Issued, Subscribed &amp; Paid-Up</u>				
220500 (Pr. Year 30000) Equity Shares of Rs. 10/- each fully paid up.		2,205,000.00		300,000.00
<b>SCHEDULE "B" RESERVES &amp; SURPLUS</b>				
Share Premium Account		54,788,500.00		
<b>SCHEDULE 'C' : INVESTMENTS</b>				
(i) UnQuoted - Non Trade (at cost )				
Info Dynamic Telesystem Pvt.Ltd.	37,723,500.00		37,700,000.00	
Verity Technologies Pvt. Ltd.	18,461,500.00	56,185,000.00	18,450,000.00	56,150,000.00
<b>SCHEDULE 'D' : CURRENT ASSETS &amp; LIABILITIES</b>				
Cash In Hand	90,000.00		-	
Balances with Bank in Current A/c	35,956.00	125,956.00	255,782.00	255,782.00
		125,956.00		255,782.00
Current Liabilities :				
Sundry Liabilities		20,000.00		253,163.00
		20,000.00		253,163.00

# ITPL Notes

## SCHEDULE 'E' STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNT

### A. SIGNIFICANT ACCOUNTING POLICIES

#### 1. BASIS FOR PREPARATION OF FINANCIAL STATEMENT

The Financial Statements are prepared on historical cost convention and the mercantile system of accounting. The accounts are prepared on going concern basis and are consistent with generally accepted accounting principles.

#### 2. REVENUE RECOGNITION

Income from professional fees is recognised on completion of services. Interest on deposits is recognised on accrual basis. Dividend income from investments is recognised on cash basis.

#### 3. INVESTMENTS

Investments are valued at the cost of acquisition. Profit and loss on the current investments is calculated on First in First out (FIFO) basis.

#### 4. TAXATION

Tax expenses are recognised as per the provisions of Income tax Act, 1961 at the prescribed tax rates of the relevant assessment year. Tax expenses include current tax and deferred tax.

The deferred tax assets/liabilities for the year, arising on account of timing differences, are recognised in the profit & Loss Account and the accumulated effect thereof is shown in the Balance Sheet as per the provisions of AS-22 'Accounting For Taxes on Income' issued by the Institute of Chartered Accountants of India.

#### 5. FOREIGN CURRENCY

Transactions in Foreign Currencies are recorded at the exchange rate prevailing at the time of booking the contract/ transaction. Any gain or loss arising on receipt/payment due to foreign exchange rate fluctuation is recognized in the Profit and Loss Account.

#### 6. PROVISIONS

Provisions for expenses and liabilities are made on the basis of reliable estimate of the financial obligation occurring as a result of past event wherein the probable outflows of resources exist.

### B. NOTES TO ACCOUNT

#### 1. Break-up of Audit Fees:

Particulars	2009-10	2008-09
Statutory Audit	10,000	10,000
Taxation Matters	5,000	5,000
Others	5,000	5,000

#### 2. Requirements of para 3 & 4 regarding of part II of schedule VI to the companies Act, 1956 are not applicable to the company.

As per our report of even date

**PRADEEP GUPTA**  
Chartered Accountants

For and on behalf of the Board of Directors  
**Rahul Patwardhan** Director  
**Dhananjay Bendre** Director

**Pradeep Gupta**  
Proprietor  
Mem. No. 048979

PLACE : PUNE  
DATE : 14th July, 2010

## ITPL Abstract

### INDIACO VENTURES LIMITED. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

#### I. REGISTRATION DETAILS

a) Registration No

b) Balance Sheet Date 

3	1		0	3		2	0	1	0
---	---	--	---	---	--	---	---	---	---

#### II. CAPITAL RAISED DURING THE YEAR

(AMT. IN RS. THOUSAND)

a) Public Issue 

-	N	I	L	-
---	---	---	---	---

b) Right Issue 

-	N	I	L	-
---	---	---	---	---

c) Bonus Issue 

-	N	I	L	-
---	---	---	---	---

d) Private Placement 

0	1	9	0	5
---	---	---	---	---

#### III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMT. IN RS. THOUSAND)

a) Total Liabilities 

5	6	9	9	4
---	---	---	---	---

Total Assets 

5	6	9	9	4
---	---	---	---	---

#### b) Sources of Funds :

Paid up Capital 

-	2	2	0	5
---	---	---	---	---

Reserves & Surplus 

5	4	7	8	9
---	---	---	---	---

Secured Loans 

-	N	I	L	-
---	---	---	---	---

Unsecured Loans 

-	N	I	L	-
---	---	---	---	---

#### c) Application of funds :

Net fixed assets 

-	N	I	L	-
---	---	---	---	---

Investments 

5	6	1	8	5
---	---	---	---	---

Net Current Assets 

0	0	1	8	0
---	---	---	---	---

Misc. Expenditure 

0	0	1	0	7
---	---	---	---	---

Accumulated Losses 

0	3	6	2
---	---	---	---

Deferred Tax 

0	0	1	6	0
---	---	---	---	---

#### IV. PERFORMANCE OF COMPANY ( AMOUNT IN RS. THOUSANDS )

Total Income 

-	N	I	L	-
---	---	---	---	---

Total Expenditure 

		120
--	--	-----

Profit (Loss) Before Tax 

		(120)
--	--	-------

Profit After Tax & Adj 

		(84)
--	--	------

Earning per share 

Rs	NIL
----	-----

Dividend per share 

		NIL
--	--	-----

#### V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY

Tele Communication

For and on Behalf of Board of Directors

**Rahul Patwardhan**  
Director

**Dhananjay Bendre**  
Director

Place: Pune

Date : 14th, July, 2010

## Auditors report



**PRADEEP GUPTA**

Chartered Accountants

### AUDITORS' REPORT

#### To the Members of M/s INDIACO HEALTH CAREPRIVATE LIMITED

1. We have audited the attached Balance Sheet of M/s INDIACO HEALTH CAREPRIVATE LIMITED, as at 31st March 2010, the Profit and Loss Account for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, 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 purposes of our audit;
  - b. In our opinion, the company has kept proper books of account as required by law so far as appears from our examination of those books.
  - c. The balance sheet, profit and loss account dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the balance sheet and profit & loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e. On the basis of written representation received from the directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and 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 the affairs of the Company as at 31st March 2010;
    - ii) In the case of the Profit & Loss Account, of the Loss for the period ended on that date.

**For PRADEEP GUPTA**  
**CHARTERED ACCOUNTANTS**  
**(PROPRIETOR)**  
**Membership No. : 048979**

**Place** : Pune  
**Date** : 14th July, 2010



## Auditors report



**PRADEEP GUPTA**

Chartered Accountants

**Annexure to the Auditor's Report**  
**Ref: INDIACO HEALTH CAREPRIVATE LIMITED**

Referred to in paragraph 3 of our report of even date

- i) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal controls.
- ii) According to the information and explanation provided by the management, there have been no contracts or arrangements during the period that need to be entered into the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of clauses (v)(a) and (b) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable.
- iii) The internal audit is conducted by internal auditors appointed by its holding Company and the same is commensurate with its size and nature of its business.
- iv)
  - a)The company is regular in depositing with appropriate authorities undisputed statutory dues including fund, investor education protection fund, employee's state material statutory dues applicable to it.
  - b)According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March 2010 for the period of more than six months from the date they became payable.
  - c)According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess, which have not been deposited on account of any dispute.
- v) The Company has accumulated losses at the end of the financial period; which are more than fifty per cent of its net worth. The Company has incurred cash losses of Rs. 2660/- during the financial period covered by our audit.
- vi) In our opinion, proper records have been maintained of the transactions and contracts and timely entries have been made therein; also the company, in its own name, has held the shares, securities, debentures and other securities.
- vii) According to the information and explanations given to us, and an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment. No long term funds have been used to finance short-term assets.
- viii) According to the information and explanations given to us, no fraud on or by company has been noticed or reported during the course of our audit.
- ix) As per the information and explanations given to us and taking into consideration, the nature of the business of the company, clause (i), (ii), (iii), (vi), (viii), (xi), (xii), (xiii), (xv), (xvi), (xviii), (xix) & (xx) of paragraph 4 of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.

**For PRADEEP GUPTA**  
**CHARTERED ACCOUNTANTS**  
(PROPRIETOR)

Membership No. : 048979

**Place :** Pune

**Date :** 14th July, 2010

## BALANCE SHEET AS AT 31ST MARCH, 2010

INDIACO HEALTH CARE PRIVATE LIMITED			
Indiaco Centre 4th Floor, Symphony, Range Hill Road, Shivaji Nagar,			
Pune - 411020			
<b>Balance Sheet as At 31st March 2010.</b>			
			<b>31.03.2010</b>
<u>SOURCES OF FUNDS</u>			<b>Amount Rs.</b>
<u>Share Capital</u>	"A"		4,600,000
<u>Reserve &amp; Surplus</u>			
Share Premium			13,500,000
Total :			<b>18,100,000</b>
<u>APPLICATION OF FUNDS</u>			
Investment (at cost )	"B"		17,712,500
Current assets, loans and Advances:	"C"		
(a) Cash and Bank balances		154,340	
(b) Sundry Receivable		100,000	
		254,340	
<u>Current liabilities and provisions :</u>			
(a) Liabilities		15,000	
		15,000	
Net Current Assets			239,340
Misc Expenditure :			130,500
(to the extent not w/off or adjusted )			
Balance in Profit & Loss A/c			17,660
Total :			<b>18,100,000</b>

Notes To Accounts  
As per our report of even date

"D"

**PRADEEP GUPTA**  
Chartered Accountants  
Pradeep Gupta  
Proprietor  
Mem. No. 048979

For and on behalf of the Board  
Rahul Patwardhan  
Director

Dhananjay Bendre  
Director

PLACE : PUNE  
DATE : 14th July, 2010

PLACE : PUNE  
DATE : 14th July, 2010

## P&L AT 31ST MARCH, 2010

INDIACO HEALTH CARE PRIVATE LIMITED			
Indiaco Centre 4th Floor, Symphony, Range Hill Road, Shivaji Nagar			
, Pune - 411020			
Profit & Loss for the Period Ended on 31st March 2010.			
			31.03.2010
			Amount Rs.
<u>INCOME</u>			
- Income from Operation			-
Total a->			-
<u>EXPENDITURE</u>			
Auditor Remuneration			15,000
Legal Exps.			2,660
Total b->			17,660
Profit (Loss) Before tax (a-b)			(17,660)
Provision For Tax			-
Profit (Loss) After Tax			(17,660)
Balance B/F			-
Profit (Loss) carried over to Balance Sheet			(17,660)

Notes To Accounts  
As per our report of even date

“D”

**PRADEEP GUPTA**  
Chartered Accountants  
Pradeep Gupta  
Proprietor  
Mem. No. 048979

For and on behalf of the Board  
Rahul Patwardhan  
Director

Dhananjay Bendre  
Director

PLACE : PUNE  
DATE : 14th July, 2010

PLACE : PUNE  
DATE : 14th July, 2010

## Schedules forming part of the Balance sheet as at 31.03.10

<b>INDIACO HEALTH CARE PRIVATE LIMITED</b>			
Indiaco Centre 4th Floor, Symphony, Range Hill Road, Shivaji Nagar, Pune - 411020			
<b>SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31.03.2010</b>			
			<b>AS AT</b>
			<b>31.03.2010</b>
<b>SCHEDULE 'A' : SHARE CAPITAL</b>			
Authorised			
500,000 Equity Shares of Rs. 10/- each.			5,000,000
Issued, Subscribed & Paid-Up			
460000 Equity Shares of Rs. 10/- each fully paid up.			4,600,000
<b>SCHEDULE 'B' : INVESTMENTS</b>			
(i) UnQuoted - Non Trade (at cost )			
Laser Cosmetics Pvt Ltd-Eq Sh		12,000,000	
Laser Cosmetics Pvt Ltd-Pref Sh		5,712,500	17,712,500
<b>SCHEDULE 'C' : CURRENT ASSETS &amp; LIABILITIES</b>			
Balances with Bank			
Current Account		154,340	154,340
Sundry Receivable			
			100,000
			254,340
Current Liabilities :			
Provision for Audit Fees			15,000
			15,000

# IHPL Notes

## SCHEDULE 'E' STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNT

### A. SIGNIFICANT ACCOUNTING POLICIES

#### 1. BASIS FOR PREPARATION OF FINANCIAL STATEMENT

The Financial Statements are prepared on historical cost convention and the mercantile system of accounting. The accounts are prepared on going concern basis and are consistent with generally accepted accounting principles.

#### 2. REVENUE RECOGNITION

Income from professional fees is recognised on completion of services. Interest on deposits is recognised on accrual basis. Dividend income from investments is recognised on cash basis.

#### 3. INVESTMENTS

Investments are valued at the cost of acquisition. Profit and loss on the current investments is calculated on First in First out (FIFO) basis.

#### 4. TAXATION

Tax expenses are recognised as per the provisions of Income tax Act, 1961 at the prescribed tax rates of the relevant assessment year. Tax expenses include current tax and deferred tax.

The deferred tax assets/liabilities for the year, arising on account of timing differences, are recognised in the profit & Loss Account and the accumulated effect thereof is shown in the Balance Sheet as per the provisions of AS-22 'Accounting For Taxes on Income' issued by the Institute of Chartered Accountants of India.

#### 5. FOREIGN CURRENCY

Transactions in Foreign Currencies are recorded at the exchange rate prevailing at the time of booking the contract/ transaction. Any gain or loss arising on receipt/payment due to foreign exchange rate fluctuation is recognized in the Profit and Loss Account.

#### 6. PROVISIONS

Provisions for expenses and liabilities are made on the basis of reliable estimate of the financial obligation occurring as a result of past event wherein the probable outflows of resources exist.

### B. NOTES TO ACCOUNT

#### 1. Break-up of Audit Fees:

<b>Particulars</b>	<b>2009-10</b>
Statutory Audit	10,000
Others	5,000

#### 2. Requirements of para 3 & 4 regarding of part II of schedule VI to the companies Act, 1956 are not applicable to the company.

As per our report of even date

**PRADEEP GUPTA**  
Chartered Accountants  
Pradeep Gupta  
Proprietor  
Mem. No. 048979

For and on behalf of the Board  
**Rahul Patwardhan**  
Director

**Dhananjay Bendre**  
Director

PLACE : PUNE  
DATE : 14th July, 2010

PLACE : PUNE  
DATE : 14th July, 2010

## IHPL Abstract

### INDIACO VENTURES LIMITED. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

#### I. REGISTRATION DETAILS

a) Registration No

b) Balance Sheet Date 

3	1		0	3		2	0	1	0
---	---	--	---	---	--	---	---	---	---

#### II. CAPITAL RAISED DURING THE YEAR

(AMT. IN RS. THOUSAND)

a) Public Issue 

-	N	I	L	-
---	---	---	---	---

b) Right Issue 

-	N	I	L	-
---	---	---	---	---

c) Bonus Issue 

-	N	I	L	-
---	---	---	---	---

d) Private Placement 

0	4	6	0	0
---	---	---	---	---

#### III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMT. IN RS. THOUSAND)

a) Total Liabilities 

1	8	1	0	0
---	---	---	---	---

Total Assets 

1	8	1	0	0
---	---	---	---	---

##### b) Sources of Funds :

Paid up Capital 

0	4	6	0	0
---	---	---	---	---

Reserves & Surplus 

1	3	5	0	0
---	---	---	---	---

Secured Loans 

-	N	I	L	-
---	---	---	---	---

Unsecured Loans 

-	N	I	L	-
---	---	---	---	---

##### c) Application of funds :

Net fixed assets 

-	N	I	L	-
---	---	---	---	---

Investments 

1	7	7	1	2
---	---	---	---	---

Net Current Assets 

0	0	2	3	9
---	---	---	---	---

Misc. Expenditure 

0	0	1	3	1
---	---	---	---	---

Accumulated Losses 

0	0	1	8
---	---	---	---

#### IV. PERFORMANCE OF COMPANY ( AMOUNT IN RS. THOUSANDS )

Total Income 

-	N	I	L	-
---	---	---	---	---

Total Expenditure 

		17.66
--	--	-------

Profit (Loss) Before Tax 

		(17.66)
--	--	---------

Profit After Tax & Adj 

		(17.66)
--	--	---------

Earning per share 

Rs		NIL
----	--	-----

Dividend per share 

		NIL
--	--	-----

#### V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY

Health Care

For and on Behalf of Board of Directors

**Rahul Patwardhan**

**Vice Chairman & Managing Director**

**Dhananjay Bendre**

**Executive Director & COO**

**Place: Pune**

**Date : 14th July, 2010**

## Notice of AGM



**Creating Wealth**

IndiaCo Ventures Limited

Notice is hereby given that the 27<sup>th</sup> Annual General Meeting of the Members of IndiaCo Ventures Limited Company will be held on Friday, the 24<sup>th</sup> September, 2010 at Sayaji Hotel, Mumbai-Bangalore Bypass Highway, Wakad, Pune – 411057 at 10.00 A.M. to transact the following business:

**A. ORDINARY BUSINESS:**

1. To receive, consider and adopt Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2010 and Profit & Loss Account for the year ended on that date along with the Reports of the Auditors and Directors thereon.
2. To appoint a director in place of Mr. Pradip Dubhashi, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Mr. Rahul Rathi, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s S. J. Agrawal & Associates, Chartered Accountants, the retiring Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

**B. SPECIAL BUSINESS**

**5. RE-APPOINTMENT OF MR. DHANANJAY BENDRE AS EXECUTIVE DIRECTOR:**

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

“**RESOLVED THAT** pursuant to provisions of sec. 198, 269, and all other applicable provisions, if any of the Companies Act 1956, read with Schedule XIII thereto, the re-appointment and remuneration payable to Mr. Dhananjay Bendre, as an Executive Director of the Company, for a period of three years effective from September 24, 2010, on the terms and conditions contained in the draft agreement and given in the Explanatory Statement, on the remuneration by way of salary, commission and perquisites as contained in the Agreement (a Draft of which is open for inspection and for the purposes of identification initialed by the Chairman thereof), be and is hereby approved.”

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to vary, alter or modify the different components of the above- stated remuneration as may be agreed to by the Board of Directors and Mr. Dhananjay Bendre.”

**6. APPOINTMENT OF MR. SHYAM IYER AS EXECUTIVE DIRECTOR:**

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

“**RESOLVED THAT** pursuant to provisions of sec. 198, 269, and all other applicable provisions, if any of the Companies Act 1956, read with Schedule XIII thereto, the re-appointment and remuneration payable to Mr. Shyam Iyer, as an Executive Director of the Company, for a period of three years effective from September 24, 2010, on the terms and conditions contained in the draft agreement and given in the Explanatory Statement, on the remuneration by way of salary, commission and perquisites as contained in the Agreement (a Draft of which is open for inspection and for the purposes of identification initialed by the Chairman thereof), be and is hereby approved;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to vary, alter or modify the different components of the above- stated remuneration as may be agreed to by the Board of Directors and Mr. Shyam Iyer.”

**7. APPROVAL FOR PREFERENTIAL ALLOTMENT:**

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



**“RESOLVED THAT** pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment to or re- enactment thereof) and in accordance with the existing Preferential Issue Guidelines issued by the Securities and Exchange Board of India (“SEBI”) contained in Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009 (the “Regulations”) and subject to all necessary approvals, consents, permissions and/ or sanctions of the Government of India, Reserve Bank of India, Foreign Investment Promotion Board, Secretariat of Industrial Approvals under the Foreign Exchange Management Act, 1999 (including any statutory modification or re- enactment thereof, for the time being in force) and other applicable laws, and enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed, and subject to such terms and conditions as may be determined by the Board of Directors of the Company (hereinafter referred to as 'the Board' which expression shall include any committee constituted for the time being, thereof) and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, consents, permissions or sanctions and agreed to by the Board, the consent and approval of the Company be and is hereby accorded to board and the Board be and is hereby authorized to offer, issue for cash and allot on a preferential basis 500,000 Equity shares of the face value of Rs. 2/- each at an issue price of Rs. 65/- each for cash aggregating to Rs. 3,25,00,000 (Rupees Three Crores Twenty Five lakh) on such terms and conditions including conditions as to dividend, premium, conversion, etc. as the Board may, in its absolute discretion, deem fit and in accordance with the Articles of Association of the Company to:

● **Mr. Brian Brown (Non- promoter)**

**FURTHER RESOLVED THAT** the above mentioned equity shares of the Company, of the face value of Rs. 2/- each shall be offered to the above mentioned person on the following terms and conditions:

The equity shares to be issued & allotted to the above mentioned person shall be locked in for a total period of 1 (One) year from the date of the allotment of the equity shares to the proposed allottee.

The Relevant Date for the purpose of determining the price of the shares in accordance with the SEBI ICDR Regulations shall be the 30<sup>th</sup> day prior to the date of the Annual General Meeting for approving the allotment of equity shares.

The allotment of shares shall be completed within a period of 15 (fifteen) days from 24<sup>th</sup> September, 2010 i.e. the date of the Annual General Meeting provided that where the allotment is pending on account of pendency of any approval from SEBI, RBI, Stock Exchange or any other governmental or regulatory authority, the allotment shall be completed by the Company within a period of 15 (fifteen) days from the date of such approvals.

The details of all monies utilized out of the preferential issue proceeds shall be disclosed under an appropriate head in the balance sheet and or Directors' Report of the Company, indicating the purposes for which such monies have been utilized and that details of the unutilized monies shall also be disclosed under a separate head in the balance sheet of the Company indicating the form in which such unutilized monies have been invested.

**FURTHER RESOLVED THAT** the share certificates for 5,00,000 Equity shares shall be issued in physical form to the respective holders of equity shares and will be signed by two directors of the company and an authorized signatory and that the Common Seal of the Company be affixed in presence of the above said Directors and the authorized signatory of the Company;

**FURTHER RESOLVED THAT** the equity shares so issued shall upon allotment have the same rights of voting as the existing equity shares and be treated for all other purposes pari passu with the existing equity shares of the Company and that the equity shares so allotted, shall be entitled to the dividend declared, if any, including any other corporate benefits;

**FURTHER RESOLVED THAT** a certificate from Statutory Auditors' of the Company shall be obtained to the effect that the proposed issue of equity shares to the above mentioned allottee is in accordance with the SEBI (ICDR) Regulations relating to the preferential issue and such certificate shall be available at the registered office of the Company for inspection of the shareholders of the Company;

**FURTHER RESOLVED THAT** for the purpose of giving effect to the above resolution, Mr. Rahul Patwardhan, Director be and is hereby authorized to agree and accept all such condition(s), modification(s) and alteration(s) as may be stipulated by any relevant authorities while according approval or consent to the issue as may be considered necessary, proper or expedient and give effect to such modifications(s) and to resolve and settle all question, difficulties or doubts that may arise in regard to such issue and allotment and to do all acts, deeds and things in connection therewith and incidental thereto without being required to seek any further consent or approval of the members of the Company to the extent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution;

**FURTHER RESOLVED THAT** Ms. Deepti Dhebane, Company Secretary of the Company be and is hereby authorized to file the requisite documents with the RBI/ ROC/ Stock Exchange(s)/ SEBI/ FIPB and such other authorities, as may be required, and to do all such acts, matters, deeds and things and execute such documents in writing as they think fit for giving effect to the aforesaid resolution.

**Registered Office:**

IndiaCo Center, 4th Floor, Symphony,  
S. No. 210 A/1, Range Hills Road, Shivaji Nagar,  
Pune- 411 020, Maharashtra, India  
e-mail: [info@indiaco.com](mailto:info@indiaco.com)  
Pune  
Date: 27.08.10

**By Order of the Board for IndiaCo Ventures Limited**

sd/-  
Deepti Dhebane  
Company Secretary

**NOTES:**

1. The relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item no. of the notice set out above is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED HEREWITH AND, IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE COMMENCEMENT OF 27<sup>TH</sup> ANNUAL GENERAL MEETING.
3. The Share Transfer Books and Register of Members of the Company will remain closed from 20.09.10 to 24.09.10 (both days inclusive) for the Annual General Meeting.
  - a) Members holding shares in physical form are requested to notify/ send the following to the Registrar & Transfer Agent of the Company MONDKAR COMPUTERS PRIVATE LIMITED, 21, SHAKIL NIWAS, OPP. SATYA SAIBABA TEMPLE, MAHAKALI CAVES ROAD, ANDHERI (E), MUMBAI- 400093:-
    - i. any change in their address/ e-mail id/ ECS mandate/ bank details;
    - ii. particulars of their bank account, in case the same have not been sent earlier; and
    - iii. share certificate(s), held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholding into one account.
  - b) Members holding shares in the dematerialized form are requested to notify all changes with respect to their address, email id, ECS mandate and bank details to their Depository Participant.
4. The Shareholders/ Proxies are requested to produce at the Registration Counter, the attached attendance slip, duly completed and signed, for admission to the meeting hall. Photocopies of Attendance Slip will not be entertained for issuing Gate Pass for attending Annual General Meeting. However, in case of non- receipt of Notice of Annual General Meeting, members are requested to write to the Company at its registered office for issuing the duplicate of the same.
  - a) Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the board resolution authorizing their representatives to attend and vote on their behalf at the meeting.
  - b) All the documents referred to in the accompanying notice and explanatory statements are open for inspection at the registered office of the Company on all working days between 11.00 a.m. to 1.00 p.m. up to the date of Annual General Meeting.
  - c) Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to submit to the Registrar & Transfer Agents of the Company the prescribed Form 2B.

**REQUEST TO MEMBERS**

Members desirous of getting any information/ clarification on the Accounts and operations of the Company or intending to raise any query are requested to forward the same at least 10 days in advance of the meeting to the Company Secretary so as the same may be attended appropriately.

Members are requested to bring their copies of Annual Report, as the same shall not be distributed at the meeting.

## EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

### Item No. 5:

The appointment is subject to the approval of members. The terms and conditions of his appointment are as follows:

1. Period of appointment: Three years beginning September 24, 2010 and ending on September 24, 2013.
2. Details of Remuneration: As provided in the resolution.
3. The agreement executed between the Company and Mr. Dhananjay Bendre, may be terminated by either party by giving one month notice in writing of such termination.
4. Mr. Dhananjay Bendre shall perform such duties as shall from time to time be entrusted to him, subject to the superintendence, guidance and control of the Board of Directors and he shall perform such other by the Board of Directors and he shall perform such other duties as shall from time to time be entrusted to him by the Board of Directors and/ or the Managing Director.

The resolution seeks the approval of the members in terms of Section 269 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 for the appointment of Mr. Dhananjay Bendre as the Executive director of the Company for a period of three years commencing on September 24, 2010.

### Statement as per Schedule XIII:

#### I. GENERAL INFORMATION:

- 1) Nature of Industry: Financial Services Industry

#### II. INFORMATION ABOUT THE APPOINTEE:

- 1) Background details: B.Sc., MBA with over 23 years experience in various roles and various organizations, experience developing product strategies and services internationally; He has developed networks, strategic Partnerships, Business planning, Channel Development, BPO, software outsourcing, Investments and in Mergers & acquisitions. He has built and developed businesses in diverse industry verticals such as Finance, Banking, Construction, Government, Municipal Corporations, FMCG, Pharmaceutical, for Medium scale organizations/large corporations across the globe. He completed his Bachelors in Science and Masters in Business Administration (Marketing).
- 2) Past remuneration: Rs.1,92,000/- per month
- 3) Recognition or awards: Several Recognitions from National and International bodies.
- 4) Job profile and his suitability: He has built several startup companies and has experience to manage large teams of over 200 employees, and achieving revenue targets. His past experience in M&A, Investment banking, global network, and leadership qualities would help Indiaco to scale up to Global Financial Company in near future.
- 5) Remuneration proposed: Rs. 1,92,000/- per month plus bonus & ESOP as per company rules.
- 6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person: The remuneration proposed is in line with Industry standards.
- 7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: No relationship with Management or with any individual working with the company. He is purely identified as professional to help company scale up its operations

#### III. OTHER INFORMATION:

- 1) Reasons of loss or inadequate profits:  
The company has not been able to generate sufficient revenues to cover the operational expenses. The company operates in an industry where the expenses occur on a regular basis but the revenues depend on the maturity of the investments. The company hopes to generate profits in the long term from the investments made.
- 2) Steps taken or proposed to be taken improvement:  
The company has recruited some key experienced employees and is actively pursuing activities such as Investment Banking, Advisory Services etc. to be able to recover the expenses on an ongoing basis.
- 3) Expected increase in business and profits in measurable terms:  
The company is actively pursuing investment opportunities from which the company expects to generate long term profits. Although the same cannot be quantified at this moment, the company expects to double its revenues by the next year.

#### IV. DISCLOSURES:

##### 1) Remuneration package.

1. Salary per month: Rs. 1,92,000/-
2. Bonus: As per company rules
3. Company Performance linked incentive: As per company rules
4. Individual performance linked incentive: As per company rules
5. Perquisites and allowances: As per company rules
  - a) Medical reimbursement/ allowance
  - b) Leave travel concession/ allowance
  - c) Club fees
  - d) Provision for driver/ driver's salary allowance
  - e) Personal accident insurance: As per the Company rules.
6. Other benefits: As per company rules
  - a) Earned/ privilege leave: As per the rules of the Company.
  - b) Encashment of leave: As per the rules of the Company.
  - c) Company car and telephone: Use of the Company's car and telephone at the residence for official purposes, as per the rules of the Company;

None of the Directors except Mr. Dhananjay Bendre is concerned or interested in this resolution.

The copy of abovementioned agreement is available for inspection at the registered office of the Company during the working hours between 10 A.M. to 5 P.M., except on public holiday.

#### Item No. 6:

The appointment is subject to the approval of members. The terms and conditions of his appointment are as follows:

1. Period of appointment: Three years beginning September 24, 2010 and ending on September 24, 2013.
2. Details of Remuneration: As provided in the resolution.
3. The agreement executed between the Company and Mr. Shyam Iyer, may be terminated by either party by giving one month notice in writing of such termination.
4. Mr. Shyam Iyer shall perform such duties as shall from time to time be entrusted to him, subject to the superintendence, guidance and control of the Board of Directors and he shall perform such other by the Board of Directors and he shall perform such other duties as shall from time to time be entrusted to him by the Board of Directors and/or the Managing Director.

The resolution seeks the approval of the members in terms of Section 269 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 for the appointment of Mr. Shyam Iyer as the Executive director of the Company for a period of three years commencing on September 24, 2010.

#### Statement as per Schedule XIII:

##### I. GENERAL INFORMATION:

- 1) Nature of Industry: Financial Services Industry

## II. INFORMATION ABOUT THE APPOINTEE:

- 1) Background details: Shyam Iyer holds a bachelor degree in Mechanical Engineering and an MBA in Finance both from India. His other qualifications include Series 7 (NYSE), Series 3 (NYSE), CAIIB London, CIB INDIA. In 1993 he left India and went on to work with Merrill Lynch International initially in London and thereafter in Dubai from 1994 to 2000 as a Private Banker responsible for the Middle East and South Asia region. He managed in excess of USD300 Million of client assets investing primarily in the global bond and equity markets. He has extensive knowledge of various global instruments including derivatives, options, futures, foreign exchange etc. In his stint at Merrill Lynch he also did a number of cross border GDR issues listed in New York, London and Luxembourg.
- 2) Past remuneration: Rs.75,000/- per month.
- 3) Job profile and his suitability: Over his 22 year career, Shyam Iyer has acquired extensive knowledge as well as contacts across Europe and Asia related to Investment Banking. He currently has strategic partners based in Mumbai, Hong Kong and London with whom he works on cross border deals.  
He has also served as an advisor/director in several companies with varied responsibilities in relation to activities encompassing Corporate Finance Advisory (both Debt & Equity), Mergers & Acquisitions and Private Equity.
- 4) Remuneration proposed: Rs. 1,50,000/- per month plus bonus & ESOP as per company rules.
- 5) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person: The remuneration proposed is in line with Industry standards.
- 6) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: No relationship with Management or with any individual working with the company. He is purely identified as professional to help company scale up its operations.

## III. OTHER INFORMATION:

- 1) Reasons of loss or inadequate profits:  
The company has not been able to generate sufficient revenues to cover the operational expenses. The company operates in an industry where the expenses occur on a regular basis but the revenues depend on the maturity of the investments. The company hopes to generate profits in the long term from the investments made.
- 2) Steps taken or proposed to be taken improvement:  
The company has recruited some key experienced employees and is actively pursuing activities such as Investment Banking, Advisory Services etc. to be able to recover the expenses on an ongoing basis.
- 3) Expected increase in business and profits in measurable terms:  
The company is actively pursuing investment opportunities from which the company expects to generate long term profits. Although the same cannot be quantified at this moment, the company expects to double its revenues by the next year.

## IV. DISCLOSURES:

### 1) Remuneration package.

1. Salary per month: Rs. 1,50,000/-
2. Bonus: As per company rules
3. Company Performance linked incentive: As per company rules
4. Individual performance linked incentive: As per company rules
5. Perquisites and allowances: As per company rules
  - a) Medical reimbursement/ allowance
  - b) Leave travel concession/ allowance
  - c) Club fees
  - d) Provision for driver/ driver's salary allowance
  - e) Personal accident insurance: As per the Company rules.
6. Other benefits: As per company rules
  - a) Earned/ privilege leave: As per the rules of the Company.
  - b) Encashment of leave: As per the rules of the Company.
  - c) Company car and telephone: Use of the Company's car and telephone at the residence for official purposes, as per the rules of the Company;

None of the Directors except Mr. Shyam Iyer is concerned or interested in this resolution.

The copy of abovementioned agreement is available for inspection at the registered office of the Company during the working hours between 10 A.M. to 5 P.M., except on public holiday.

**Item No. 7:**

The Company has embarked on an ambitious growth plan for the near future. The Company shall be investing in new ventures and shall also participate in supporting other Companies/ Ventures in their growth plans through consultancy and financial assistance. The Company would thus require long term resources to achieve the same. It is proposed to authorize Board of Directors to issue Equity Shares by way of private placement to the investors.

The Board proposes to issue on a preferential basis, for cash consideration, in terms of the Regulations 5,00,000 Equity shares of the face value of Rs. 2/- each at an issue price of Rs. 65/- each for cash aggregating to Rs. 3,25,00,000 (Rupees Three Crores Twenty Five lakh) to Mr. Brian Brown on such terms and conditions as to dividend, premium, conversion, etc. as the Board may, in its absolute discretion, deem fit and in accordance with the Articles of Association of the Company.

The present resolution is proposed to be passed in order to enable the Board of Directors of the Company make the above mentioned preferential issue and allotment of shares.

The following disclosure is made for the preferential issue of equity shares in accordance with the provisions of Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009.

**(i) OBJECTS OF THE ISSUE:**

The Company has embarked on an ambitious growth plan for the near future. The Company shall be investing in new ventures and shall also participate in supporting other Companies/ Ventures in their growth plans through consultancy and financial assistance. The Company would thus require long term resources to achieve the same.

**(ii) INTENTION OF THE PROMOTERS/ DIRECTORS/ KEY MANAGEMENT PERSONS TO SUBSCRIBE TO THE OFFER:**

None of the Promoter Companies intends to subscribe to this proposed issue.

**Change in Control:**

The Promoters of the Company will continue to be in control of the Company and there will not be any change in the management/ control of the Company as a result of the proposed preferential allotment. As a result of the preferential allotment, there shall be no change in the Board of Directors of the Company.

**(I) SHAREHOLDING PATTERN OF THE COMPANY BEFORE AND AFTER THE PROPOSED ISSUE:**

	Category	Pre Issue Holding (as on 27.08.10 - date of notice)		Post Issue Holding	
		No. of Shares	% Holding	No. of Shares	% Holding
A	Promoter's Holding				
1	Promoters				
	- Indian Promoters	7342000	39.61	7342000	38.57
	Sub- total	7342000	39.61	7342000	38.57
B	Non Promoter Holding				
2	Institutional Investors	-	-	-	-
a	Mutual Funds and UTI	-	-	-	-
b	Companies (Central/ State Govt.)	-	-	-	-
c	Foreign Investors	593960	3.20	1093960	5.75
	Sub- total	593960	3.20	1093960	5.75
3	Others				
a	Private Corporate Bodies	5627447	30.36	5627447	29.56
b	Indian Public	2341195	12.63	1632085	12.30
c	NRI/ OCB	477418	2.58	477418	2.51
d	Directors & Relative/ Clearing Members	2152815	11.62	2152815	11.31
	Sub- total	10598875	57.19	10598875	55.68
	<b>Grand Total</b>	<b>18534835</b>	<b>100</b>	<b>19034835</b>	<b>100</b>

**(ii) LOCK IN REQUIREMENT:**

The equity shares to be issued to the investors shall be locked in for a period of 1 year from its date of allotment as prescribed under SEBI (Disclosure & Investor Protection) Guidelines, 2000, as amended from time to time.

In addition to the above, the entire pre- preferential shareholding of the proposed allottees, if any, shall be locked- in from the Relevant date up to a period of 6 months from the date preferential allotment.

**(iii) PROPOSED TIME WITHIN WHICH ALLOTMENT WILL BE COMPLETED:**

The Company will complete the allotment of Warrants within a period of 15 days from the date of declaration of the result of postal ballot or where the allotment on preferential basis requires any approval by any regulatory authority or Central Government, the allotment of shares will be completed within 15 days from the date of such approval.

**(iv) IDENTITY OF ALLOTTEE:**

Mr. Brian Brown is the allottee to whom equity shares are proposed to be allotted on a preferential basis. The number of shares and percentage of holding by the proposed allottees prior to and after the proposed issue is as under:

Name of the proposed Allottees	Pre- issue equity shareholding		Post- issue equity shareholding	
	No. of Shares	% Holding	No. of Shares	% Holding
Mr. Brian Brown	Nil	Nil	5,00,000	2.63

**(v) PRICING OF THE EQUITY SHARES:**

The conversion of aforesaid warrants shall be at a price not less than the higher of the following in terms of Guidelines for preferential issues as amended from time to time:-

- (i) The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during the six months preceding the relevant date: or
- (ii) The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during the two weeks preceding the relevant date.

**Explanation:**

- (i) **Relevant date** for the purpose of this clause means the date thirty days prior to the date of Annual general meeting, in terms of Section 81 (1A) of the Companies Act, 1956, to consider the proposed issue.
- (ii) **Stock Exchange** for the purpose of this clause means any of the recognized stock exchanges in which the shares are listed and in which the highest trading volume in respect of shares of the Company has been recorded during the preceding six months prior to the relevant date, in the present case, the Bombay Stock Exchange Limited.

None of the Directors of your Company is interested in this resolution except to the extent of his shareholding in the Company.

The Directors recommend this Resolution under Item No. 7 for your consideration.

**Registered Office:**

IndiaCo Center, 4th Floor, Symphony,  
S. No. 210 A/1, Range Hills Road, Shivaji Nagar,  
Pune- 411 020, Maharashtra, India  
e-mail: [info@indiaco.com](mailto:info@indiaco.com)  
Pune  
Date: 27.08.10

**By Order of the Board for IndiaCo Ventures Limited**

sd/-  
Deepti Dhebane  
Company Secretary



**INDIACO VENTURES LIMITED**  
**Regd. Office: 4TH FLOOR, SYMPHONY, S. NO 210 A/1,**  
**RANGE HILLS ROAD, SHIVAJINAGAR, PUNE- 411020**

**ATTENDANCE SLIP**

Ledger Folio No.: ..... No. of shares held: .....

Name: .....

Address of shareholder: .....  
.....

Whether entitled to vote:

- a) No. of votes in person.....
- b) No. of votes by proxy: .....
- c) No. of votes as duly authorised representative.....

Name of Proxy/ authorised representative and his folio No.: .....

Place: .....

Date: .....

Signature of Shareholder

- Note: 1. Shareholders are requested to present this slip, duly filled in and signed, at the time of attending the meeting.  
2. In case a shareholder is attending the meeting by proxy, he is requested to handover this slip to the proxy, duly filled in and signed.

.....\_.....

**INDIACO VENTURES LIMITED**  
**Regd. Office: 4TH FLOOR, SYMPHONY, S. NO 210 A/1,**  
**RANGE HILLS ROAD, SHIVAJINAGAR**  
**PUNE – 411020**

**PROXY**

I/We ..... of .....  
being (a) shareholder(s) of IndiaCo Ventures Limited , holding share(s) No.(s) .....  
..... on the share register, do hereby appoint  
..... of ..... in the district of .....  
..... (or failing him ..... L/F N. .... of .....)  
as my/our proxy to vote for me/ us and on my/our behalf at the meeting of the shareholders of the IndiaCo Ventures Limited to be held at the 27<sup>th</sup> ANNUAL GENERAL MEETING of the Company to be held on Friday 24<sup>th</sup> September, 2010 at Sayaji Hotel, Mumbai-Bangalore Bypass Highway, Wakad, Pune – 411057 on and at any adjournment thereof.

Signed this ..... day of .....2010.

Signature .....

- Note: 1. Proxy duly executed and stamped should be deposited with Regd. Office of the company not less than 48 hours before the date of meeting.  
2. Re. 1/- Revenue Stamp should be affixed to this and it should then be signed by the shareholder.  
3. The shareholders may choose to vote differently for his entire holding & may vote against or for the resolution in the notice.  
4. Incomplete form in any manner will be liable to be rejected.

Affix Re. 1/- Revenue Stamp
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