

# INFOMEDIA 18 LIMITED

(Formerly Infomedia India Limited)

Standalone (Unaudited) Financial Results for the Quarter and Nine Months Ended December 31, 2010.

Regd. Office : 503, 504 & 507, 5th Floor, Mercantile House,  
15, Kasturba Gandhi Marg, New Delhi - 110001.

Infomedia 18

(Rs. in lakhs)

Standalone Financial Information					
	3 months ended (31/12/2010) Unaudited	3 months ended (31/12/2009) Unaudited	Year to date figures for current period ended (31/12/2010) Unaudited	Year to date figures for previous period ended (31/12/2009) Unaudited	Previous accounting year ended (31/03/2010) Audited
1. (a) Net Sales/Income from operations (Refer Note 8)	2,929.63	2,303.88	9,873.24	6,527.13	10,723.92
(b) Other Operating Income (Refer Note 9)	38.17	27.25	130.72	90.73	859.23
<b>2. Expenditure</b>	<b>3,643.65</b>	<b>3,191.06</b>	<b>12,011.31</b>	<b>9,683.09</b>	<b>16,566.53</b>
a) (Increase)/Decrease in stock in trade and work in progress	(115.23)	(187.77)	(170.84)	(242.33)	19.97
b) Consumption of raw materials	627.61	751.50	2,341.55	2,102.19	2,574.41
c) Purchase of traded goods	21.40	13.33	34.95	23.63	41.99
d) Employees cost	1,265.94	795.26	3,938.21	2,159.34	5,008.40
e) Postage & courier charges	125.03	231.74	636.54	775.18	991.14
f) Depreciation	108.45	141.18	414.83	464.87	607.54
g) Rent	332.82	221.27	1,138.42	639.16	1,092.98
h) Advertising & Publicity (Refer Note 8)	156.58	264.15	615.51	1,153.77	1,765.84
i) Provision for doubtful debts	-	60.00	85.39	178.11	238.11
j) Other expenditure	1,121.05	900.40	2,976.75	2,429.17	4,226.15
<b>3. (Loss)/Profit from operations before other Income, interest, exceptional items and tax (1-2)</b>	<b>(675.85)</b>	<b>(859.93)</b>	<b>(2,007.35)</b>	<b>(3,065.23)</b>	<b>(4,983.38)</b>
4. Other Income	48.86	26.60	171.03	158.50	149.25
<b>5. (Loss)/Profit before interest, exceptional items and tax (3+4)</b>	<b>(626.99)</b>	<b>(833.33)</b>	<b>(1,836.32)</b>	<b>(2,906.73)</b>	<b>(4,834.13)</b>
6. Interest	120.52	454.84	428.83	1,335.11	1,646.07
<b>7. (Loss)/Profit after interest but before exceptional items and tax (5-6)</b>	<b>(747.51)</b>	<b>(1,288.17)</b>	<b>(2,265.15)</b>	<b>(4,241.84)</b>	<b>(6,480.20)</b>
8. Exceptional items (Refer Note 4)	-	-	(150.07)	90.00	(1,480.00)
<b>9. (Loss)/Profit from ordinary activities before tax (7-8)</b>	<b>(747.51)</b>	<b>(1,288.17)</b>	<b>(2,115.08)</b>	<b>(4,331.84)</b>	<b>(5,000.20)</b>
10. Tax expenses					
(a) Provision / (Credit) for Taxation	12.92	-	2.01	(16.22)	3.22
(b) Fringe Benefit Tax	-	-	-	-	-
<b>11. Net (Loss)/Profit from ordinary activities after tax (9-10)</b>	<b>(760.43)</b>	<b>(1,288.17)</b>	<b>(2,117.09)</b>	<b>(4,315.62)</b>	<b>(5,003.42)</b>
12. Extraordinary Items	-	-	-	-	-
<b>13. Net (Loss)/Profit for the year (11-12)</b>	<b>(760.43)</b>	<b>(1,288.17)</b>	<b>(2,117.09)</b>	<b>(4,315.62)</b>	<b>(5,003.42)</b>
14. Paid-up Equity Share Capital (Face value Rs.10) (Refer Note 10)	5,002.96	1,988.51	5,002.96	1,988.51	4,970.57
15. Reserves excluding revaluation reserves as per balance sheet of previous accounting year	-	-	-	-	-
16. Earnings Per Share (EPS)					
a) Basic and Diluted EPS before Extraordinary items for the period, for the year to date and for the previous year (not to be annualised)	(1.52)	(6.48)	(4.23)	(21.70)	(16.63)
b) Basic and Diluted EPS after Extraordinary items for the period, the year to date and for the previous year (not to be annualised)	(1.52)	(6.48)	(4.23)	(21.70)	(16.63)
17. Public Shareholding					
- Number of Shares	26,116,561	11,270,120	26,116,561	11,270,120	25,792,611
- Percentage of Shareholding	52.20	56.68	52.20	56.68	51.89
18. Promoter and Promoters Group Shareholding					
a) Pledged/Encumbered					
- Number of shares	-	-	-	-	-
- Percentage of shares(as a % of the total shareholding of Promoter and Promoters group)	-	-	-	-	-
- Percentage of shares(as a % of the total share capital of the company)	-	-	-	-	-
b) Non-encumbered					
- Number of shares	23,913,061	8,614,983	23,913,061	8,614,983	23,913,061
- Percentage of shares(as a % of the total shareholding of Promoter and Promoter group)	100	100	100	100	100
- Percentage of shares(as a % of the total share capital of the company)	47.80	43.32	47.80	43.32	48.11

- Notes:
- The above results were approved by the Board of Directors at their meeting held on January 19, 2011.
  - The status of investor complaints for the quarter ended December 31, 2010 was as follows :
 

Pending at the beginning of the quarter	-
Received during the quarter ended 31.12.2010	1
Disposed off during the quarter ended 31.12.2010	1
Unresolved at the end of the quarter ended 31.12.2010	-
  - The standalone financial results for the quarter ended December 31, 2010 has been subjected to a limited review by the Statutory Auditors.
  - As per Share Purchase Agreement ("SPA") with Knowledgeworks Global Private Limited (a Cervelo Inc company) on May 4, 2010, the Company has sold its entire equity stake in its 4 subsidiaries during the half year ended September 30, 2010. The net gain on the sale of these subsidiaries amounting to Rs. 74.47 lakhs has been disclosed as an Exceptional item in the results for the nine months ended December 31, 2010.
    - The impairment provision of Rs.75.60 lakhs has been reversed during period ended September 30, 2010 which has been disclosed as an Exceptional item in the results for the nine months ended December 31, 2010.
    - During the year ended March 31, 2009, the Company had made a provision for diminution in the value of long term investments in subsidiaries amounting to Rs 1,600 lakhs. Considering the sales consideration to be received as per the SPA, the Company was of the view that there would be no diminution in the value of the said investments and hence the same was written back during the year ended March 31, 2010 and disclosed as an exceptional item. The Company had also made provision for diminution in the value of investments in a Joint Venture Company amounting to Rs.120 Lakhs during the year ended March 31, 2010 and the same has also been disclosed as an Exceptional item in the results for the year ended March 31, 2010.
    - Exceptional item for the nine months ended December 31, 2009 includes Rs. 90.00 Lakhs towards Provision for estimated diminution in the value of Investment for the nine months ended December 31, 2009

Standalone Segmentwise Revenue, Results and Capital Employed					
	3 months ended (31/12/2010) Unaudited	Corresponding 3 months ended in the previous year (31/12/2009) Unaudited	Year to date figures for current period ended (31/12/2010) Unaudited	Year to date figures for the previous period ended (31/12/2009) Unaudited	Previous accounting year ended (31/03/2010) Audited
<b>1. Segment Revenue</b>					
a. Printing	734.18	1,156.39	3,223.15	3,396.14	4,263.14
b. Publishing	2,159.82	1,452.29	6,752.28	3,445.93	6,858.72
c. Others	293.40	163.39	732.35	514.94	630.51
<b>Total</b>	<b>3,187.40</b>	<b>2,772.07</b>	<b>10,707.78</b>	<b>7,357.01</b>	<b>11,752.37</b>
Less : Inter Segment revenue	257.77	468.19	834.54	829.88	1,028.45
<b>Net sales/Income from operations (Refer Note 8)</b>	<b>2,929.63</b>	<b>2,303.88</b>	<b>9,873.24</b>	<b>6,527.13</b>	<b>10,723.92</b>
<b>2. Segment Results</b>					
a. Printing	66.22	199.74	375.71	289.47	291.24
b. Publishing	(611.90)	(761.73)	(1,493.62)	(2,519.09)	(3,476.14)
c. Others	211.07	(0.99)	342.63	45.87	42.03
<b>Total</b>	<b>(334.61)</b>	<b>(562.98)</b>	<b>(775.28)</b>	<b>(2,183.75)</b>	<b>(3,142.87)</b>
Less: Interest expense	120.52	454.84	428.83	1,335.11	1,646.07
Add : Interest and Dividend income	44.35	3.08	84.36	8.50	15.44
Less: Other unallocable expenditure net of unallocable income	336.73	273.43	1,145.40	731.48	1,706.70
Less: Exceptional items (Refer Note 4)	-	-	(150.07)	90.00	(1,480.00)
<b>Total Profit Before Tax</b>	<b>(747.51)</b>	<b>(1,288.17)</b>	<b>(2,115.08)</b>	<b>(4,331.84)</b>	<b>(5,000.20)</b>
<b>3. Capital Employed (Segment Assets less Segment Liabilities)</b>					
a. Printing	1,448.84	421.77	1,448.84	421.77	988.46
b. Publishing	707.06	1,053.75	707.06	1,053.75	1,381.57
c. Others	(76.07)	316.32	(76.07)	316.32	134.92
d. Unallocated	(189.92)	(7,136.02)	(189.92)	(7,136.02)	1,382.86
<b>Capital Employed</b>	<b>1,889.91</b>	<b>(5,344.18)</b>	<b>1,889.91</b>	<b>(5,344.18)</b>	<b>3,887.81</b>

- The Company has incurred a loss of Rs.760.43 lakhs and Rs.2,117.09 lakhs during quarter ended and nine months ended December 31, 2010 respectively and the accumulated losses of the Company as at December 31, 2010 are Rs.11,453.77 lakhs. During the year 2009-10, the Company has raised equity vide rights issue, amounting to Rs. 9,989.68 lakhs to augment the equity in the Company. The unutilized funds from the Rights issue as at December 31, 2010 are Rs 1,247.39 lakhs. The Parent Company has also given support letter to extend any financial support, which may be required by the Company. The Company is in the process of restructuring its business as described in Note 6 below. The Company's Printing Press business may also be sold off. The Company has also sold its entire equity stake in its four subsidiaries carrying on the Publishing BPO business which has resulted in significant cash flows to the Company during the year to end March 31, 2011. Management has assessed and confirmed that considering these factors the Company shall continue to be a going concern and hence, these unaudited financial results have been prepared on a going concern basis. Without qualifying their audit opinion, the auditors have given an emphasis of matter in respect of the going concern matter in their audit report dated May 7, 2010 on the audited financial statements of the Company for the year ended March 31, 2010. This has no impact on the loss for the quarter and nine months ended December 31, 2010.
- The Board of Directors of the Company, on July 7, 2010 announced and approved a Scheme of Arrangement ("the Scheme") between Infomedia 18 Limited and Network 18 Media & Investments Limited ("Network 18") and their respective shareholders. As per the Scheme, the Business Directories business, the New Media business and the Publishing business of the Company shall be demerged into Network 18 Media & Investments Limited while the Printing Press business will continue to remain with the Company. The Scheme is subject to approval of High Courts and the shareholders of the respective companies. The Company has filed the first motion application under Section 391-394 of the Companies Act, 1956 with the Hon'ble High Court of Delhi on January 7, 2011 to seek its necessary directions to convene meetings of the Shareholders and Creditors of the Company. The Appointed date for the proposed restructuring is April 1, 2010 and the Scheme shall be effective when the certified copies of the High Court Orders are filed with the Registrar of Companies. Accordingly no effect of the Scheme has been given in these Standalone Unaudited Financial results for the quarter and the nine months ended December 31, 2010.
- The demands towards Income Tax and Fringe Benefit Tax for the Assessment Year 2005-06, 2006-07, 2007-08 and 2008-09 outstanding as on December 31, 2010 are aggregating to Rs.1,257.69 lakhs. The demands towards Sales Tax / Works Contract Tax for the financial years 1999-2000, 2000-2001, 2001-2002 and 2002-2003, outstanding as on December 31, 2010 are Rs.415.57 lakhs. The Company has disputed the demands and has preferred / is in the process of preferring appeals before appellate authorities, to set aside the demands and carry out necessary rectifications. The Company has assessed that the possibility of these cases being decided against the Company and the demand crystallizing on the Company is not probable and hence no provision is required.
- Loss for the year ended March 31, 2010 includes an amount of Rs.38.77 lakhs relating to prior years.
- Other operating income for the year ended March 31, 2010 includes Rs. 720.57 lakhs pertaining to provision no longer required for printing expenses written back.
- The Company has raised Rs. 9,989.68 lakhs through a rights issue vide the letter of offer dated December 9, 2009, and has allotted 29,820,569 equity shares of Rs. 10/- each at a premium of Rs. 23.50 per share, offered in the ratio of three equity shares for every two equity shares held in the Company.
- The Company has utilized an aggregate sum of Rs. 8,742.29 lakhs towards the stated purposes, from the proceeds of the Rights Issue. The unutilized funds of Rs. 1,247.39 lakhs are deployed in Liquid Mutual Funds.
- The registered office of the Company has been shifted to New Delhi, pursuant to confirmation by Company Law Board, Mumbai bench with effect from 19<sup>th</sup> October 2010.
- Previous period figures have been regrouped/restated wherever necessary.

On behalf of the Board,



Haresh Chawla  
Managing Director

Mumbai, January 19, 2011