Board of Directors

Sanjeev Manchanda ***(Chairman)***
Haresh Chawla ***(Managing Director)***
Raghav Bahl
Manoj Mohanka
Senthil Chengalvarayan
B. Saikumar

Company Secretary

Tasneem Udaipurwala (w.e.f. 6th June, 2011)

Legal Advisors

Wadia Ghandy & Co.

Principal Bankers

Axis Bank
Punjab National Bank

Auditors

S. R. Batliboi & Associates
Chartered Accountants

Registered Office

503, 504 & 507, 5th Floor,
Mercantile House,
15, Kasturba Gandhi Marg,
New Delhi - 110 001.

Corporate Office

'A' Wing, Ruby House,
J. K. Sawant Marg,
Dadar (West),
Mumbai 400 028.

Registrars and Share Transfer Agents

TSR Darashaw Limited
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road,
Mahalaxmi,
Mumbai - 400 011.

Management Team

Sunil Thomas	COO New Media
Sandeep Khosla	CEO (Magazine Publishing)
Sandeep Das	EVP Operation Business Directories
Mukhtar Qureshi	EVP Sales Business Directories
Sanjeev Singh	EVP Human Resources
Sridhar Vaidyanathan	EVP Sales
A.R.Iyer	EVP Manufacturing
Anand Jain	EVP New Media Business

Contents

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FIFTY SIXTH ANNUAL GENERAL MEETING OF SHAREHOLDERS OF INFOMEDIA 18 LIMITED WILL BE HELD ON 9TH SEPTEMBER 2011 AT 11.30 A.M. AT MPCU, SHAH AUDITORIUM, MAHATMA GANDHI SANSKRITIK KENDRA, 2 RAJ NIWAS MARG, SHREE DELHI GUJARATI SAMAJ MARG, CIVIL LINES, DELHI - 110 054 TO TRANSACT THE FOLLOWING BUSINESSES:

ORDINARY BUSINESSES:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2011 and the Audited Profit and Loss Account for the year ended on that date together with the Auditors' Report thereon and the Directors' Report for that year.

2. To appoint a director in place of Mr. Raghav Bahl who retires by rotation and being eligible, offers himself for re-appointment.

3. To appoint a director in place of Mr. Senthil Chengalvarayan, who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint Statutory Auditors of the Company and to fix their remuneration and in this regard, if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution: -

   "RESOLVED THAT pursuant to Section 190, 224, 225 and all other applicable provisions of the Companies Act, 1956, M/s. S. R. Batliboi & Associates, Chartered Accountants, Mumbai, having Firm Registration No. 101049W be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, on such remuneration, as may be decided by the Board of Directors of the Company in consultation with them."

Date : May 2, 2011 — **By Order of the Board of Directors**
Place : Mumbai

Registered Office:
503, 504 & 507, 5th Floor, Mercantile House,
15, Kasturba Gandhi Marg,
New Delhi - 110 001

Yug Samrat
Company Secretary

Notes:

(a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

(b) Members/Proxies are requested to bring their copies of the Annual Report together with the duly filled in attendance slips at the meeting.

(c) The Register of Members and the Share Transfer Books of the Company will remain closed from 5th September 2011 to 9th September 2011 (both days inclusive).

(d) Corporate Members intending to send their authorized 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.

(e) Pursuant to the provisions of SEBI (ESOP & ESPS) Guidelines, 1999, Certificates from the Auditors of the Company confirming that the Employee Stock Option Plans and Employee Stock Purchase Scheme of the Company have been implemented in accordance with the said Guidelines and also in accordance with the resolution of the Company in General Meeting, will be placed before the forthcoming Annual General Meeting.

(f) Pursuant to the provisions of Section 205A of the Companies Act, 1956 read with Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to the Investor Education and Protection Fund of the Central Government. It may be noted that no claim shall lie from a member against the Company or the said Fund once the transfer is made to the said fund and no payment shall be made in respect of any such claims. Therefore members who have not encashed their dividend warrant(s) so far for the financial year ended 31st March 2005 or any subsequent financial year(s), are requested to make their claim to the Company's Registrars and Share Transfer Agents, TSR Darashaw Limited (formerly Tata Share Registry Limited), 6-10, Haji Moosa Patrawala Ind. Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011, before such transfer to the said Fund.

(g) It may be noted that the unclaimed dividend for the financial year ended March 31, 2004 would be transferred to the Investor Education and Protection Fund of the Central Government in the due course.

(h) As per the provisions of the Companies Act, 1956, facility for making nomination is available to the shareholders in respect of the shares held by them. Nomination forms can be obtained from the Company's Registrars and Share Transfer Agents.

i) Members are requested to note that pursuant to the Securities and Exchange Board of India (SEBI) circular dated May 29, 2000, trading in the shares of the Company is permitted only in dematerialised form. Therefore, Members holding shares in the dematerialised mode are requested to intimate all changes with respect to their bank details, change of address etc. to their Depository Participant (DP). The Bank details as furnished by the respective Depositories to the Company will be used as communication address and shall also be printed on such member's dividend warrants etc.

j) Members holding shares in physical form are requested to notify/send the following to the Company's Registrar and Share Transfer Agents.

    (i) Change in their address, if any;

    (ii) Request for consolidation of shareholdings into one account if share certificate(s) are held in multiple accounts or joint accounts in the same order of names.

    (iii) Their bank account number, name and address of the Bank and its branch and changes, if any, in these particulars. These details will be printed on the Dividend warrants.

    (iv) Members who have not yet provided the Bank details are once again requested to provide the same by quoting their folio number, to enable the Company to print the said bank details in their dividend warrants to ensure protection against fraudulent encashment.

k) Members are advised to avail of the facility of Electronic Clearing Service (ECS) for receipt of future dividends. The ECS facility is available at certain specified locations. Members holding shares in dematerialised mode are requested to contact their respective Depository Participants (DPs) for availing

ECS facility. Members holding shares in physical form and desirous of availing ECS facility are requested to write to the Company's Registrar.

l) Pursuant to the provisions of clause 47(f) of the listing agreement the company has designated dedicated e-mail id investors@infomedia18.in exclusively for registering grievance and complaints of the Shareholder. All the Shareholders are requested to lodge all their complaints and grievances etc., if any, at the said e-mail id.

m) Pursuant to Clause 49 of the Listing Agreement, details of directors seeking re-appointment at the Annual General Meeting are enclosed herewith.

n) Members are requested to note that the Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies vide its circulars no. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 after considering certain provisions of the Information Technology Act, 2000, permitted the companies to send the notices / annual reports etc. through email to its members. To support this green initiative of the MCA whole heartedly, members who hold shares in electronic mode and have not yet registered their e-mail address, are requested to register their e-mail address with the Depository through their concerned Depository Participant and members who hold shares in physical mode are requested to intimate their email address at which they would like to receive the above documents electronically, either to the Company or to its Registrar and Share Transfer Agent. In this regard, a consent form is enclosed alongwith the attendance slip/proxy form. Kindly complete the same and send it to the Registrar and Share Transfer Agents, TSR Darashaw Limited or to the Company.

o) Ministry of Corporate Affairs, Government of India vide their circular no. 51/12/2007-CL-III dated February 8, 2011 has granted general exemption under section 212(8) of the Companies Act, 1956 from attaching the Directors' Report, Balance Sheet, Profit & Loss Account and the Report of Auditors of the Subsidiary Companies with the Balance Sheet of the Company. The annual accounts of these subsidiary companies and the related detailed information will be made available to the shareholders seeking such information at any point of time. The annual accounts of the subsidiary companies shall also be kept for inspection by any investor in its registered office and that of the subsidiary companies concerned. The company shall furnish a hard copy of details of accounts of subsidiaries to any shareholder on demand.

p) Please note that no handbags/parcels of any kind will be allowed inside the Auditorium, due to security reasons and space constraints. The same may have to be deposited outside the Auditorium on the counter provided, at the visitor's own risk. Members are advised not to keep any valuables in the bag to be deposited in the bags to be submitted at the Venue.

Details of the Directors seeking appointment/re-appointment at this Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)

Name of the Director	Mr. Raghav Bahl	Mr. Senthil Chengalvarayan
Date of Birth	2nd January 1961	17th April 1963
Date of Appointment	21st August 2008	21st August 2008
Expertise in specific Functional areas	Raghav Bahl is the Managing Director of Network18 Media & Investments Limited He began his working life as a management consultant with A.F. Ferguson & Co. His second corporate job was with American Express Bank - before he turned to his first love, media. Winner of the Sanskriti Award for Journalism in 1994, Raghav has over 23 years experience in television and journalism. He worked with several media organizations, including Doordarshan, India Today (where he worked on the pioneering video newsmagazine, Newstrack), BBC World (where he was the Editor-cum-Anchor of the highly successful weekly show, India Business Report) and Business India, before he founded Television Eighteen India Limited (TV18). Since 1994, he has led The TV18 Group (now known as Network 18) as its principal shareholder and managing director. He has been instrumental in crafting successful Joint Ventures with such media giants as NBC Universal, Viacom, Time Warner and Forbes. In a short span of 15 years, Network 18 has achieved a market capitalization in excess of $ 2 bn. The Group is counted among the fastest wealth creators in this part of the world, delivering a CAGR of over 100% to its stockholders over the past five years. Raghav is a widely admired entrepreneur, and was hailed as a Global Leader of Tomorrow by the World Economic Forum (WEF). He was also selected by Ernst & Young as the Entrepreneur of The Year (2007) for Business Transformation.	Senthil Chengalvarayan is the President and Group Editorial Director of TV18 Business Media. Senthil heads a host of verticals which form part of the Business Media ecosystem (Business/Tech/Personal Finance magazines, financial portals, business wires, extensions of CNBC TV18 & CNBC AWAAZ, mobile etc). Prior to this role, he led a team of professional journalists that has made CNBC TV18 the most successful business media network in the country. He has been a business journalist for over two decades. After spending his initial years in the profession with various Business Dailies he joined Television Eighteen in 1994 just as the company was pioneering the entry of private companies into Television News. He's seen the industry grow then from uncertain beginnings to the phenomenon that it is today.
Qualification	Mr. Raghav Bahl,, graduated in B.A. Hons (Economics) from St. Stephens College, and then did his Masters in Business Administration from the University of Delhi. He attended a doctoral program at the Graduate School of Business, Columbia University, New York.	Graduate in Economics from Madras University, he has done his Masters in Journalism from the Times Research Foundation.
List of other public companies incorporated in India in which directorships held as on March 31, 2011	Television Eighteen India Limited Network18 Media & Investments Limited ibn18 Broadcast Limited Network18 Publications Limited Web18 Software Services Limited News Wire18 Limited TV18 Home Shopping Network Ltd. greycells18 Media Limited digital18 Media Limited	Nil
List of Chairmanships/memberships of committees of the board of other public Companies incorporated in India which directorships held as on March 31, 2011	ibn18 Broadcast Limited Shareholders'/Investors' Grievances Committee - Chairman	Nil
Shareholding in the Company	Nil	Nil

Infomedia 18 Limited (formerly Infomedia India Limited)

Ten Years at a Glance

Consolidated Operating Results - 2002-2011

Amount in Rs. Lacs unless otherwise stated

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Gross Income	12,681.70	12,818.86	13,322.20	13,105.40	13,286.92	19,901.17	18,956.91	16,369.97	14,875.36	14,543.12
Other income	1,072.53	1,038.43	731.76	534.11	809.08	1,034.67	334.52	477.78	1,044.14	419.54
Operating and Other expenses	10,326.76	10,261.00	10,367.95	10,540.60	11,334.63	16,432.94	17,665.25	21,404.98	19,575.07	17,279.47
Profit before Interest, Tax, Depreciation and Exceptional Items	2,354.94	2,557.86	2,954.25	2,564.80	1,952.29	3,468.23	1,291.66	(4,557.24)	(3,655.57)	(2,316.80)
Exceptional Items	12.30	31.75	(1,587.98)	(5,593.68)	217.37	—	—	3,439.21	(2,627.97)	(1,080.34)
PBDIT	2,342.64	2,526.11	4,542.23	8,158.48	1,734.92	3,468.23	1,291.66	(7,996.44)	(1,027.60)	(3,397.14)
Interest	24.37	10.40	11.50	9.05	24.01	471.22	992.03	1,054.58	1,487.52	511.37
Depreciation	639.90	644.37	1,835.10	875.20	763.85	903.94	781.34	754.67	777.12	575.47
Profit/(Loss) before Tax	1,678.37	1,871.34	2,695.63	7,274.23	947.06	2,093.07	(481.71)	(9,805.69)	(3,292.24)	(4,483.98)
Profit/(Loss) after Tax	1,161.62	1,307.90	2,419.40	5,717.98	711.61	1,392.40	(520.23)	(10,076.91)	(3,339.56)	(4,572.00)
Dividends	629.32	774.46	1,548.96	2,091.02	521.88	460.75	231.35	—	—	—
Retained Profits	3,893.40	4,296.06	4,166.47	6,793.40	6,909.29	5,982.38	5,196.38	4,803.28	(7,974.93)	(12,393.22)
Earnings per share (Rs per share)	10.15	11.43	10.57	24.99	3.11	6.59	(2.64)	(50.68)	(11.10)	(9.16)
Cash Earnings per share (Rs per share)	15.74	17.24	18.64	28.85	6.45	10.87	0.13	(28.45)	(10.25)	(5.13)
Dividend per share - %	55% *	60%	120%	80% **	20%	20%	10%	—	—	—

includes Bonus issue in the ratio of 1:2
* includes Bonus issue in the ratio of 1:2
** includes Bonus issue in the ratio of 1:1

Sources and Application of Funds
Sources of Funds

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Equity	1,144.22	1,144.22	1,144.22	2,288.43	2,288.43	1,969.08	1,977.39	1,988.51	4,970.57	5,002.96
Share Application Money	—	—	—	—	—	—	1,422.00	1,422.00	0.34	0.26
Reserves	8,743.36	9,276.80	10,147.22	12,629.96	12,835.15	6,099.09	5,393.21	409.70	8,349.05	8,307.52
Shareholders' Funds	9,887.58	10,421.02	11,291.42	14,918.39	15,123.58	8,068.17	8,792.60	3,820.21	13,319.96	13,310.74
Minority Interest	—	—	—	—	290.34	536.80	173.74	—	—	—
Stock Option Outstanding	—	—	—	—	—	—	—	—	140.07	140.34
Loan Funds	—	—	—	3.90	966.89	6,684.42	9,990.86	10,373.11	6,326.91	2,117.93
Deferred Tax - Net	818.70	802.10	580.78	607.45	499.88	394.12	61.67	164.32	99.96	128.56
Funds Employed	10,706.28	11,223.12	11,872.20	15,529.74	16,880.69	15,683.51	19,018.87	14,357.64	19,886.90	15,697.58
Fixed Assets (Gross)	9,171.10	10,230.43	11,084.51	11,071.02	13,905.38	17,365.57	18,776.43	19,535.91	19,417.17	18,531.38
Depreciation	4,639.57	5,269.39	7,028.20	7,815.68	8,700.15	8,419.91	9,105.79	9,742.46	10,115.35	16,314.13
Impairment	—	—	—	—	—	—	—	1,800.11	75.59	—
Fixed Assets (Net)	4,531.53	4,961.04	4,056.31	3,255.34	5,205.23	8,945.66	9,670.64	7,993.34	9,226.23	2,217.25
Capital WIP	—	—	—	—	—	—	—	6.40	96.99	62.47
Investments	2,760.50	2,252.58	6,000.89	9,340.49	3,758.50	919.78	1,529.14	0.05	2,203.23	1,536.53
Net Current Assets	3,414.26	4,009.50	1,815.06	2,933.93	7,916.96	5,818.07	7,793.06	1,536.40	282.47	(592.31)
Miscellaneous Expenditure	—	—	—	—	—	—	—	18.17	103.05	80.42
Debit Balance in Profit & Loss Account	—	—	—	—	—	—	—	4,803.28	7,974.93	12,393.22
Net Assets Employed	10,706.29	11,223.12	11,872.26	15,529.76	16,880.69	15,683.51	19,018.87	14,357.64	19,886.90	15,697.58

To,

The Members of Infomedia 18 Limited

The Directors hereby present their Fifty-Sixth Annual Report and Audited Statement of Accounts for the year ended March 31, 2011.

Financial Results	(Rs. in lakhs)	
	2010-11	*2009-10*
Profit/(loss) before Interest Depreciation & Amortization	(1,904.42)	*(4,169.29)*
Interest	525.41	*1,664.60*
Profit/(loss) After interest but before Depreciation & Amortisation	(2,429.83)	*(5,833.89)*
	-	-
Depreciation & Amortisation	553.10	*607.54*
Profit/(Loss) before tax	(2,982.93)	*(6,441.43)*
Exceptional Items	48.19	*(1,480.00)*
Profit /(Loss) Before Tax and Prior Period Items	(3,031.12)	*(4,961.43)*
Prior Period Items (Net) Income/ (Expense)		*38.77*
Profit/ (Loss) Before Tax	(3,031.12)	*(5,000.20)*
Tax	-	-
Current tax	35.19	*36.70*
Deferred tax	(0.66)	*(33.47)*
Profit/(loss) after tax	(3,065.65)	*(5,003.43)*

Operating Results and Performance

The operating revenue of the Company from business operations increased from Rs.106.81 crores in 2009-10 to Rs.140.91 crores in 2010-11.

The growth in the publishing business was 21.60% as compared to the previous year. The division reported revenue of Rs.105.38 crores in 2010-11 as against Rs.68.59 crores in 2009-10. The revenue in the printing business was lower by 3.62% as compared to the previous year. The division reported revenue of Rs.27.85 crores in 2010-11 as against revenue of Rs.32.35 crores in 2009-10. The year witnessed revenue levels in publishing growing back to pre economic slowdown levels, at the back of improving economic environment and a varied and much appreciated product offering by the company.

Your Company has incurred a net loss of Rs.30.65 crores for the year 2010-11 and after considering the balance brought forward from previous year of Rs.93.37, the cumulative loss as of 31st March 2011 stands to Rs. 124.02 crores.

However, the management expects the revenue growths to be sustainable in the future years, which coupled with savings and improvement in operating results on account of the restructuring exercise carried out during the earlier years. Your company is constantly monitoring and exploring cost saving initiatives and opportunities, and also investing in research and product development. Management believes that such measures would help in improvement of the Company's performance in years to come.

Dividend:

Your Company has reported a loss during the year under review and therefore your Directors are constrained to recommend any dividend *(previous year Nil %)* on equity shares for the financial year 2010-11.

SHIFTING OF REGISTERED OFFICE

During the year under review, the members had approved shifting of the Registered Office of the company from the state of Maharashtra to the National Capital Territory of Delhi. Thereafter such alteration in the Memorandum of Association for shifting of the Registered Office was confirmed by the Hon'ble Company Law Board, Western Region Bench, Mumbai, vide order dated October 19, 2010. Accordingly the Registered Office of the Company has been shifted to 503, 504 & 507, 5th Floor, Mercantile House, 15, Kasturba Gandhi Marg, New Delhi – 110 001 w.e.f. 22nd October 2010.

Change in the use of utilization of funds raised through Rights Issue:

Shareholders have approved that the amount of approximately Rs. 1069.10 lakhs, remaining unutilized from the objects of Upgradation of Machinery in Printing Press of the Company, the savings on issue expenses, excess left after repayment of Loan of Standard Chartered and investment in voice based and online directory and Information services, be utilized and deployed for general corporate purposes and also that the unutilized amount of Rs. 178.29 lacs remaining unutilized from the objects of Expansion of Call Centre, Investment in Brand Building initiative and General Corporate Purposes, may be utilized and deployed for the respective purposes up to the financial year ending March 31, 2012.

Scheme of Arrangement:

The proposed scheme of arrangement between your Company and Network18 Media and Investments Limited (Network18) and their respective shareholders and creditors has been duly approved by the shareholders and secured/unsecured creditors at their respective meetings held pursuant to the orders of the Hon'ble High Court of Delhi. Pursuant to the scheme all the businesses of the company including publishing and online business (except the Printing Press Undertaking) is proposed to be demerged into Network18 and shareholders of the Company shall get 14 equity shares of Rs. 5 each of Network18 against every 100 shares of Rs. 10 each held in the Company. After coming into effect of the Scheme the Shareholders shall also continue to hold original shares of Company, representing the Printing Press Undertaking. The scheme is subject to further approval of the Hon'ble High Court of Delhi, at New Delhi.

Transfer to Investor Education & Protection Fund:

During the year under review, in terms of Section 205 C of The Companies Act, 1956, an amount of Rs.3,04,164/- being unclaimed dividend for the year 2002-03 has been transferred to the Investor Education & Protection Fund established by the Central Government.

Also unclaimed amount of dividend pertaining to the year 2003-04 will be transferred to the Investor Education & Protection Fund established by the Central Government in the due course.

Alibaba:

The Co-operation agreement with Alibaba.com Singapore Investment Holding Private Limited (Alibaba) has been terminated in October 2010. However the Company has transferred its employees engaged in this project to the entity nominated by Alibaba.

Sale of Subsidiaries:

As a part of your company's strategy to exit noncore businesses and deploy resources to focus on core media segments, search, internet and directories services, your company has sold all its holdings in its subsidiaries, namely Glyph International Limited, Glyph International US LLC, Glyph International UK Limited and CEPHA Imaging Private Limited to subsidiary of Cenveo Inc in India. Cenveo Inc. is one of the world's leading providers of content management and print production services in India and US.

Management Discussion and Analysis

Annexed to this report

Corporate Governance

Pursuant to Clause 49 of the Listing Agreement with BSE and NSE, the Corporate Governance Report together with a certificate from the Company's Auditors is made part of the Annual Report. All the Directors in the Board and the senior management of the Company have signed off the Code of Conduct of the Company. The code of conduct is also posted in the Company website, www.infomedia18.in.

Directors

Mr. Raghav Bahl and Mr. Senthil Chengalvarayan, Directors of the Company shall retire by rotation at the forthcoming Annual General Meeting of the Company. However being eligible they have offered themselves for re-appointment. Accordingly the Board recommends their re-appointment.

Employee Stock Option Plan/ Employee Stock Purchase Scheme:

Your Company had introduced an Employee Stock Option Plan for all eligible employees including the Managing Director of the Company in July 2004. Your Company has not allotted any option during the year 2010-11. Further details regarding the scheme are being provided in the Annexure to this report.

Your Company had also floated the Employees Stock Option Plan 2007. During the year under review, Company has allotted 2,00,000 stock options under the Employees Stock Option Plan 2007. Further details regarding the scheme are being provided in the Annexure to this report.

During the year under review, your Company has also introduced an Employee Stock Purchase Scheme, 2010 for all eligible employees and Directors of its Holding and Subsidiary Companies, including the Managing Director of the Company which was approved by shareholders vide postal ballot resolution, results whereof were declared on May 7, 2010. There has been no activity under this Scheme so far.

Particulars of Employees

Information to be provided under section 217(2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules, 1975 forms part of this report. However, as per the provisions of section 219(1)(b)(iv) of the Companies Act,1956, the Report and Accounts are being sent to all shareholders of the Company excluding the statement of particulars of employees under section 217(2A) of the Act. Any shareholder interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company.

Conservation of Energy

The Company on a continuous basis undertakes programmes for conserving energy.

Technology Absorption

The Company continued its efforts towards improving the efficiency of its operations. Employee training programmes were regularly conducted at all levels to improve employee skills.

Foreign Exchange Earnings/Outgo

The foreign exchange earned during the year amounted to Rs.27.49 crores *(previous year Rs. 11.18 crores)* .The total foreign exchange utilized, including for import of raw materials and spare parts for machinery not available indigenously, amounted to Rs.13.72 crores (*previous year: Rs. 9.97 crores*).

Auditors & the Auditor's Report

The Statutory Auditors, M/s. S. R. Batliboi & Associates, Chartered Accountants retire at the forthcoming Annual General Meeting and being eligible for re-appointment, have conveyed their consent to act as auditors of the Company. Further they have also furnished a certificate u/s 224 (1B) of the Companies Act, 1956 that their appointment, if made, will be within the limits specified under the said section.

The Auditors' Report is self explanatory however the auditors have modified their opinion on certain issues. We refer to point 3 of the Auditors' Report and accordingly state that the management will evaluate options and take appropriate steps upon finalization of definitive arrangement concerning sale and/or transfer, etc of Printing Business Undertaking of the Company. We refer to point 4 of the Auditors' Report and accordingly state that the Company has evaluated the said demand and also sought expert legal and professional opinion on the matter. On the basis of said legal opinion, the management believes that the matter being decided against the Company and the demand crystalising is not likely. We refer to point v(b) of Annexure to the Auditors' Report and accordingly state that the transactions referred to were made at prevailing market prices at the relevant time. We refer to point ix(a) of Annexure to the Auditors' Report and accordingly state that delays in income tax, profession tax, employees' state insurance and service tax were due to unavoidable reasons and management is taking appropriate steps to avoid such delays in future.

We refer to point vii of Annexure to the Auditors' Report and accordingly believe that the internal audit systems and procedures in the Company are adequate and in commensurate with the size and nature of its business. However, the management has been taking initiatives to further improve the quality of internal audit system. We refer to point x of Annexure to the Auditors' Report and accordingly state that the Company is in the process of restructuring its business and the Printing Press business may be sold off. Further the parent Company continues to extend any financial support, which may be required by the Company. These factors, as more detailed in Note 24 of Schedule S of the Financial Statements, will help towards the company achieving significant cash flows in the coming year. We refer to point x of Annexure to the Auditors' Report and state that the Company has significant losses resulting into utilization of funds for the long term purposes, however the Company shall continue to get financial support from the Holding Company.

Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors based on the representations received from the Operating Management confirm that:

i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

iii) they have taken proper and sufficient care to the best of their knowledge and ability, 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) they have prepared the annual accounts on a going concern basis.

Acknowledgements

The Directors are grateful to all the stakeholders including the customers, bankers, suppliers and employees of the Company for their co-operation and assistance during the year.

ON BEHALF OF THE BOARD OF DIRECTORS

Mumbai,
May 2, 2011

Chairman

Disclosure as required under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as on March 31, 2011.

(a) options granted	**Date of Grant** — **No. of Options** 1. 25th October 2004 — 164000 2. 10th May 2005 — 100000 3. 28th October 2005 — 155500 4. 27th June 2006 — 17500 5. 27th October 2006 — 18500 6. 22nd November 2007 — 38500 7. 2nd April 2009 — 967500 8. 26th October 2010 — 200000 **Total** — **1661500**
(b) The pricing formula	The Exercise Price will be decided by the Board/ Compensation Committee, provided that the Exercise Price shall not be less than the par value of the Equity Shares of the Company and shall not be more than the price prescribed under Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or the market price (as defined in the Guidelines), whichever is more. The Board/ Compensation Committee may at its discretion make a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others or where the reduced market price makes the options unattractive or otherwise to make the options more attractive
(c) Options vested	As on 31/3/2011: 44,550 (ESOP 2004: 9750; ESOP 2007: 34800)
(d) Options exercised	6,40,950 (Cumulative) (ESOP 2004: 3,33,750; ESOP 2007: 3,07,200)
(e) The total number of shares arising as a result of exercise of option	6,40,950 (Cumulative) (ESOP 2004: 3,33,750; ESOP 2007: 3,07,200)
(f) Options lapsed	As on 31/3/2011: 298400 (ESOP 2004: 1,50,500; ESOP 2007: 1,47,900)
(g) Variation of terms of options	Modification approved in Extraordinary General Meeting, 20th January 2005 so as to: 1. Increase the total number of options available for grant under the scheme from 200000 shares to 500000 shares. 2. Increase maximum number of options to be issued per employee to 200000 options from 100000 options. 3. Exercise period to commence from date of vesting and will expire not later than 3 years from the date of vesting of the options. Modification approved vide Postal Ballot Resolution passed on 7th May 2010 so as to: 1. Create additional 25,00,000 options and modify the exercise period to expire not later than 3 years from the date of vesting of the options. 2. Offer and allot Equity Shares under the Employees Stock Option Plan 2007 to the employees and directors etc of the Holding company(ies) and that of the Subsidiary Company(ies) 3. Offer and allot Equity Shares under the Employees Stock Option Plan 2007 to any one employee and director, etc in excess of 1% of the issued capital during any year.

Annexure To Directors' Report

		Modification approved vide Postal Ballot Resolution passed on 15th July 2010 so as to: 1. Alter Exercise Price of the Options under the "Employees Stock Option Plan 2004"
(h)	Money realized by exercise of options	Rs. 32,39,500/- during the year (ESOP 2004: 1,77,500; ESOP 2007: 30,62,000)
(i)	Total number of options in force (Cumulative)	Total number of options granted : 16,61,500 Total number of options lapsed : 2,98,400 Total number of options exercised : 6,40,950 Total in force : 7,22,150 For details, please refer to additional disclosure
(j)	Employee wise details of options granted to: (i) Senior Management Personnel :-	Details given in Table A
	(ii) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	Anand Jain, Deap Ubhi, Sandeep Das and Sunil Thomas
	(iii) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;	None
(k)	diluted Earnings per share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with (Accounting Standard (AS) 20 'Earnings Per Share).	-6.14
(l)	where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed.	The company is using fair value for calculating employee compensation cost. The stock based compensation cost calculated as per the the intrinsic value method for the financial year 2010-2011 is Rs. 98,22,491/-. If the stock based compensation cost was calculated as per the fair value method prescribed by SEBI, the total cost to be recognized in the financial statements for the year 2010-2011 would be Rs. 10,208,197/-
(m)	(i) Weighted Average exercise price of Options granted during the year whose exercise price either equals or exceeds or is less than the market price of the stock :	
	Particulars	**Grant Date : October 26, 2010**
	Exercise price equals the market price Exercise price is greater than market price Exercise price is less than market price	NA NA INR 10
	(ii) Weighted Average fair value of Options granted during the year whose exercise price either equals or exceeds or is less than the market price of the stock :	
	Particulars	**Grant Date : October 26, 2010**
	Exercise price equals the market price Exercise price is greater than market price Exercise price is less than market price	NA NA INR 17.52
(n)	a description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information: (i) risk free interest rate (ii) expected life (iii) expected volatility (iv) expected dividends, and (v) the price of the underlying share in market at the time of option grant.	Considering the width of variables which impact the valuation of Options, Black-Scholes model has been used to estimate Fair value of Options

The significant assumptions used during the year to estimate the fair value of options are summarized as under:

Other Employees												
	ESOP 2004						ESOP 2007					
Particulars	**Vest 10**	**Vest 12**	**Vest 13**	**Vest 14**	**Vest 16**	**Vest 17**	**Vest 18**	**Vest 19**	**Vest 20**	**Vest 21**	**Vest 22**	**Vest 23**
Expected Life of the Option	0.12	0.29	0.32	0.82	1.5	1.75	1	1.5	1.75	1.79	2.29	2.79
Expected Volatility	38.59%	68.85%	38.59%	68.85%	66.20%	69.20%	69.20%	69.20%	69.20%	69.20%	69.20%	69.20%
Expected Dividend Yield	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%
Risk Free Interest Rate for the expected term of Option	7.00%	7.64%	7.63%	7.45%	7.36%	7.35%	7.42%	7.36%	7.35%	7.35%	7.36%	7.39%

Additional disclosure relating to Stock Options during the financial year 2010-11

Other Employees												
	ESOP 2004						ESOP 2007					
Particulars	**Vest 10**	**Vest 12**	**Vest 13**	**Vest 14**	**Vest 16**	**Vest 17**	**Vest 18**	**Vest 19**	**Vest 20**	**Vest 21**	**Vest 22**	**Vest 23**
Date of Grant	27-Jun-06	27-Oct-06	22-Nov-07	22-Nov-07	02-Apr-09	02-Apr-09	02-Apr-09	02-Apr-09	02-Apr-09	26-Oct-10	26-Oct-10	26-Oct-10
Date of Vesting	26-Jun-08	26-Oct-08	21-Nov-08	21-Nov-09	01-Apr-11	01-Oct-11	01-Apr-10	01-Apr-11	01-Oct-11	26-Oct-11	26-Oct-12	26-Oct-13
Exercise Period	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years	3 years
No of Options Granted	8,750	9,250	19,250	19,250	90,000	90,000	2,67,000	2,00,250	2,00,250	80,000	60,000	60,000
No of Options Lapsed	3,750	5,250	11,750	11,750	NIL	NIL	45,000	51,450	51,450	NIL	NIL	NIL
No of Options Exercised	3,500	2,750	4,000	4,000	NIL	NIL	1,87,200	NIL	NIL	NIL	NIL	NIL
Net Grant available for vesting	1,500	1,250	3,500	3,500	90,000	90,000	34,800	1,48,800	1,48,800	80,000	60,000	60,000
Outstanding at the beginning of the period	5,750	4,000	9,000	9,000	90,000	90,000	2,44,400	1,83,300	1,83,300	NIL	NIL	NIL
Lapsed during the period	750	NIL	1,500	1,500	NIL	NIL	22,400	34,500	34,500	NIL	NIL	NIL
Exercised during the period	3,500	2,750	4,000	4,000	NIL	NIL	1,87,200	NIL	NIL	NIL	NIL	NIL
Expired during the period	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Outstanding at the end of the period	1,500	1,250	3,500	3,500	90,000	90,000	34,800	1,48,800	1,48,800	80,000	60,000	60,000
Exercisable at the end of the period	1,500	1,250	3,500	3,500	NIL	NIL	34,800	NIL	NIL	NIL	NIL	NIL

Note: "Vest 1 to Vest 9, Vest 11 & Vest 15" are not disclosed as the entire vest stands exhausted

Table A : Employee wise details of options granted to Senior Management Personnel

Sr No.	Name of Employees	Options Granted
1	Deap Ubhi	150000
2	Anand Jain	150000
3	Lakshmi Narshiman	40000
4	Mukhtar Qureshi	40000
5	Ananthanarayan Iyer	10000
6	Soumen Bose	10000
7	Sridhar Vaidhyanathan	40000
8	Yug Samrat	10000
9	Sandeep Das	140000
10	Sanjeev Singh	40000
11	Sunil Thomas	100000

Management Discussion & Analysis

1. **Business overview**

a. **Publishing Business**

The publishing business reported an operating revenue of Rs.105.38 crores in 2010-11 against Rs 68.59 crores in 2009-10. The business reported a growth in revenue by 21.60% over previous year's revenue. During the year, your Company has taken various initiatives across the publishing business, including introduction of new products and added improvements to the look and feel of existing publications. The growth in the revenue is attributed to the product enrichment and improvements in macroeconomic scenario leading to increased spending on advertising through print media. During the year based on our product innovation and introduction of new sales strategy, on focusing on talented manpower and retaining the best talent in our Sales function has helped release of a higher number of directories.

The Infomedia Yellow Pages Directory has been constantly undergoing innovations – Majority of our directories are having the new look and feel with a stunning red cover, co branded with our information services website (askme). The directories are being released in four colour printing on imported glazed newsprint, thereby enhancing the visual appeal and referring experience for the users.

Look and feel of the 'Know Your City' magazine has been redesigned and standardized. 'Know Your City' – continue to get support both in database and content from the burrp! website, was introduced in two more cities last year, presently circulated in seven cities, namely Mumbai, Delhi, Chennai, Bangalore, Hyderabad, Jaipur and Goa.

Special interest publication division continued its growth momentum in the year. This year "Intelligent Entrepreneur", celebrated it's first anniversary and has established itself as a niche business publication. During the year, the leading B2C magazines of your Company, namely Overdrive, Better Photography and Better Interiors saw a refreshing facelift with new look and exciting formats.The division continued its focus on diversifying its revenue portfolio – events, trade shows and awards nights were all well conducted during the year.

Your Company continues to partner the telecast of a weekly auto show in CNBC TV18 as a brand extension of one of the specialty magazine "Overdrive". The show is also telecasted in other channels of the TV 18 group. The show has been adjudged as India's best Auto show at the News Television awards.

In line with the intent to expand the events platform, your Company conducted Engineering Expos at 4 cities across the country. The show was well received in these cities. During the year, your Company also forayed into the B2C events space, with two successful events associated with the "Better Photography" magazine, namely the "Photographer of the Year" and "Wedding Photographer of the Year Awards".

b. **New Media**

During the year, your Company undertook a number of steps towards establishing the Voice help line and online search operations through the launch of "yellowpages.co.in and continued development of "askme.in" beta site, and acquisition of the "askme.com" domain name. The local information and social media web-site, Burrp.com continues to be a favourite for foodies and has a loyal fan following in the social networking sites and is well received in the market. The website has been in existence for three years now and in this period the site has acquired reasonable popularity. Your Company believes that there will be greater synergies between the business directories division along with the Askme and burrp! businesses.

Your Company has successfully launched burrp! Express. This is well received in the market and hailed as one of the best search experiences. burrp! has been featured by Google on their chrome store. During the year under review burrper's Choice Awards expanded to include SPAs and 2010 awards were given out to 1400 businesses nationwide as compared to 800 in 2009. Company has witnessed 120% growth in traffic (visitors and visits). Now Nokia N8 includes burrp! as a featured application.

c. **Partnership with Alibaba**

During the year your company terminated its partnership in India, in mutual consent with Alibaba.com. However the company has transferred its employees engaged in this project to the entity nominated by Alibaba.

In the current financial year your Company has recorded revenues of Rs.7.68 crores from this business. (2009-10: Rs.6.30 crores)

d. Printing Business

The printing business reported a drop in the operating revenues as compared to the previous financial year. The business reported operating revenues of Rs.27.85 crores in 2010-11 as against Rs.32.35 crores reported in 2009-10. Your Company uses the press for printing the inhouse publishing products and the spare capacity is used for other publishers.

2. Expenditure analysis

Fixed cost is almost flat as compared to previous year at the back of cost restructuring measures & reduced marketing spends.

Terms Loans and Working Capital Limits have been repaid out of the proceeds of the Rights issue, resulting in significant savings in interest costs.

Manufacturing and distribution costs were higher by Rs.3.96 crores (from Rs.26.36 crores in 2009-10 to Rs.30.32 crores in 2010-11). The increase in the expenditure is mainly on account of increased newsprint consumption, higher cost of buying and increase in number of copies of magazines printed.

The Employee costs were higher by Rs.8.07 crores (from Rs.50.08 crores in 2009-10 to Rs.58.15 crores in 2010-11), on account of recognition of costs related to closure of a more business directories, salary increments and increase in manpower in the new media functions. Other operating expenses went down by Rs.6.46 crores (from Rs.82.13 crores in 2009-10 to Rs. 75.67 crores in 2010-11) on account of operating efficiency.

3. Exceptional Items

Your Company entered into a Share Purchase Agreement ('SPA') with Knowledgeworks Global Private Limited, a Cenveo Inc. company, in May 2010 to sell its entire equity stake in its four subsidiaries carrying on the Publishing BPO business. The company has incurred loss of Rs.123.78 lakhs on sale of these subsidiaries. Further, excess impairment provision of Rs.75.60 lakhs in respect of fixed assets held in leased offices has been reversed during the year. The net value of Rs.48.18 lakhs has been disclosed as an Exceptional item in the financial statements for the year ended March 31, 2011.

4. Risks and concerns

a. **Global economic environment:** The global economic environment even though coming out of the worst possible times, is still faced with the crisis in certain european countries and the uncertainty continues to remain. The Indian advertising and media industry, is recovering from the slump. The credit risks across corporates and customers have to be carefully examined while doing business. We will need to engage more in diversifying our business model and extending our reach. We will need to offer value proposition to the new customers to develop and grow this business further.

b. **Currency Fluctuations related risk:** The weakening of the Indian Rupee has impacted the import of our principal raw material – paper. The publishing business is heavily dependent on imported paper, given that local mills do not have the capability to produce paper of a similar kind. The fluctuations in the rupee have adversely impacted our buying costs. As a Company policy we have not resorted to foreign exchange forward and option contracts to hedge the risks against the currency fluctuations for the imports.

c. **Pricing Risks:** The pricing across our publishing and printing business is under risk due to competition and uncertain economic environment. We have been providing and offering value added services and benefits to the customers to retain them. We are also investing towards brand building and awareness programme across our publishing verticals to ensure adequate product differentiation.

d. **Hiring and Retention Risk:** During the last two years, we have been restructuring our businesses and working on retaining the best talent in the industry to work with us. While, the restructuring process has weeded out the low performers, it will be a constant challenge to retain the good talent. There is imminent short term risk from new entrants and domestic players to hire talent from our Company. We have implemented a number of employee initiatives like variablizing compensation structures, innovative training programs, job rotations etc., to retain and grow talent.

e. **Customers Risk:** The credit rating and credit worthiness of a number of entities have been impacted due to the economic slowdown. We have been very careful in extending credit to some of the high risk customers. We have also set up a collection cell in our Company to follow up with all the credit customers to ensure that dues are collected in a reasonable period of time and proper credit checks are completed on new customers.

f. **Regulatory Risk:** Government of India had introduced Service tax levy on our directories publishing business. The revenue in this business during the current financial year continues to have been impacted due to the levy. Small and medium manufacturers and traders form a significant portion of the customer base within the directory business – the levy of Service tax has indeed impacted their ability to renew advertisement with us.

g. **Asset Risk:** We have been conducting periodic maintenance activity at our printing press to ensure seamless and continuous production. Technological changes and continuous usage will lead to obsolescence of the fixed assets in the press as well as in our publishing business. It will be important for us to balance our capital investments in the traditional printing business and the new business ventures that we have forayed in the last few months.

h. **Internal Control Systems:** The Company has a well laid out internal control system for the various business activities. The internal control systems are so designed to ensure that there is adequate safeguard on maintenance and usage of assets of the Company. A detailed internal audit plan is worked out at the beginning of the financial year, and the observations of the auditors are shared with the Audit Committee and with the statutory auditors.

i. **Human Resources**

Employee relations continue to be cordial. The Company employs over 1,100 people, and we would like to thank each and every member of the Infomedia family for their role and contribution towards the Company's performance. The Company recognizes the key role played by people – and has implemented various programmes to make Infomedia a truly great place to work.

5. **Outlook**

a. The strategic intent of the Company to develop, build and grow the publishing business into a dominant player in the industry remains. The new business initiatives, in the voice and online platform that the Company has taken, will help foster growth in the publishing space. With the group's strength and dominance in the electronic media, the Company would also focus on building the brand through increased visibility in the media and build synergies through active participation in the electronic media.

CAUTIONARY STATEMENT

Statement in the Management Discussion and Analysis describing the Company's objectives, projections, estimate, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could influence the Company's operations include economic developments within the country, demand and supply conditions in the industry, input prices, changes in government regulations, tax laws and other factors such as litigation and industrial relations.

ON BEHALF OF THE BOARD OF DIRECTORS

Mumbai, May 2, 2011 Chairman

AUDITORS' CERTIFICATE

To

The Members of Infomedia 18 Limited

We have examined the compliance of conditions of corporate governance by Infomedia 18 Limited, for the year ended on March 31, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was 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.

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

For **S. R. BATLIBOI & ASSOCIATES**
Firm Registration No. 101049W
Chartered Accountants

Per Amit Majmudar
Partner
Membership No.: 36656

Mumbai
May 02, 2011

Corporate Governance

Corporate Governance Report for the year 2010-2011

(As required under Clause 49 of the Listing Agreement as entered into with the Stock Exchange)

1. Company's philosophy on code of governance

The Company firmly believes in and has consistently practiced good Corporate Governance for the past several years for the efficient conduct of its business and in meeting its obligations towards all its stakeholders.

2. Board of Directors

The Board of Directors of the Company comprises of six directors, of whom the Chairman is non-executive and the number of Independent Directors is one-third of the total number of Directors. The number of Non-Executive Directors (NEDs) is more than 50% of the total number of Directors.

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49), across all the Companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other Public Companies are given in Table I.

7 Board Meetings were held during the year 2010-2011 and the gap between two meetings did not exceed four months.

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

May 7, 2010; May 24, 2010; July 7, 2010; July 29, 2010; September 30, 2010; October 26, 2010 and January 19, 2011.

The Company did not have any pecuniary relationship or transactions with Non-Executive Directors during 2010-2011 except for the payment of sitting fees made to the Non-Executive Directors for Board Meetings in Table III and Committee Meetings attended as shown in Table No. IV of paragraph No. 4 below:

Table I

Name	Category	No. of Board Meetings attended during 2010-11	Whether attended AGM held on Sept 30, 2010	No. of Directorships in other Public companies		No. of Committee positions held in other Public companies	
				Chairman	Member	Chairman	Member
Mr. Sanjeev Manchanda-Chairman	Independent Non-Executive	6	No	-	-	-	-
Mr. Haresh Chawla-Managing Director	Non-Independent Executive	6	Yes	-	5	-	2
Mr. Raghav Bahl	Non-Independent Executive	3	No	-	9	1	-
Mr. Senthil Chengalavarayan	Non-Independent Non-Executive	4	No	-	-	-	-
Mr. Manoj Mohanka	Independent Non-Executive	7	Yes	-	6	5	2
Mr. Saikumar	Non-Independent Non-Executive	1	No	-	1	-	-

Note: For the purpose of considering the number of directorships, all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies and companies under section 25 of the Companies Act have been excluded. Similarly, Chairmanship/membership of the Audit Committee and the Shareholders' Grievance Committee alone has been considered for reckoning their Committee positions.

Code of Conduct

The Code of Conduct of Infomedia is applicable to all the Directors and Senior Management of the Company and the same is available on the company's website. All the Board members and senior management of the Company have affirmed compliance with the respective Code of Conduct for the financial year ended March 31, 2011. A declaration to this effect, duly signed by the Managing Director is annexed thereto.

Risk Management

The Board periodically takes review of the total process of risk management in the organization. The management is accountable for the integration of risk management practices into the day to day activities. A framework of the risk is also given in the Management Discussion and Analysis. No personnel have been denied access to the audit committee.

Subsidiary Company

The Company does not have any material non-listed Indian company and hence it is not required to appoint an Independent Director of the Company on the Board of such subsidiary company.

3. Audit Committee

The Company had constituted an Audit Committee on January 22, 2001 in accordance with the requirements of Section 292A of the Companies (Amendment) Act, 2000 read with Clause 49(II) of the Listing Agreement. The broad terms of reference of the Audit Committee were to review reports of the Internal Auditors and discuss the same with the Internal Auditors periodically, to meet Statutory Auditors to discuss their findings, suggestions and other related matters, to review weaknesses in internal controls reported by Internal and Statutory Auditors. The scope of the activities of the Audit Committee includes the areas prescribed by Clause 49(II)(D) vide resolution passed by the Board of Directors at its meeting held on January 22, 2001.The Audit Committee has also been granted powers as prescribed under Clause 49(II)(C).

The Committee presently comprises of the following directors:

Names of Members	Category	No. of Meetings attended during the year 2010-2011
Mr. Sanjeev Manchanda-Chairman	Independent & Non-Executive	5
Mr. Manoj Mohanka	Independent & Non-Executive	5
Mr. Senthil Chengalvarayan	Non-Independent & Non-Executive	3

Five Audit Committee Meetings were held during 2010-2011. The dates on which the said meetings were held were as follows:

May 7, 2010; May 24, 2010; July 29, 2010; October 26, 2010 and January 19, 2011.

The Company Secretary is the Secretary of the Audit Committee.

The Chairman of the Audit Committee was not present at the Annual General Meeting held on September 30, 2010 due to his preoccupation. However, one of the members of the Audit Committee, Mr. Manoj Mohanka was present at that meeting to answer shareholders queries.

4. Remuneration Committee:

Terms of Reference:

The company had constituted a Remuneration Committee known as Compensation Committee on June 7, 2004.

The broad terms of reference of the Committee are to determine on behalf of the Board and on behalf of the shareholders the remuneration packages for executive directors including pension rights and any compensation payment. Further it has been vested with the power to administer, implement and manage Company's Employee Stock Option Plan 2004 and Employee Stock Option Plan 2007.

During 2010-2011, the Compensation Committee met two times, on July 15, 2010 and October 26, 2010.

Composition:

The Compensation Committee presently comprises of the following members:

Names of Members	Category	No. of Meetings attended during the year 2010-11
Mr. Sanjeev Manchanda -Chairman	Independent & Non-Executive	1
Mr. Haresh Chawla	Non-Independent & Executive	1
Mr. Manoj Mohanka	Independent & Non-Executive	1
Mr. Senthil Chengalvarayan	Non Independent & Non-Executive	1

Remuneration policy:

Mr. Haresh Chawla has been appointed as the Managing Director of the Company with effect from 21st August 2008 without remuneration.

Further, the Company has two schemes for grant of stock options for the Managing Director and for the employees. The Compensation Committee has formulated the "Employees Stock Option Plan 2004 (ESOP 2004)" and the "Employee Stock Option Plan 2007 (ESOP 2007)" and the "Employee Stock Purchase Scheme, 2010" and the Committee shall administer and monitor the ESOP. However, during the year under review, no options were granted to the Managing Director.

Salient features of the ESOP 2004:

All present and future permanent employees of the Company, who are selected by the Compensation Committee, shall be eligible to participate in the ESOP 2004, unless they are prohibited to participate under any law or regulations for the time being in force. The major criteria involved in selection of the eligible employees will include the following factors:

(a) Employees in key functional areas

(b) Managerial Cadre

(c) Past Service/Performance

(d) Current Performance Evaluation

(e) Expected Future Performance/Contribution

(f) Minimum years of Future Service

The maximum number of Options to be issued per employee shall be 200,000 Equity shares of Rs. 10/- each and the maximum number of Options in aggregate shall be 500,000 Equity shares of Rs. 10/- each. The Exercise Price shall be decided in accordance with the Scheme. There will be minimum period of 1 year between the grant of option and vesting of option. The maximum Exercise period shall be 3 years from the date of vesting of the options and on expiry of the three years the right to exercise the option shall lapse. During the year under review, the Company had not allotted any stock options to its employees or Managing Director under ESOP 2004.

Salient features of the ESOP 2007:

All present and future permanent employees and directors of the Company, and employees and directors of the subsidiary and holding companies, who are selected by the Compensation Committee, shall be eligible to participate in the Scheme. The COMPENSATION COMMITTEE and/or the BOARD OF DIRECTORS shall determine the employees eligible for the ESOP 2007, the number of warrants to be issued to those employees and other related matters. The major criteria involved in selection of the eligible EMPLOYEES and in deciding number of options, would include the following factors:

- performance of the Employee;
- position and responsibilities of the Employee;
- the nature of the Employee's services to the Company or its Holding Company and/or Subsidiary Company(ies);
- the period for which the Employee has rendered his services to the Company or its Holding Company and/ Subsidiary Company(ies); and
- the Employee's present and potential contribution to the success of the Company or its Holding Company and/Subsidiary Company(ies).
- any other criteria as may be decided by the Board / Compensation Committee in its discretion.

Each Option shall entitle the holder thereof to subscribe to one Equity Share at the exercise price decided by the Board of Directors/ Compensation Committee and should be in accordance with the Scheme. The number of options issued per employee may be more than 1% but shall not exceed 3% of the paid up share capital in the financial year when it is granted. At the time of issue of the Warrant Certificate, the Company shall specify, in accordance with the ESOP 2007, the Minimum Exercise Period (also known as "*the Vesting Period*") for each Warrant i.e. the time period after which the Warrant Holder would be eligible for exercising the option. However the Minimum Exercise period shall not be less than one year. The Maximum Exercise Period would be 3 years from the date of vesting of the Warrant. During the year under review, the Company allotted 2,00,000 stock options to its employees under ESOP 2007.

Employee Stock Purchase Scheme, 2010

During the year under review, your Company has also introduced an Employee Stock Purchase Scheme, 2010 for all eligible employees and Directors of its Holding and Subsidiary Companies, including the Managing Director of the Company which was approved by shareholders vide postal ballot resolution, results whereof were declared on May 7, 2010. There has been no activity under this Scheme so far.

Non-Executive Directors Compensation and Disclosures:

The Non-Executive Directors do not draw any remuneration from the Company except Sitting Fees which are paid at the rate of Rs. 10,000/- for each Board meeting and Rs. 5,000/- for each Committee Meeting attended by them. However, taking in view the accumulated losses and performance of the Company, the Board of Directors at its meeting held on October 26, 2010 unanimously resolved that no sitting fee shall be paid to any Director for attending any of the meetings of the Board of Directors or any Committee thereof, with effect from 26th October 2010.

The details of sitting fees paid to the Non-Executive Directors during the financial year ended March 31, 2011 are as follows:

TABLE NO. III

Sitting Fees paid for the Board Meetings

Names of the Directors	Sitting Fees (Rs.)
Mr. Sanjeev Manchanda	40000
Mr. Haresh Chawla	50000
Mr. Raghav Bahl	20000
Mr. Senthil Chengalvarayan	30000
Mr. Manoj Mohanka	50000
Mr. Saikumar	10000

TABLE NO. IV

Sitting Fees paid for the Committee Meetings

Names of the Non-Executive Directors	Sitting Fees (Rs.)
Mr. Sanjeev Manchanda	20000
Mr. Haresh Chawla	10000
Mr. Senthil Chengalvarayan	20000
Mr. Manoj Mohanka	15000

5. Shareholders' Grievance Committee

The Shareholders' Grievance Committee was constituted on January 22, 2001 to specifically look into the redressal of shareholders' complaints. The Shareholders Grievance Committee presently comprises of the following directors:

Names of Members	Category	No. of Meeting s attened during the year 2010-2011
Mr. Senthil Chengalvarayan – Chairman	Non-Independent Non-Executive	1
Mr. Haresh Chawla	Non-Independent Executive	1
Mr. Sanjeev Manchanda	Independent Non-Executive	1

During the year, one meeting of Shareholders' Grievance Committee was held on 7th May 2010.

Name, designation and address of Compliance Officer:

Yug Samrat
Company Secretary & Senior GM-Legal
'A' Wing, Ruby House,
J K Sawant Marg,
Dadar (West), Mumbai-400028.
Phone : (022) 30245000
Fax : (022) 30034499

During the year, the Company received 16 complaints/queries from the investor relating to non-receipt of securities sent for transfer, loss of shares and received through Regulatory Bodies. On March 31, 2011, no such complaint/query was pending. All complaints have been attended to and resolved to the satisfaction of the complainants, except for those which are under dispute or litigation.

No. of pending share transfers as on 31.3.2011: NIL

6. General Body Meetings

Location and time, where last three AGMs were held:

Sl. No.	Date and time of Meeting	Venue of the Meeting
1	September 30, 2010, 09.30 a.m.	Yashwant Natyamandir, Manmala Tank Road, Matunga-Mahim (West), Near Bombay Glass Works, Mumbai-400 016
2	September 30, 2009, 10.00 a.m.	Yashwant Natyamandir, Manmala Tank Road, Matunga-Mahim (West), Near Bombay Glass Works, Mumbai-400 016
3	September 30, 2008, 4.00 p.m.	Yashwant Natyamandir, Manmala Tank Road, Matunga-Mahim (West), Near Bombay Glass Works, Mumbai-400 016

i. Whether any special resolutions passed in the previous 3 AGMs : No

ii. Whether any special resolution passed last year through postal ballot : Yes

iii. Results declared on May 7, 2010; July 15, 2010 and March 18, 2011 at the Registered Office of the Company.

Details of voting pattern:

(i) Special Resolution pursuant to the provisions of, inter alia, section 81(1A) of the Companies Act, 1956, read with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 to evolve, create and formulate the Infomedia18 Employees Stock Purchase Plan 2010 covering 55,23,000 Equity Shares:

Description	No. of Ballots	% to Total	No. of Equity Shares	% to Total
No. of Valid Ballot/ Votes caste against the Resolution	43	11.14%	69,940	0.29%
No. of Valid Ballot/ Votes caste in favor of the Resolution	343	88.86%	24,299,087	99.71%
Total	386	100.00%	24,369,027	100.00%

(ii) Special Resolution pursuant to the provisions of the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 to offer and allot Equity Shares under the Infomedia18 Employees Stock Purchase Plan 2010 to the employees and directors etc of the Holding company(ies) and that of the Subsidiary Company(ies):

Description	No. of Ballots	% to Total	No. of Equity Shares	% to Total
No. of Valid Ballot/ Votes caste against the Resolution	45	11.72%	69,380	0.28%
No. of Valid Ballot/ Votes caste in favor of the Resolution	339	88.28%	24,296,366	99.72%
Total	384	100.00%	24,365,746	100.00%

(iii) Special Resolution pursuant to the provisions of the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 to offer and allot Equity Shares under the Infomedia18 Employees Stock Purchase Plan 2010 to any one employee and director, etc in excess of 1% of the issued capital during any year:

Description	No. of Ballots	% to Total	No. of Equity Shares	% to Total
No. of Valid Ballot/ Votes caste against the Resolution	45	11.75%	72,037	0.30%
No. of Valid Ballot/ Votes caste in favor of the Resolution	338	88.25%	24,293,516	99.70%
Total	383	100.00%	24,365,553	100.00%

(iv) Special Resolution pursuant to the provisions of inter alia section 81(1A) of the Companies Act, 1956, read with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 to modify the Employees Stock Option Plan 2007 inter alia by creating additional 25,00,000 options and modify the exercise period:

Description	No. of Ballots	% to Total	No. of Equity Shares	% to Total
No. of Valid Ballot/ Votes caste against the Resolution	44	11.58%	70,197	0.29%
No. of Valid Ballot/ Votes caste in favor of the Resolution	336	88.42%	24,295,025	99.71%
Total	380	100.00%	24,365,222	100.00%

(v) Special Resolution pursuant to the provisions of the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 to offer and allot Equity Shares under the Employees Stock Option Plan 2007 to the employees and directors etc of the Holding company(ies) and that of the Subsidiary Company(ies):

Description	No. of Ballots	% to Total	No. of Equity Shares	% to Total
No. of Valid Ballot/ Votes caste against the Resolution	44	11.61%	67,672	0.28%
No. of Valid Ballot/ Votes caste in favor of the Resolution	335	88.39%	24,297,209	99.72%
Total	379	100.00%	24,364,881	100.00%

(vi) Special Resolution pursuant to the provisions of the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 to offer and allot Equity Shares under the Employees Stock Option Plan 2007 to any one employee and director, etc in excess of 1% of the issued capital during any year.

Description	No. of Ballots	% to Total	No. of Equity Shares	% to Total
No. of Valid Ballot/ Votes caste against the Resolution	49	12.86%	68,589	0.28%
No. of Valid Ballot/ Votes caste in favor of the Resolution	332	87.14%	24,296,664	99.72%
Total	381	100.00%	24,365,253	100.00%

(vii) Special Resolution under Section 17 of the Companies Act, 1956 for shifting of Registered Office of the Company from the State of Maharashtra to the NCT of Delhi subject to confirmation of the Hon'ble Company Law Board, Mumbai Bench.:

Description	No. of Ballots	% to Total	No. of Equity Shares	% to Total
No. of Valid Ballot/ Votes caste against the Resolution	68	17.17%	39,168	0.14%
No. of Valid Ballot/ Votes caste in favor of the Resolution	328	82.83%	28,458,244	99.86%
Total	396	100.00%	28,497,412	100.00%

(viii) Special Resolution to allow variation in the "Employees Stock Option Plan 2004":

Description	No. of Ballots	% to Total	No. of Equity Shares	% to Total
No. of Valid Ballot/ Votes caste against the Resolution	61	15.72%	38,728	0.14%
No. of Valid Ballot/ Votes caste in favor of the Resolution	327	84.28%	28,453,437	99.86%
Total	388	100.00%	28,492,165	100.00%

(ix) Special Resolution under section 100 and other applicable provisions of the Companies Act, 1956 for reduction of capital(capital reserves/ securities premium account) pursuant to Scheme of Arrangement between the Company and Network 18 Media and Investments Limited and their respective shareholders and creditors:

Description	No. of Ballots	% to Total	No. of Equity Shares	% to Total
No. of Valid Ballot/ Votes Cast against the resolution	87	17.126%	99,976	0.348%
No. of valid Ballot/ Votes Cast in favor of resolution	421	82.874%	28,603,327	99.652%
Total	508	100.00%	28,703,303	100.000%

(x) Ordinary Resolution pursuant to section 16 and other applicable provisions of the Companies Act 1956 for variation in objects for utilisation of the Rights Issue proceeds raised pursuant to the Letter of Offer dated December 9, 2009 and extension of time for utilization of the same:

Description	No. of Ballots	% to Total	No. of Equity Shares	% to Total
No. of Valid Ballot/ Votes Cast against the resolution	82	16.205%	100,796	0.351%
No. of valid Ballot/ Votes Cast in favor of resolution	424	83.795%	28,597,467	99.649%
Total	506	100.00%	28,698,263	100.000%

iv. Mr. Rajeev Adlakha of M/s. R.K Adlakha & Associates, Company Secretaries was appointed as Scrutinizer to conduct the Postal Ballot Exercise in fair and transparent manner.

v. As on date of this meeting no special resolution is proposed to be passed through postal ballot.

vi. The Company follows the procedure for Postal Ballot as per the provisions of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001.

8. Disclosures

The particulars of transaction between the Company and its related parties as per the Accounting Standards are set out at Note 22 of the Notes to Accounts. There is no materially significant related party transaction that may have potential conflict with the interests of the company at large.

During the year, the Company has complied with the requirements of the Listing Agreement with the Bombay Stock Exchange and National Stock Exchange as well as the Regulation and Guidelines of SEBI. Accordingly no penalties were imposed or strictures passed against the Company by the Stock Exchange or SEBI. No penalties were imposed against the Company by any other Statutory Authority, on any matter related to capital markets.

9. Means of Communication

Is Half-yearly report sent to each household of shareholders: No

Quarterly results has been normally published in newspapers as given below and also displayed at the company's website: www.infomedia18.in

– 1st Quarter Results: Financial Express & Loksatta (Marathi)

– 2nd Quarter Results: Financial Express & Loksatta (Marathi)

– 3rd Quarter Results: Business Standard (English) & Business Standard (Hindi)

– 4th Quarter Results: Business Standard (English) & Business Standard (Hindi)

Whether it also displays official news releases; and the presentations made to institutional investors or to analysts: Yes

Whether Management Discussion and Analysis form part of annual report or not: Yes

10. General Shareholder Information

AGM date, time and venue	:	September 9, 2011, 11.30 a.m. MPCU, Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, 2 Raj Niwas Marg, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi - 110054

As required under Clause 49VI(A), particulars of Directors seeking reappointment are given in the Explanatory Statement to the Notice of the Annual General Meeting to be held on 9th September 2011

Financial Calendar	:	April 1 to March 31
AGM	:	9th September 2011
Date of Book Closure	:	5th September 2011 to 9th September 2011 (both days inclusive)
Dividend Payment Date	:	N.A

Listing on Stock Exchanges

The Company's securities are listed on the following Stock Exchanges in India:

Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai 400 001	National Stock Exchange of India Ltd. 5th Floor, Exchange Plaza Bandra (East), Bandra-Kurla Complex Mumbai –400 051

The Company has paid annual listing fees to the above Stock Exchange for the financial year 2011-2012.

Stock Code -

Bombay Stock Exchange:

Equity Shares (physical form) … … 509069
(demat form) … INE 669A01022

National Stock Exchange:

Equity Shares (physical form) … … INFOMEDIA
(demat form) … … INE 669A01022

Market Price Information:

Monthly Share Price Data for the year ended March 31, 2011.

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April-10	35.30	31.65	35.10	31.55
May-10	33.10	26.80	33.00	26.70
June-10	31.65	28.25	31.50	28.35
July-10	34.20	28.10	34.15	28.15
August-10	29.05	27.10	29.10	27.05
September-10	27.85	26.40	27.80	26.55
October-10	27.85	25.55	27.75	25.60
November-10	26.85	22.75	26.85	22.70
December-10	25.10	21.80	25.10	21.80
January-11	25.05	20.25	25.20	20.40
February-11	22.00	19.30	22.10	19.20
March-11	22.00	18.45	22.00	18.50

(Source: www.bseindia.com & www.nseindia.com)

Registrar and Transfer Agents:-

Members are requested to correspond with the Company's Registrar & Transfer Agents- TSR Darashaw Limited (formerly Tata Share Registry Limited) quoting their folio no. at the following addresses:-

(i) For transfer lodgement, delivery and correspondence:

TSR Darashaw Limited

Unit: **INFOMEDIA 18 LIMITED**
6-10 Haji Moosa Patrawala Industrial Estate
20 Dr. E Moses Road, Near Famous Studio
Mahalaxmi, Mumbai – 400 011.
Tel: 022-6656 8484 **Fax**: 022- 6656 8494
E-mail : csg-unit@tsrdarashaw.com
website : www.tsrdarashaw.com

(ii) For the convenience of investors based in the following cities, transfer documents and letters will also be accepted at the following branches/agencies of TSR Darashaw Limited (TSRDL):-

503, Barton Centre, 5th Floor 84, Mahatma Gandhi Road Bangalore - 560 001 Tel : 080– 25320321, Fax : 080-25580019 e-mail : tsrdlbang@tsrdarashaw.com	Bungalow No.1, "E" Road Northern Town, Bistupur Jamshedpur – 831 001 Tel: 0657 – 2426616, Fax: 0657 2426937 Email : tsrdljsr@tsrdarashaw.com
Tata Centre, 1st Floor, 43, Jawaharlal Nehru Road Kolkata – 700 071 Tel : 033 – 22883087, Fax : 033 – 22883062 e-mail : tsrdlcal@tsrdarashaw.com	Plot No.2/42, Sant Vihar Ansari Road, Daryaganj New Delhi – 110 002 Tel : 011 – 23271805, Fax : 011 – 23271802 e-mail : tsrdldel@tsrdarashaw.com

Agent:

Shah Consultancy Services Limited

3, Sumathinath Complex, Pritam Nagar, Akhada Road, Ellis Bridge,
Ahmedabad 380 006

Telefax: 079–2657 6038, Email: shahconsultancy8154@gmail.com

Share Transfer System:

Share Transfers in physical form can be lodged with TSR Darashaw Limited at any of the abovementioned address. Such transfers are normally processed within 15 days from the date of receipt if the documents are complete in all respects. The Managing Director and the Company Secretary are severally empowered to approve transfers.

Distribution of Shareholding:

No. of Ordinary Shares Held	No. of Shareholders as on 31.03.2011	Percentage of total Shareholders as on 31.03.2011	No. of Shareholders as on 31.03.2010	Percentage of total Shareholders as on 31.03.2010
1 TO 500	15,030	74.75	14,107	73.46
501 TO 1000	2,511	12.49	2,485	12.94
1001 TO 2000	1,444	7.18	1,475	7.68
2001 TO 3000	426	2.12	451	2.35
3001 TO 4000	186	0.92	184	0.96
4001 TO 5000	138	0.69	117	0.61
5001 TO 10000	187	0.93	202	1.05
OVER 10001	186	0.92	183	0.95
TOTAL	**20,108**	**100.00**	**19,204**	**100.00**

Corporate Governance

Categories of Shareholders:

Category	Number of Shareholders		Voting Strength		Number of Ordinary Shares held	
	31.03.2011	**31.03.2010**	**31.03.2011**	**31.03.2010**	**31.03.2011**	**31.03.2010**
Resident Individuals	19,423	18,409	35.32	33.30	17,671,199	16,552,506
Financial Institutions/ Insurance Companies	2	2	1.25	1.26	626,183	626,183
Promoter	3	3	47.80	48.11	23,913,061	23,913,061
Bodies Corporate /Trusts	535	633	6.58	7.31	3,290,377	3,633,520
Mutual Funds	6	6	0.03	0.61	16,978	302,062
FIIs & OCBs	9	10	8.78	9.16	4,392,148	4,555,052
Banks	8	11	0.01	0.01	4,211	4,994
NRIs	122	130	0.23	0.24	115,465	118,294
Total	**20,108**	**19,204**	**100.00**	**100.00**	**50,029,622**	**49,705,672**

Dematerialization of shares and liquidity:

Trading in the Equity Shares of the Company is permitted only in dematerialised form as per the Securities and Exchange Board of India (SEBI) Circular dated May 29, 2000.

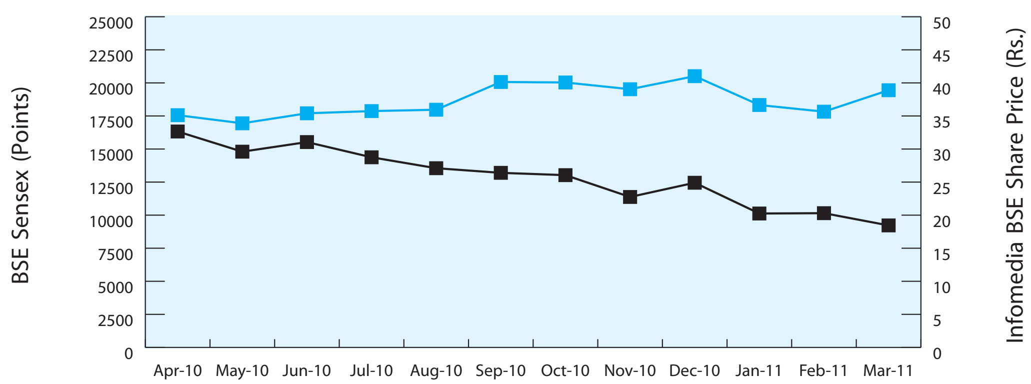
The Company has established connectivity with both the Depositories viz. National Securities Depository Ltd. (NSDL) as well as the Central Depository Services (India) Ltd. (CDSL) to facilitate demat trading. 98.66% of the Company's share capital is dematerialised as on 31.03.2011.

The Company's shares are regularly traded on the Bombay Stock Exchange and the National Stock Exchange.

Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity: NIL

Graph I: Equity Share Price Movement vis-a-vis BSE Sensex:

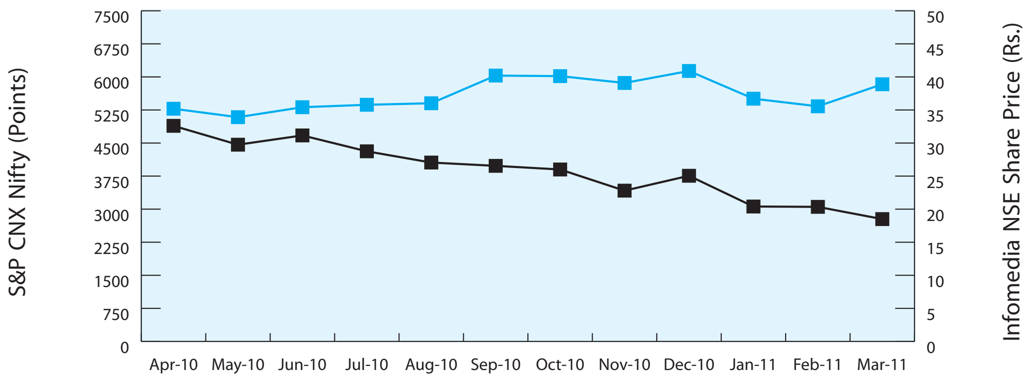
Infomedia 18 Ltd. - Monthly closing share price v/s BSE Sensex monthly closing points



	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11
BSE Sensex Close	17558.71	16944.63	17700.90	17868.29	17971.12	20069.12	20032.34	19521.25	20509.09	18327.76	17823.40	19445.22
IIL Close	32.65	29.60	31.05	28.75	27.10	26.40	26.05	22.75	24.90	20.25	20.30	18.45

Graph II: Equity Share Price Movement vis-a-vis S&P CNX Nifty :

Infomedia 18 Ltd. - Monthly closing share price v/s S&P CNX Nifty monthly closing points



	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11
Nifty Close	5278.00	5086.30	5312.50	5367.60	5402.40	6029.95	6017.70	5862.70	6134.50	5505.90	5333.25	5833.75
IIL Close	32.60	29.75	31.15	28.75	27.05	26.55	26.00	22.80	25.05	20.40	20.35	18.50

Plant Location:

Plot No.3, Sector 7,
Off Sion Panvel Road, Nerul,
Navi Mumbai-400 706

Address for correspondence:

Registered Office:

Infomedia 18 Limited
503, 504 & 507, 5th floor,
Mercantile House,15,
Kasturba Gandhi Marg,
New Delhi- 110001

Corporate Office:

Infomedia 18 Limited
'A' Wing, Ruby house,
J K Sawant Marg,
Dadar (West)
Mumbai – 400 028.
Phone: (022) 30245000
Fax: (022) 30034499
Email: ho@infomedia18.in
Website: www.infomedia18.in

One of the points referred in non-mandatory requirements under Annexure ID of Clause 49 of the Listing Agreement is being pursued by the company as given below:

- No Independent Director on the Board of the Company has exceeded a tenure of 9 years, in aggregate.

Declaration by CEO under clause 49 of the Listing Agreement regarding adhering to the Code of Conduct:

In accordance with clause 49(1)(D) of the Listing Agreement with the stock exchange, I hereby confirm that all the directors and the senior management personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the financial year ended March 31, 2011

For **Infomedia 18 Limited**

Sd/-
Haresh Chawla
Managing Director

To

The Members of Infomedia 18 Limited

1. We have audited the attached Balance Sheet of Infomedia 18 Limited ('the Company') as at March 31, 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto ('financial statements'). 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 misstatement. 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. Without qualifying our report, we draw attention to Note 24 of schedule 'S' to the financial statements. As at March 31, 2011, the accumulated losses of the Company are Rs. 1,240,234,034 as against share capital and reserves of Rs. 1,323,032,777. During the year ended March 31, 2011, the Company has incurred losses of Rs. 306,564,169. Further, as indicated in the said note, (a) the Business Directories business, the New media business and the Publishing business of the Company is in the process of being demerged into a separate undertaking as per a Scheme of Arrangement, and (b) Management of the Company is also evaluating various options in relation to its Printing business, including sale. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern which is dependent on the Company continuing its business operations, establishing profitable operations and obtaining continuing financial support from its shareholders. These mitigating factors have been more fully disclosed in Note 24 to the financial statements in view of which the accompanying financial statements have been prepared on going concern assumption, and consequently, no adjustments have been made to the same in this regard. We are unable to comment on the consequential effects, if any, on the financial statements, arising from the above.
4. *The Company has received an Income tax demand of Rs 52,921,630 which has been disputed by the Company. The Company has filed an appeal before higher authority and has also been legally advised that the possibility of the matter being decided against the Company and the demand crystallizing is not likely. The ultimate outcome of the matter cannot presently be determined, and no provision for any liability that may result has been made in the financial statements. Based on the foregoing, we are unable to comment on the impact, if any, of this matter on the financial statements.*
5. As required by the Companies (Auditor's Report) Order, 2003 (as amended) 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.
6. Further to our comments in the Annexure referred to above, we report that:

i. 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;

ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;

iv. 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.

v. On the basis of the written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

vi. In our opinion and to the best of our information and according to the explanations given to us, *subject to our comments in paragraph 4 above, the impact of which on the financial statements is currently not ascertainable,* 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;

   a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
   b. in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date; and
   c. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & ASSOCIATES
Firm Registration no. 101049W
Chartered Accountants

per Amit Majmudar
Partner
Membership No.: 36656

Mumbai, May 2, 2011

Annexure referred to in paragraph 3 of our report of even date to the members of Infomedia 18 Limited

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All the fixed assets have not been physically verified by the management during the year but there is a regular 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 verification.

(c) There was no substantial disposal of fixed assets during the year.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. Inventories lying with outside parties have been confirmed by them as at year end.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventories, which were not material, have been properly dealt with in the books of account.

(iii) (a) The Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and accordingly clause 4(iii)(b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable.

(e) The Company has taken loans from its holding company, which is covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year and the year-end balance of loans taken from such party is as follows:

Particulars	Maximum amount involved during the year (Amount in Rs.)	Year-end balance (Amount in Rs.)
Television Eighteen India Limited (Holding company)	319,844,672	Nil

(f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.

(g) The loans taken are re-payable on demand. As informed, the Company has fully repaid the loan during the year and there has been no default on the part of the Company. The interest accrued on the above loans has been paid with the loan and the outstanding as at March 31, 2011 is Rs. Nil.

(iv) In our opinion and according to the information and explanations 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 inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.

(v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.

(b) In respect of transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lacs entered into during the financial year, *because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.*

(vi) The Company has not accepted any deposits from the public.

(vii) The Company has an internal audit system, *the scope and coverage of which, in our opinion requires to be enlarged to be commensurate with the size and nature of its business.*

(viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.

(ix) (a) Undisputed statutory dues in respect of investor education and protection fund, provident fund, sales-tax, cess, wealth-tax, customs duty and excise duty have been regularly deposited with the appropriate authorities. *In respect of income tax, profession tax, employees' state insurance and service tax there have been delays in certain cases.*

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty and cess on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount Rs. in Lakhs	Period to which it relates	Forum where dispute is pending
Income Tax Act	Income Tax	45.52	AY 2005-2006	Income Tax Appellate Tribunal
Income Tax Act	Income Tax	21.83	AY 2006-2007	Commissioner of Income Tax (Appeals)
Income Tax Act	Income Tax	53.90	AY 2007-2008	Asst. Commissioner of Income Tax
Income Tax Act	Income Tax	977.46	AY 2008-2009	Commissioner of Income tax (Appeals)
Bombay Sales Tax Act	Works Contract Tax	48.38 156.60 103.00 107.58	FY 1999-2000 FY 2000-2001 FY 2001-2002 FY2002-2003	Commissioner of Sales Tax (Appeal)

(x) *The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash losses in the current and the immediately preceding financial year.*

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

(xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, *we report that funds amounting to Rs. 19,558,481 raised on short-term basis in the form of cash credit facility from Banks have been used for long-term investment representing funding of losses*.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.

(xix) The Company did not have any outstanding debentures during the year.

(xx) We have verified that the end use of money raised by public issues is as disclosed in the notes to the financial statements.

(xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S.R. BATLIBOI & ASSOCIATES
Firm Registration no. 101049W
Chartered Accountants

per Amit Majmudar
Partner
Membership No.: 36656

Mumbai, May 2, 2011

Balance Sheet as at March 31, 2011

	Schedules		March 31, 2011 Rs.	March 31, 2010 Rs.
Sources of funds				
Shareholders' funds				
Share Capital	"A"	500,296,220		*497,056,720*
Right Issue Application Money		25,788		*33,837*
Stock Options Outstanding	"B"	14,034,010		*14,006,600*
Reserves and Surplus	"C"	830,752,363		*821,658,130*
			1,345,108,381	*1,332,755,287*
Loan funds				
Secured Loans	"D"		211,793,233	*398,191,247*
Unsecured Loans	"E"		—	*399,624,879*
Deferred Tax Liabilities (Net)	"F"		12,855,897	*12,922,035*
Total			1,569,757,511	*2,143,493,448*
Application of funds				
Fixed assets	"G"			
Gross block		1,207,817,679		*1,170,952,965*
Less: Accumulated Depreciation		986,092,678		*942,923,059*
Net block		221,725,001		*228,029,906*
Advances on capital account and capital work in progress		6,247,098		*9,699,082*
			227,972,099	*237,728,988*
Investments	"H"		153,653,223	*1,067,174,786*
Current assets, loans and advances	"I"			
Inventories		78,760,798		*66,097,742*
Sundry debtors		318,745,558		*349,871,131*
Cash and bank balances		43,702,205		*69,866,554*
Loans and advances		370,710,776		*336,450,100*
		811,919,337		*822,285,527*
Less:				
Current liabilities and provisions	"J"			
Current liabilities		822,412,857		*883,048,852*
Provisions		49,649,919		*44,621,650*
		872,062,776		*927,670,502*
Net current assets			(60,143,439)	*(105,384,975)*
Miscellaneous Expenditure (To the extent not written off or adjusted)	"K"		8,041,594	*10,304,784*
Debit Balance in Profit and Loss Account			1,240,234,034	*933,669,865*
Total			1,569,757,511	*2,143,493,448*
Notes to Accounts	"S"			

The schedules referred to above and Notes to Accounts form an integral part of the Balance Sheet.

As per our report of even date

For S.R. Batliboi & Associates
Firm Registration No. 101049W
Chartered Accountants

For and on behalf of the Board of Directors of Infomedia 18 Limited

per Amit Majmudar
Partner
Membership No. : 36656

Yug Samrat
Company Secretary

Haresh Chawla
Managing Director

Senthil Chengalvarayan
Director

Mumbai: May 02, 2011

Infomedia 18 Limited (formerly Infomedia India Limited)

Profit and Loss Account for the year ended March 31, 2011

	Schedules		Year Ended March 31, 2011 Rs.		Year Ended March 31, 2010 Rs.
Income					
Sales (Refer Note 27 and 15(d) of Schedule 'S')			1,409,052,083		*1,068,055,939*
Other income (Refer Note 6 of Schedule 'S')	"L"		41,939,751		*100,847,638*
			1,450,991,834		*1,168,903,577*
Expenditure					
Materials Consumed	"M"		299,061,917		*259,438,041*
Cost of Traded Products	"N"		4,171,581		*4,198,778*
Personnel Expenses	"O"		581,521,500		*500,839,603*
Operating and other expenses	"P"		756,678,804		*821,356,331*
			1,641,433,802		*1,585,832,753*
Loss Before Interest, Tax, Depreciation ...			(190,441,968)		*(416,929,176)*
Depreciation / Amortisation	"G"		55,309,764		*60,754,441*
Financial Expenses	"Q"		52,541,208		*166,459,795*
Loss Before Tax before Exceptional items			(298,292,940)		*(644,143,412)*
Exceptional items (Income)/Expense (Refer Note 25 of Schedule 'S')			4,818,653		*(148,000,000)*
Loss Before Tax and Prior Period items ...			(303,111,593)		*(496,143,412)*
Prior Period items(Net) (Income)/Expense	"R"		—		*3,877,355*
Loss Before Tax			(303,111,593)		*(500,020,767)*
Profit/(Loss) from continuing operations before tax (Refer Note 30 of Schedule 'S')		17,868,112		*(18,430,935)*	
Tax Expenses					
Current Tax relating to prior years		3,518,715		*3,669,509*	
Deferred Tax (Credit) / Charge (Refer Note 9 of Schedule 'S')		(66,138)		*(3,347,035)*	
		3,452,577		322,474	
Profit/(Loss) from continuing operations after tax			14,415,535		*(18,753,409)*
Profit/(Loss) from discontinuing operations before tax (Refer Note 30 of Schedule 'S')		(320,979,704)		*(481,589,832)*	
Tax Expenses					
Current Tax		—		—	
Deferred Tax (Credit) / Charge (Refer Note 9 of Schedule 'S')		—		—	
		—		—	
Profit/(Loss) from discontinuing operations after tax			(3,20,979,704)		*(481,589,832)*
Loss for the Year			(306,564,169)		(500,343,241)
Balance loss brought forward from previous year			(933,669,865)		*(463,599,819)*
Less: Profit and Loss Account Balance of I-Ven Interactive Limited transferred as per Scheme of Arrangement (Refer Note 29 of Schedule 'S')			—		*134,543,042*
Add: Amount adjusted as per Scheme of arrangement (Refer Note 29 of Schedule 'S')			—		*(104,269,847)*
Balance carried to the balance sheet			(1,240,234,034)		*(933,669,865)*
Loss per share (Refer Note 13 of Schedule 'S')					
Basic - Nominal value of shares Rs. 10 ...			(6.14)		*(16.63)*
Diluted - Nominal value of shares Rs. 10			(6.14)		*(16.63)*
Notes to Accounts	"S"				

The schedules referred to above and Notes to Accounts form an integral part of the Profit and Loss Account.

As per our report of even date

For S.R. Batliboi & Associates
Firm Registration No. 101049W
Chartered Accountants

For and on behalf of the Board of Directors of Infomedia 18 Limited

per Amit Majmudar
Partner
Membership No. : 36656

Yug Samrat
Company Secretary

Haresh Chawla
Managing Director

Senthil Chengalvarayan
Director

Mumbai: May 02, 2011

Cash Flow Statement for the year ended March 31, 2011

	31.03.2011 Rs.	31.03.2010 Rs.
A. Cash flow from operating activities:		
Net loss before tax and after Exceptional items	(303,111,593)	(500,020,767)
Adjustments for		
Exceptional items	4,818,653	(148,000,000)
Depreciation and amortisation	55,309,764	60,754,441
Interest Income	(817,537)	(1,226,710)
Dividend Income	(11,950,195)	(317,500)
Profit on sale of investments (Net)	(322,221)	(65,392)
Interest charged	50,278,018	164,606,588
Loss on sale of fixed assets	1,238,244	3,311,962
Provision for Doubtful debts	11,600,000	6,125,934
Provisions for obsolete inventories	—	1,400,000
Miscellaneous Expenditure written off	2,263,190	1,853,207
Employee Stock Compensation expenses	9,121,643	14,006,600
Capitalwork in progress charged off	7,780,376	—
Printing Provision written back	—	(72,062,162)
Operating loss before working capital changes	(173,791,658)	(469,633,799)
Adjustments for		
Trade and other receivables	(18,235,118)	(65,757,908)
Inventories	(12,663,056)	14,556,923
Trade Payables/Provisions	(88,855,067)	302,324,579
Amount paid as per Scheme of Arrangement	—	(11,151,041)
Cash Used in operations	(293,544,899)	(229,661,246)
Direct taxes (paid)/refunded	(18,715)	37,025,151
Net Cash From/(Used in) Operating Activities	(293,563,614)	(192,636,095)
B. Cash flow from investing activities:		
Purchase of fixed assets	(47,906,113)	(68,419,391)
Sale of fixed assets	894,665	14,543,633
Sale of Investments	322,221	65,392
Investments in subsidiaries and joint venture	—	(56,267,553)
Disposal of investment in subsidiaries	854,298,885	—
Dividend received	11,950,195	317,500
Net Cash From/(Used in) Investing Activities	819,559,853	(109,760,419)
C. Cash flow from financing activities:		
Scheme of Arrangement for Share Buyback	(111,230)	(110,005)
Shares Allotted - ESOS	3,239,500	—
Shares Allotted - Right Issue (including share premium)	—	998,989,062
Right Issue Application Money received/(refund)	(8,049)	33,837
Intercorporate deposits repaid	(328,000,000)	(162,000,000)
Term Loans repaid	(140,288,096)	(87,500,000)
Proceeds from Term Loans	—	119,044,783
Working capital loan repaid	(50,000,000)	—
Loan Processing Fees Paid	—	(10,340,625)
(Reduction)/Utilisation of Cash Credit facilities (net)	5,275,081	(236,802,255)
Investments in Fixed Deposits	(381,807)	(5,259,493)
Interest received	817,537	1,226,710
Interest paid	(123,287,896)	(101,423,043)
Dividend and tax thereon	(310,683)	(591,054)
Net Cash From/(Used in) Financing Activities	(633,055,643)	515,267,917
Net Increase/(decrease) in cash and cash equivalents	(107,059,404)	212,871,403
Cash and Cash Equivalents as at April 1, 2010	249,205,161	36,333,758
Cash and Cash Equivalents as at March 31, 2011	142,145,757	249,205,161

Infomedia 18 Limited (formerly Infomedia India Limited)

Cash Flow Statement for the year ended March 31, 2011 (Contd.)

	31.03.2011 Rs.	31.03.2010 Rs.
Cash and Cash Equivalents:		
Cash on hand	191,671	78,945
Cheques on hand	4,357,421	1,332,232
Credit balance in Bank book	(49,562,871)	(35,719,400)
Balances with scheduled banks :		
In current accounts	32,157,967	61,185,116
In deposit accounts	1,200,000	1,875,000
Balances with Other banks :		
In current accounts	153,846	135,768
In Current investments (Less than three months)	153,647,723	220,317,500
	142,145,757	249,205,161

Notes:

1. Direct taxes (paid)/refunded are treated as arising from operating activities and are not allocated to investing and financing activities.
2. Cash and Cash Equivalents include unclaimed dividend Accounts amounting to Rs 2,029,543 *(2009-2010: Rs. 2,339,122)*.

	Continuing Operations		Discontinuing Operations		Total	
	March 31, 2011 Rs.	*March 31, 2010 Rs.*	March 31, 2011 Rs.	*March 31, 2010 Rs.*	March 31, 2011 Rs.	*March 31, 2010 Rs.*
Net Cash From/(Used in) Operating Activities	24,122,338	*70,942,195*	(317,685,952)	*(263,578,290)*	(293,563,614)	*(192,636,095)*
Net Cash From/(Used in) Investing Activities	(3,968,398)	*(2,342,488)*	823,528,251	*(107,417,931)*	819,559,853	*(109,760,419)*
Net Cash From/(Used in) Financing Activities	(71,566,790)	*956,001,970*	(561,488,853)	*(440,734,053)*	(633,055,643)	*515,267,917*

As per our report of even date

For S.R. Batliboi & Associates
Firm Registration No. 101049W
Chartered Accountants

For and on behalf of the Board of Directors of Infomedia 18 Limited

per Amit Majmudar
Partner
Membership No. : 36656

Yug Samrat
Company Secretary

Haresh Chawla
Managing Director

Senthil Chengalvarayan
Director

Mumbai: May 02, 2011

	March 31, 2011 Rs.	March 31,2010 Rs.
"A" Share Capital		
Authorised		
100,000,000 *(2009-2010) : 100,000,000)* Equity Shares of Rs. 10 each	1,000,000,000	*1,000,000,000*
Issued and subscribed		
50,029,622 *(2009-2010 : 49,705,672)* Equity Shares of Rs. 10 each, fully paid up	500,296,220	*497,056,720*

a) Of the above fully paid up shares:

(i) 148,000 *(2009-2010 : 148,000)* Equity Shares of Rs. 10 each are issued as fully paid up pursuant to a contract without payment having been received in cash.

(ii) 470,000 *(2009-2010 : 470,000)* Equity Shares of Rs. 10 each are issued as fully paid up bonus shares by capitalisation of general reserve.

(iii) 17,798,900 *(2009-2010 : 17,798,900)* Equity Shares of Rs. 10 each are issued as fully paid up bonus shares by capitalisation of securities premium account.

(iv) 23,913,061 *(2009-2010 : 23,913,061)* Equity Shares of Rs. 10 each are held by Television Eighteen India Limited, the Holding company.

(v) 640,950 *(2009-2010 : 317,000)* Equity shares of Rs. 10 each are issued as fully paid shares as per the Employee Stock Option Scheme of the Company.

(vi) 29,820,569 *(2009-2010 : 29,820,569)* Equity shares of Rs. 10 each are issued as fully paid shares as per issue of share on rights basis. (Refer Note 26 of Schedule 'S')

b) The Company has granted (net of options lapsed and exercised)

9,750 *(2009-2010 : 36,750)* Share options under the Employee Stock Option Scheme ('ESOP') at the market price prior to the date of grant of options. 9,750 *(2009-2010 : 36,750)* of these options have vested.

712,400 *(2009-2010 : 911,000)* Share options under the Employee Stock Option plan, 2007 at the market price prior to the date of grant of options further 34,800 (2009-2010: 364,400) of these options have vested, further 238,800*(2009-2010 : 273,300)* will vest on 1st April 2011, further 238,800 *(2009-2010 : 273,300)* will vest on 1st October 2011, further 80,000(2009-2010: Nil) will vest on 26th October, 2011, further 60,000(2009-2010: Nil) will vest on 26th October, 2012, further 60,000(2009-2010: Nil) will vest on 26th October, 2013.

c) Pursuant to the scheme of arrangement between the Company and its shareholders, the Company had purchased 33,16,197 shares, @ Rs 245/- per equity share. The said scheme of Arrangement was approved by the Hon'ble High Court of Bombay vide its order dated September 15, 2006.

d) Pursuant to the Scheme of Arrangement between I-Ven Interactive Limited and Infomedia 18 Limited and their respective shareholders approved by High Court vide its order dated 24th July 2009, the effective date being 25th August 2009, 123,38,112 Equity shares earlier held by I-Ven Interactive Limited had been cancelled and equivalent number of shares were issued to its respective shareholdes (Refer Note 29 of Schedule 'S')

	March 31, 2011 Rs.	March 31,2010 Rs.
"B" Stock Options Outstanding (Refer Note 10 of Schedule 'S')		
Employee Stock options outstanding	17,011,127	*14,190,000*
Less : Deferred Employee compensation outstanding	2,977,117	*183,400*
Net Balance	14,034,010	*14,006,600*

	Rs.	March 31, 2011 Rs.	March 31, 2010 Rs.
"C" Reserves and surplus			
Securities Premium account			
As per last balance sheet		679,458,130	*35,872,637*
Add : Securities Premium of I-Ven Interactive Limited accounted as per Scheme of Arrangement (Refer Note 29 of Schedule 'S')		—	*783,540,429*
Less : Utilised as per the Scheme of Arrangement (Refer Note 29 of Schedule 'S')		—	*819,413,066*
Add :Securities Premium received during the period from Rights issue of shares (Refer Note 26 of Schedule 'S')		—	*700,783,372*
Less : Rights Issue expenses written Off (Refer Note 26 of Schedule 'S')		—	*21,325,242*
Add : Securities Premium ESOP		9,094,233	—
		688,552,363	679,458,130
General reserve			
As per last balance sheet		—	*1,931,209*
Add : General Reserve of I-Ven Interactive Limited accounted as per the Scheme of Arrangement (Refer Note 29 of Schedule 'S')		—	*22,655,458*
Less : Utilised as per the Scheme of Arrangement (Refer Note 29 of Schedule 'S')		—	*24,586,667*
		—	—
Capital Reserve			
As per last balance sheet	142,200,000		
Add : Share Application Money Forfeited	—	142,200,000	*142,200,000*
		830,752,363	821,658,130
"D" Secured Loans			
From Banks :			
Long Term :			
- Term Loans		110,006,687	*250,294,783*
Term loans includes instalments payable within one year Rs.18,000,000*(2009-2010 : 141,071,420)*		110,006,687	*250,294,783*
Short Term:			
- Working Capital Demand Loans		—	*50,000,000*
- Cash Credit Facilities		99,012,368	*93,737,287*
Interest accrued and due on Term Loan		1,574,178	*4,159,177*
Interest accrued and due on Cash Credit		1,200,000	—
		101,786,546	*147,896,464*
(For Securities given, Refer Note 5 of Schedule 'S')		211,793,233	*398,191,247*
"E" Unsecured Loans (Short Term)			
Inter Corporate Deposit (ICD) Accepted			
- Holding Company		—	*180,000,000*
- Subsidiary Companies		—	*148,000,000*
- Interest Accrued and due on Inter Corporate Deposit (Refer Note No 21 of Schedule 'S')		—	*71,624,879*
(Maximum amount outstanding at any time during the year Rs. 413,000,000 *(2009-2010 : 834,900,000)*)		—	*399,624,879*
"F" Deferred Tax Liabilities (Net) (Refer Note 9 of Schedule 'S')			
Deferred Tax Liabilities			
On account of timing differences on :			
Depreciation		12,855,897	*12,922,035*
		12,855,897	*12,922,035*

"G" Fixed Assets

(Amount in Rs.)

	Gross Block				Depreciation, Amortisation & Impairment					Net Block	Net Block
	Cost as at 01.04.2010	Additions	Deductions	Cost as at 31.03.2011	As At 01.04.2010	For the Year	On Deductions	Impairment Provision Reversal	As at 31.03.2011 (Refer Note b)	As at 31.03.2011	As at 31.03.2010
Tangible Assets											
Land-freehold	40,000	—	—	40,000	—	—	—	—	—	40,000	*40,000*
Land -leasehold	1,873,125	—	—	1,873,125	780,472	31,219	—	—	811,691	1,061,434	*1,092,653*
Building	59,083,529	—	—	59,083,529	35,328,208	3,907,619	—	332,642	38,903,185	20,180,344	*23,755,321*
Ownership flats (Refer Note a)	23,741,895	—	—	23,741,895	5,559,341	386,993	—	—	5,946,334	17,795,561	*18,182,554*
Plant, machinery and equipment	669,893,129	5,950,592	963,140	674,880,581	638,975,874	7,528,404	683,907	4,159,547	641,660,824	33,219,757	*30,917,255*
Computer Equipment, etc.	177,673,757	24,172,850	1,085,437	200,761,170	137,542,627	13,409,104	1,072,494	—	149,879,237	50,881,933	*40,131,130*
Furniture, fixtures, electrical and office equipment	115,617,496	2,954,223	939,932	117,631,787	68,919,221	11,744,138	676,202	3,067,859	76,919,298	40,712,489	*46,698,275*
Vehicles	14,665,674	10,500,056	3,724,498	21,441,232	5,931,235	3,363,867	2,147,494	—	7,147,608	14,293,624	*8,734,439*
Intangible Assets :											
Enterprise Resource Planning Software	33,622,260	—	—	33,622,260	33,622,260	—	—	—	33,622,260	—	—
Goodwill	50,000	—	—	50,000	50,000	—	—	—	50,000	—	—
Brands and Trademarks	74,692,100	—	—	74,692,100	16,213,821	14,938,420	—	—	31,152,241	43,539,859	*58,478,279*
Total	1,170,952,965	43,577,721	6,713,007	1,207,817,679	942,923,059	55,309,764	4,580,097	7,560,048	986,092,678	221,725,001	*228,029,906*
March 31,2010	*1,147,837,756*	*58,720,309*	*35,605,100*	*1,170,952,965*	*912,373,107*	*60,754,441*	*30,204,489*	—	*942,923,059*		
Advances on capital account and capital work in progress										6,247,098	*9,699,082*
Total										227,972,099	*237,728,988*

(a) Includes Rs. 3,500 being the face value of shares in co-operative housing societies.
(b) Depreciation as at 31.03.2011 includes Impairment of assets amounting to Rs. Nil *(2009-2010 : 7,559,157)*

		March 31, 2011 Rs.	March 31, 2010 Rs.
"H" Investments			
Long Term - Unquoted (Non Trade) :			
Investment in subsidiares :			
	Glyph International UK Limited (formerly Keyword Group Limited) Nil equity shares of £1 each. *(2009—2010 : 1,000)*	—	*150,810,805*
	Cepha Imaging Private Limited Nil equity shares of Rs.100/- each.*(2009-2010 : 8,125)*	—	*112,711,281*
	Glyph International Limited (formerly American Devices India Private Limited) Nil equity shares of Rs 10/- each. *(2009-2010 : 469,996)*	—	*401,315,243*
	Glyph International US LLC (formerly Software Services LC) 0% ownership interest *(2009-2010 : 100%)*	—	*182,014,457*
Joint Venture :	Reed Infomedia India Private Limited 4,900,000 equity shares of Rs 10/- each. *(2009-2010 : 2,940,000)*	49,000,000	*49,000,000*
	6 years National Savings Certificates	5,500	*5,500*
Total Long - Term		49,005,500	895,857,286
Less : Provision for Diminution of Investment		49,000,000	*49,000,000*
		5,500	*846,857,286*
Current - Unquoted (Non Trade) :			
Nil	*(2009-2010 : 4,967,879)* units of HDFC Floating Rate Income Fund Short Term Plan - Wholesale option - Dividend Reinvestment	—	*50,080,695*
Nil	*(2009-2010 : 2,343,512)* units of Reliance Medium Term Fund Daily Dividend Plan	—	*40,063,518*
Nil	*(2009-2010 : 3,005,581)* units of LICMF Income Plus Fund Daily Dividend Plan	—	*30,055,814*
Nil	*(2009-2010 : 5,004,534)* units of JM Money Manager Fund Super Plus Plan - Daily Dividend	—	*50,071,861*
Nil	*(2009-2010 : 2,980,465)* units of Kotak Floater Long Term Daily Dividend	—	*30,042,487*
Nil	*(2009-2010 : 189,182)* units of HDFC Floating Rate Income Fund Short Term Plan - Wholesale option - Dividend Reinvestment	—	*20,003,125*
5,200,499	*(2009-2010 : Nil)* units of UTI Income Interval Fund Qtr Plan Series III Inst Dividend Plan Reinvestment	52,004,987	—
5,162,689	*(2009-2010 : Nil)* units of LIC Nomura MF Interval Fund Quarterly Plan Series II - Qtrly Dividend	51,634,116	—
5,000,862	*(2009-2010 : Nil)* units of DSP Black Rock FMP 3M Series 30 - Dividend payout	50,008,620	—
Total Current		153,647,723	220,317,500
	Total	153,653,223	*1,067,174,786*

"H" Investments (Contd.)

Investments purchased and sold during the year are as follows -

Sr. No.	Particulars	Units Nos	Cost
1	Reliance Liquid Fund - TP - IP - Daily Div	3,318,092	50,725,000
2	Reliance Interval Fund - Quarterly Series III - IP - Dividend	4,998,737	50,004,867
3	DWS Insta Cash Plus Fund - IP - Dly Div	1,989,733	20,000,000
4	DWS Treasury Fund - Cash - IP - Dly Dividend	1,990,340	20,002,317
5	LIC MF Liquid Fund - Daily Dividend	6,830,539	75,000,000
6	LIC MF Income Plus Fund - Daily Dividend	7,500,873	75,008,738
7	ICICI Prudential Liquid - Super IP - Daily Div	1,506,592	150,692,924
8	ICICI Prudential Interval Fund V - Monthly Interval - Plan A - Dividend	5,000,537	50,005,374
9	UTI Liquid Fund - Cash Plan - IP - Dly Dividend	98,092	100,000,000
10	UTI FIIF - Series 2 - Qtly Interval Plan VI - IP - Dividend	5,001,630	50,016,302
11	JM High Liquidity - I P - Daily Dividend	2,497,484	25,014,550
12	JM Money Manager Fund - Reg - Dly Dividend	7,568,740	75,772,170
13	UTI Treasury Advantage Fund - IP - Dly Dividend	49,995	50,005,967
14	Kotak Liquid - Inst Premium Plan - Daily Dividend	8,177,886	100,000,000
15	Kotak Quarterly Interval Plan - Series III - Dividend	5,000,654	50,012,537
16	HDFC Liquid Fund - Premium Plan - Daily Div	4,078,370	50,000,000
17	HDFC Cash Mgmt Fund - Treasury Advantage - WP - Dly Div	4,984,909	50,006,118
18	Birla Sun Life Cash Plus - I P - Daily Dividend	3,175,250	34,300,000
19	Birla Sun Life Savings Fund - IP - Dly Dividend	3,428,736	34,310,676
20	ICICI Prudential Flexible Income Plan - Premium - Daily Dividend	473,052	50,018,132
21	J P Morgan India Liquid Fund - Super IP - Daily Dividend	4,996,053	50,000,000
22	J P Morgan India Treasury Fund - Super IP - Daily Dividend	4,997,459	50,019,063
23	ICICI Prudential Interval Fund II - Quarterly Interval - Plan C - IP - Div	5,075,044	50,751,962
24	Religare FMP - Series IV - Plan C - Dividend	5,000,500	50,005,000
25	Axis Short Term Fund - IP - Dividend	3,066,089	30,726,500
26	JM Money Manager Fund - Super Plan - Dly Dividend	2,152,700	21,552,397
27	DSP Black Rock Liquidity Fund - IP - Dly Dividend	49,984	50,000,000
28	Birla Sun Life Cash Plus - Institutional Premium Plan - Daily Div	4,990,269	50,000,000
29	Kotak Quarterly Interval Plan - Series VII - Dividend	5,000,351	50,006,015
	Total		**1,563,956,609**

Investments purchased and sold during the year 2009-2010 are as follows -

Sr. No.	Particulars	Units Nos	Cost
1	HDFC Cash Mgmt Fund - Savings Plan - Daily Dividend	4,700,869	50,000,000
2	Reliance Liquid Fund - TP - IP - Daily Dividend	2,616,568	40,000,000
3	LIC MF Liquid Fund - Daily Dividend	2,732,216	30,000,000
4	ICICI Prudential Liquid - Inst Plus - Daily Dividend	168,755	20,000,000
5	ICICI Prudential flexible income plan	98,536	1,591,106
	Total		**141,591,106**

	Rs.	March 31, 2011 Rs.	March 31,2010 Rs.
"I" Current Assets, Loans and advances			
Inventories			
Stores and spare parts		7,596,371	8,980,116
Raw Materials : Paper, inks, printing and binding materials	67,623,318		48,440,234
Work in progress	2,008,033		3,778,624
Finished Goods : Children's books and stationery products, etc.	392,138		2,806,207
Finished Goods :Touch Stone Gifts and Other traded goods	1,140,938		3,492,561
Provision for Obsolete stock	—		(1,400,000)
		71,164,427	57,117,626
		78,760,798	66,097,742
Sundry debtors (Refer Note 14 and 21 of Schedule 'S')			
Debts outstanding for a period exceeding six months			
Secured - considered good	7,613,608		1,708,659
Unsecured			
Considered good	83,514,226		94,809,782
Considered doubtful	70,849,764		103,768,174
	161,977,598		198,577,956
Others - considered good			
Secured	2,781,936		842,796
Unsecured	224,835,788		252,509,894
	227,617,724		253,352,690
Less: Provision for doubtful debts	(70,849,764)		(103,768,174)
		318,745,558	349,871,131
Cash and bank balances			
Cash on hand	191,671		78,945
Cheques on hand	4,357,421		1,332,232
Balances with scheduled banks :			
In current accounts	32,157,967		61,185,116
In deposit accounts	6,841,300		7,134,493
Balances with other banks :			
In current accounts	153,846		135,768
		43,702,205	69,866,554
Bank balance with other Bank includes : Municipal Co-op. Bank, Navi Mumbai. (Maximum Amount Outstanding during the year Rs. 724,084 *(2009-2010 Rs. 428,003)*)			
Loans and advances (unsecured and considered good unless otherwise stated)			
Advances recoverable in cash or in kind or for value to be received	184,507,200		165,292,459
Security Deposits	104,011,120		103,890,940
Advance payments of Income-tax less provisions Advance Tax : Rs. 425,839,657*(2009-2010: Rs. 410,715,215)* Less: Provision for Tax : Rs. 343,647,201 *(2009-2010: Rs. 343,448,514)*	82,192,456		67,266,701
Advance payments of Fringe Benefit Tax ('FBT') less provision Advance FBT:Rs. 29,614,372 (2009-2010: Rs. 29,614,372) Less: Provision for FBT:Rs. 29,614,372 (2009-2010: Rs. 29,614,372)	—		
		370,710,776	336,450,100
		811,919,337	822,285,527

		Rs.	March 31, 2011 Rs.	March 31,2010 Rs.
"J"	**Current liabilities and provisions**			
	Current liabilities			
	Sundry creditors (Refer Note 12,14 and 21 of Schedule 'S')			
	Due to Micro, Small and Medium enterprises	519,604		2,301,901
	Due to Holding company	151,401,823		189,589,475
	Due to Others	287,372,413		328,785,544
	Sundry Deposits	16,407,320		9,116,546
	Unclaimed dividend *	2,029,543		2,340,226
	Advances received from customers	299,070,013		298,335,888
	Credit Balance in Bank Book	49,562,871		35,719,400
	Other Liabilities	16,049,270		16,859,872
			822,412,857	883,048,852
	* There is no amount due and outstanding to be credited to Investor Education and Protection Fund.			
	Provisions			
	Provision for Rebates, returns etc. (Refer Note 8(b) of Schedule 'S')	14,358,627		10,886,086
	Provision for Gratuity (Refer Note 22 (b) of Schedule 'S')	9,318,841		9,876,572
	Provision for leave encashment (Refer Note 22 (c) of Schedule 'S')	25,972,451		23,858,992
			49,649,919	44,621,650
			872,062,776	927,670,502
"K"	**Miscellaneous Expenditure (to the extent not written off or adjusted)**			
	(Refer Note 2(s) of Schedule 'S')			
	Opening Balance		10,304,784	1,817,366
	Additions during the year		—	10,340,625
			10,304,784	12,157,991
	Less : Written off during the year		2,263,190	1,853,207
			8,041,594	10,304,784

		Current Year Rs.	Previous Year Rs.
"L"	**Other income**		
	Interest others- gross (tax deducted at source on interest received Rs. Nil *(2009-2010 : Nil))*	236,409	1,071,497
	Interest received on Fixed Deposit (tax deducted at source on interest received Rs.74,334*(2009-2010 : Rs. 5,314))*	581,128	155,213
	Dividend income from current investments	11,950,195	317,500
	Miscellaneous income	11,213,924	13,315,419
	Provision for printing expenses written back (Refer Note 6 of Schedule 'S')	—	72,062,162
	Scrap sales	17,635,874	13,860,455
	Profit on sale of investments (Net)	322,221	65,392
		41,939,751	100,847,638

	Rs.	Current Year Rs.	Previous Year Rs.
"M" Materials Consumed			
Opening Balance of Raw Material	48,440,234		66,429,528
Opening Balance of Work-In-Progress	3,778,624		709,047
Add: Purchase of paper, inks and binding materials	316,474,410		244,518,324
		368,693,268	311,656,899
Less:			
Closing Balance of Raw Material		67,623,318	48,440,234
Closing Balance of Work-In-Progress		2,008,033	3,778,624
Consumption of Paper, inks and binding materials		299,061,917	259,438,041
"N" Cost of Traded Products			
Opening Balance of Touch Stone Gifts and Other Traded products	3,492,561		3,151,678
Opening balance of Childrens Books and Stationery products	1,406,207		3,189,260
Add: Purchase for resale	805,889		2,756,608
		5,704,657	9,097,546
Less:			
Closing balance of Childrens Books and Stationery products	392,138		
Less : Provision for Obsolete stock	—	392,138	1,406,207
Closing balance of Touch Stone Gifts and Other Traded products		1,140,938	3,492,561
Cost of Goods Sold		4,171,581	4,198,778
"O" Personnel Expenses			
Payments to and provisions for employees			
Salaries, wages and bonus	489,831,690		415,174,873
Contribution to provident and other funds,retirement benefits	29,768,254		29,430,352
Employee Stock Option expenses	9,121,643		14,006,600
Employees' welfare expenses	52,799,913		42,227,778
		581,521,500	500,839,603
"P" Operating and other expenses			
Stores and spare parts consumed	16,628,265		16,780,737
Outwork and ancillary printing	68,272,187		53,967,066
Power and fuel	46,086,814		40,146,106
Distribution expenses	15,724,821		19,021,046
Postage	69,556,983		80,093,303
Repairs to building	799,883		1,857,723
Repairs and maintenance to plant and machinery	2,336,624		1,196,405
Other repairs and maintenance	12,025,293		11,176,468
Advertising and publicity	35,461,903		131,014,644
Marketing expenses	52,209,391		46,455,983
Design and Content Charges	16,751,256		15,564,746

	Rs.	Current Year Rs.	Previous Year Rs.
"P" Operating and other expenses (Contd.)			
Brokerage and Commission	259,113		1,021,408
Rebates, returns, etc (Refer Note 8(b) of Schedule 'S')	50,344,720		30,745,397
Rent	156,088,443		111,720,792
Rates and taxes	4,730,349		10,332,916
Bad debts written off	38,525		17,685,518
Exchange Loss (Net) (Refer Note 7 of Schedule 'S')	2,567,471		1,807,119
Insurance	3,070,846		1,717,229
Traveling expenses	32,619,965		23,519,835
License Fees	7,353,563		8,347,295
Consultancy and professional fees	42,885,830		75,347,347
Event cost	17,847,570		33,608,682
Telephone Expenses	12,695,938		11,613,210
Loss On sale of Fixed Assets(Net)	1,238,244		3,311,962
General expenses	73,844,807		64,567,256
		741,438,804	812,620,193
Payment to Auditor			
As Auditor			
Audit fees		2,500,000	1,500,000
Tax audit fees		300,000	250,000
Limited Review		500,000	400,000
Reimbursement of out-of-pocket expenses		—	60,204
As adviser or in any other capacity in respect of:			
Taxation matters		—	—
Company law matters		—	—
Management services		—	—
In other manner:			
Certification		75,000	50,000
		3,375,000	2,260,204
Provision for doubtful debts		11,600,000	6,125,934
Directors' sitting fees		265,000	350,000
		756,678,804	821,356,331
"Q" Financial Expenses			
Interest			
On Term Loans	19,865,607		36,158,736
On working capital Loans and Cash Credit Accounts	14,311,577		45,293,412
On inter corporate deposits	7,330,534		77,570,392
On others	7,453,219		2,764,679
Bank Charges	3,580,271		4,672,576
		52,541,208	166,459,795
"R" Prior Period Items(Net)			
Advertising & Publicity Expenses		—	8,213,100
Less : Net Advertisement Revenue		—	4,335,745
		—	3,877,355

"S" Notes to Accounts

1. Nature of Operations:

Infomedia 18 Limited ('the Company') is in the business of publishing Business Directories and Special Interest Magazines in India, Printing services and Agency services.

2. Statement of Significant Accounting Policies:

a) Basis of preparation

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Fixed Assets

Fixed assets are stated at their original cost including incidental expenses related to acquisition and installation and subsequent additional cost in respect of major reconditioning expenses enhancing the standard of performance of the assets less accumulated depreciation and impairment loss if any.

Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

d) Depreciation

The Company depreciates its fixed assets as follows:

i.	Leasehold land	-	over the period of the lease on straight line method
ii.	Furniture, Fixtures, Electrical and Office Equipment (in Leased premises)	-	over the period of the office lease on straight line method or life of the asset whichever is lower
iii.	Vehicles	-	on the written down value method at the rates specified in Schedule XIV of the Companies Act, 1956;
iv.	Other assets	-	on straight line method at the rates which are based on the useful life as estimated by the management and are equal to the rates specified in Schedule XIV of the Companies Act, 1956;
v.	Major reconditioning expenses (Included in Plant, Machinery and Equipment)	-	over a period of three years on straight line method or life of the asset whichever is lower

e) Intangibles

Software is capitalized where it is expected to provide future enduring economic benefits. Capitalization costs include license fees and costs of implementation / system integration services. The costs are capitalized in the year in which the relevant software is implemented for use. "Enterprises Resource Planning (ERP)

Software" is depreciated over a period of four years on a straight line basis.

Brands and Trade Marks

Costs relating to Brands and Trade Marks which are acquired, are capitalized and amortised on a straight line basis over a period of five years, as estimated by management.

f) Impairment

i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

ii. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

iii. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

iv. Reversal of impairment loss is recognized immediately as income in profit and loss account.

g) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the long-term investments. On disposal of an investment, the difference between the carrying amount and net disposal proceeds is charged or credited to the profit and loss account.

h) Inventories

Raw materials, components, stores and spares: Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

Work-in-progress and finished goods: Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

i) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

i. Advertising Revenues

Advertising Revenue from Business Directories is recognized in the period in which the Directories are printed and are accounted net of commission and discounts.

Advertising Revenue from Special Interest Magazines is recognized in the period in which the magazines are published and are accounted net of commission and discounts.

ii. Subscription Revenues

Revenue recognition from subscriptions to the Company's print publications is recognised as earned, prorata on a per issue basis over the subscription period.

iii. Circulation Revenues

Circulation Revenue includes sales to retail outlets/ newsstands, which are subject to returns. The Company records these retail sales upon delivery, net of estimated returns. These estimated returns are based on historical return rates and are revised as necessary based on actual returns.

iv. Print Sales

Revenue from printing jobs is recognized on completion basis and is accounted net of taxes.

v. Traded Products

Revenue is recognized when the significant risks and rewards of ownership of the products have passed to the buyer and is stated net of taxes and discounts.

vi. Event Sale

Revenue from event sale is recognized on the completion of the event and on the basis of related service performed.

vii. Agency Commission

Revenue is recognized as per the terms of agreement with the principals, on rendering of relevant services.

viii. Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

ix. Dividends

Revenue is recognized when the shareholders' right to receive payment is established by the balance sheet date. Dividend from subsidiaries is recognized even if same is declared after the balance sheet date but pertains to period on or before the date of balance sheet.

j) Employee Benefits

i. Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the profit and loss account of the year - when the contributions to the respective funds are due. There are no obligations other than the contribution payable to the respective trusts.

ii. Gratuity liability is a defined benefit obligation and is charged to the profit and loss account when annual contribution is made to the Trustees on the basis of the Funds' rules. The shortfall between the accumulated fund balance and the liability as determined on the basis of an independent actuarial valuation is provided for at the year end. The actuarial valuation is done as per projected unit credit method.

iii. Short term compensated absences are provided for on the basis of estimates. Long term compensated absences in the form of Leave encashment is accrued and provided for on the basis of an actuarial valuation as at the year end. The actuarial valuation is done as per projected unit credit method.

iv. Actuarial gains / losses are immediately taken to the profit and loss account and are not deferred.

k) Voluntary Retirement Compensation

Voluntary retirement compensation is fully charged off in the year of severance of service of the employee.

l) Foreign Currency Transaction

Initial Recognition:

Foreign currency transactions are recorded in Indian Rupees by applying to the foreign currency amount, the exchange rate between the Indian Rupee and the foreign currency prevailing at the date of the transaction.

Conversion:

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences:

Exchange differences arising on the settlement of monetary and non-monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.

Forward Exchange Contracts not intended for trading or speculation purposes:

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

m) Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the profit and loss account on a straight-line basis over the lease term.

n) Taxes on Income

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets on timing differences are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the Company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become virtually/ reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available.

o) Segment Reporting

i. Identification of Segments:

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

ii. Intersegment Transfers:

Inter segment revenues have been accounted for based on the transaction price agreed to between segments which is primarily market led.

iii. Allocation of costs:

a. Direct Revenues and direct expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

b. Revenues and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis are generally included under "Unallocated corporate expenses/ income".

c. In view of the Scheme of Arrangement('the Scheme') discussed in Note 3 below, the "Unallocated Corporate expenses/income" have been further allocated by management on the following basis:

- Indirect Revenues and Expenses allocated on appropriate basis as decided by management
- Expenses relating to Common Facilities – Allocated as agreed to by the Board of Directors of Infomedia 18 Limited and Network18 Media & Investments Limited as per paragraph 1.4 of the Scheme.
- Employees cost – Allocated as agreed to by the Board of Directors of Infomedia 18 Limited and Network18 Media & Investments Limited as per paragraph 1.6 of the Scheme.
- Unallocated Borrowings and related Interest Cost – Allocated on basis of Ratio of assets as at April 1, 2010
- Investments and related Dividend Income – Allocated as agreed to by the Board of Directors of Infomedia 18 Limited and Network18 Media & Investments Limited as per paragraph 1.6 of the Scheme.

iv. Segment policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

p) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus element in a rights issue to existing shareholders.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any, except where the result would be anti-dilutive.

q) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation as at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

r) Employee Stock Compensation Costs

Measurement and disclosure of the employee share based payment plans is done in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Guidance Note on Accounting for Employee Share Based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

s) Miscellaneous Expenditure (to the extent not written off)

Processing fees paid to various lenders are amortized equally over the period for which the funds are acquired.

t) Cash and cash equivalents in the financial statements comprise of cash at bank and in hand and short-term investments with an original maturity of three months or less.

3. 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 and creditors. 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 has been approved by the shareholders and creditors (secured and unsecured) of the Company at their meetings held on February 23, 2011, convened pursuant to the directions of the Hon'ble High Court of Delhi. The Company has to file second motion application under Section 391-394 of the Companies Act, 1956 with the Hon'ble High Court of Delhi for the approval of the Scheme. 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, which is still pending. Accordingly no effect of the Scheme has been given in these financial statements for the year ended March 31, 2011.

4. As stated in Note 3 above, as per the Scheme, the Business Directories business, the New Media business and the Publishing business(together the 'Publishing' and 'Other' Segments) of the Company shall be demerged into Network 18 Media & Investments Limited from April 1, 2010 (Appointed Date) while the Printing Press business (Printing Segment) will continue to remain with the Company. The scheme shall become effective when the High Court orders approving the Scheme are filed with the Registrar of Companies. Accordingly the Business Directories business, the New Media business and the Publishing business have been considered as Discontinuing Operations and the Printing business has been considered Continuing Operations for the year ended March 31, 2011. The following statement shows the revenue, expenses, assets and liabilities of Continuing and Discontinuing operations:

(Amount in Rs. Lakhs)

Particulars	Continuing Operations for the year ended (31/03/2011)	*Continuing Operations for the year ended (31/03/2010)*	Discontinuing Operations for the year ended (31/03/2011)	*Discontinuing Operations for the year ended (31/03/2010)*	Total for the year ended 2010-2011	*Total for the year ended 2009-2010*
Turnover	3,920.04	*4,263.14*	11,305.46	*7,489.23*	15,225.50	*11,752.37*
Intersegment revenue elimination	—	*—*	—	*—*	1,134.98	*1,028.45*
Turnover net of Intersegment revenue	3,920.04	*4,263.14*	11,305.46	*7,489.23*	14,090.52	*10,723.92*
Expenses	3,696.25	*4,245.80*	13,986.77	*12,322.17*	17,683.02	*16,567.97*
Intersegment cost elimination	—	*—*	—	*—*	1,134.98	*1,028.45*
Expenses net of Intersegment cost	3,696.25	*4,245.80*	13,986.77	*12,322.17*	16,548.04	*15,539.52*
EBIT	**223.79**	***17.34***	**(2,681.31)**	***(4,832.94)***	**(2,457.52)**	***(4,815.61)***
Interest	45.10	*201.65*	480.31	*1,462.95*	525.41	*1,664.60*
Profit before exceptional item and tax	**178.69**	***(184.31)***	**(3,161.61)**	***(6,295.89)***	**(2,982.92)**	***(6,480.21)***
Exceptional item-Income/(Expense)	—	*—*	48.19	*(1,480.00)*	48.19	*(1,480.00)*
Profit before tax	**178.69**	***(184.31)***	**(3,209.80)**	***(4,815.89)***	**(3,031.11)**	***(5,000.21)***
Tax	34.53	*3.22*	—		34.53	*3.22*
Profit after tax	**144.16**	***(187.53)***	**(3,209.80)**	***(4,815.89)***	**(3,065.64)**	***(5,003.43)***
	As on 31.03.2011	*As on 31.03.2010*	As on 31.03.2011	*As on 31.03.2010*	Total as on 31.03.2011	*Total as on 31.03.2010*
Assets	2,715.97	*3,338.85*	9,219.47	*17,933.05*	11,935.45	*21,271.90*
Liabilities	1,076.27	*2,243.23*	9,890.85	*15,140.86*	10,967.12	*17,384.09*

5. The Company has cash credit facilities, working capital demand loans and term loans with banks which are secured by:

   a) **Terms Loans:**

      Axis Bank

      Principal of Rs. Nil *(2009-2010: Rs. 131,250,000)*

      Interest accrued and due of Rs. Nil*(2009-2010: Rs. 2,693,132)*

      - The loan has been repaid during the year

      Punjab National Bank

      Principal of Rs.110,006,687 *(2009-2010: Rs. 119,044,783)*

      Interest accrued and due of Rs. 1,574,178*(2009-2010: Rs. 1,466,045)*

      - First exclusive charge/ mortgage on all immovable and moveable assets of the Company.
      - Second charge on all existing fixed assets of the Company including all immovable properties of the Company.
      - Corporate Guarantee from Network18 Media & Investments Limited
      - Interest accrued and due of Rs. —1,574,178 has been duly debited by bank on April 2, 2011

   b) **Working Capital Demand Loans**:

      HSBC

      Principal of Rs. Nil *(2009-2010: Rs. 50,000,000)*

      Interest accrued and due of Rs. Nil *(2009-2010: Rs. Nil)*

      - The loan has been repaid during the year

   c) **Cash Credit Facilities:**

      Axis Bank

      Principal of Rs. —99,012,367 *(2009-2010: Rs. 93,737,287)*

      - Pari passu second charge on all fixed assets of the Company.

      - Pari passu first charge on all current assets of the Company.

      - Corporate Guarantee from Network18 Media & Investments Limited

6. Other income for the year ended March 31, 2011 includes Rs. Nil *(2009-2010: 72,062,162)* pertaining to provision no longer required for printing expenses written back.

7. The net difference in foreign exchange (i.e. the difference between the spot rates on the dates of the transactions and the actual rates at which the transactions are settled/ appropriate rates applicable at the year end) debited to profit and loss account as disclosed under Schedule 'P' is Rs. 2,567,471*(2009-2010:Rs. 1,807,119)*.

8. Provisions and Contingencies –

   a) Claims against the Company not acknowledged as debts:

      i. The Company has received demands of Rs. 109,870,463 *(2009-2010: Rs.36,404,621)* towards Income Tax for the Assessment Year 2005-06, 2006-2007, 2007-2008 & 2008-2009 and Rs. Nil *(2009-2010: Rs.2,506,882)* for Fringe benefit Tax for Assessment Year 2006-07. 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 also been legally advised that the possibility of matters being decided against the Company and the demands crystallizing is not likely.

ii. Sales tax / Works Contract tax matters disputed by the Company relating to issue of applicability, allowability, etc. aggregating to Rs. 41,556,776 *(2009-2010: Rs. 4,839,279)*for the F.Y 1999-2000,2000-2001,2001-2002 and 2002-03.

iii. Third party claim relating to compensation before Monopolies and Restrictive Trade Practices Commission aggregating to Rs. Nil *(2009-2010: Rs. 20,000,000)*, net of tax Rs.Nil *(2009-2010: Rs.13,268,000)*.

iv. Third party claim relating to Service Tax pending with Allahabad High Court aggregating to Rs. 16,993,598 *(2009-2010: Rs. Nil)*

In respect of the demands/claims described in paragraphs (i), (ii) and (iv) above, the Company has also 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.

v. Bank guarantee given to Bombay Stock Exchange ('BSE') towards issue of Equity shares on rights basis amounting to Rs. 5,000,000*(2009-2010: Rs.5,000,000)*.

b) Provision

Provision for Rebates, Returns etc.	**2010-2011 (Rs.)**	***2009-2010* (Rs.)**
Opening Balance	10,886,086	*5,697,817*
Addition during the Year	32,449,696	*28,934,895*
Amount utilized during the year	(28,977,155)	*(23,746,626)*
Closing Balance	**14,358,627**	***10,886,086***

A provision is recognised for expected returns on products sold during the year based on past experience of level of returns. It is expected that most of this cost will be utilised in the next financial year. Assumptions used to calculate the provision for returns are based on current sales level and current information available about returns.

9. Deferred tax

Break up of deferred tax assets/liabilities and reconciliation of current year deferred tax is as under:

(Amount in Rs.)

	Opening balance	**Charged/ (Credited) to Profit and loss during the year**	**Closing balance**
	A	**B**	**A+B = C**
Deferred Tax Liabilities			
Tax impact of difference between carrying amount of fixed assets in the financial statements and the income tax return	(12,922,035)	66,138	(12,855,987)
Total (D)	(12,922,035)	66,138	(12,855,987)

10. Employee Stock Option Plans (ESOP) 2004 and 2007

The Company has provided share based payment schemes to its employees. During the year ended March 31, 2011 the following schemes were in operation:

Employee Stock Option Plan 2004 (ESOP 2004):

Particulars	Grant 1		Grant 2		Grant 3		Grant 4		Grant 5		Grant 6	
Date of Grant/ Board Approval	25, Oct 04		10, May 05		28, Oct 05		27, Jun 06		27, Oct 06		22, Nov 07	
No of Options Granted	164,000		100,000		155,500		17,500		18,500		38,500	
Exercise Price Per Option (Rs.)	86.85		141.45		150.8		180.5		154.05		209.85	
Revised Exercise Price vide Board approval dated February 25th 2010	10		10		10		10		10		10	
Method of Settlement	Equity		Equity		Equity		Equity		Equity		Equity	
Vesting Period	Date	Options	Date	Options	Date	Options	Date	Options	Date	Options	Date	Options
	24, Oct 05 (1 Year)	40,000	30, May 06 (1 Year & 21 days)	20,000	27, Oct 06 (1Year)	77,750	26, Jun 07 (1 Year)	8,750	26, Oct 07 (1 Year)	9,250	21,Nov 08 (1 Year)	19,250
	30, May 06 (1 year & 217 days)	60,000	30, May 07 (2 Years & 21 days)	80,000	27, Oct 07 (2 Years)	77,750	26, Jun 08 (2 Years)	8,750	26, Oct 08 (2 Years)	9,250	21,Nov 09 (1 Year)	19,250
	31, Mar 06 (1 Year & 157 days)	32,000										
	31, Mar 07 (2 Years & 157 days)	32,000										
Exercise Period	Three Years		Three Years		Three Years		Three Years		Three Years		Three Years	

This scheme (ESOP 2004) is covered under the approval of the shareholders vide their Annual General Meeting held on July 28, 2004 as modified at Extra Ordinary General Meeting held on January 20, 2005 and Annual General Meeting held on October 10, 2006 and further modified through postal ballot resolution , results whereof were declared on July 15,2010.

The details of activity under the plan are summarized below:

Particulars	Year ended March 31, 2011		*Year ended March 31, 2010*	
	No. of Shares	Weighted Average Exercise Price (Rs.)	No. of Shares	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	36,750	187.17	*47,250*	*187.06*
Grant during the year	—	—	—	—
Exercised during the year	16,750	10.00	—	—
No of options lapsed during the year	10,250	10.00	*10,500*	*186.66*
Outstanding at the end of the year	9,750	10.00	*36,750*	*187.17*
Exercisable at the end of the year	9,750		*36,750*	
Weighted average remaining contractual life (in years)	0.46		*1.46*	
Weighted average fair value of the options granted (Rs.)	18.76		*37.26*	

Details of exercise price for Stock Options outstanding at the end of the year are:

Year End	Range of Exercise Price (Rs.)	No. of Options Outstanding	Weighted average remaining contractual life (in years)	Weighted average exercise price (Rs.)
March 31, 2011	10	9,750	0.46	10
March 31, 2010	*150.80 to 209.85*	*36,750*	*1.46*	*187.17*

Employee Stock Option Plan 2007 (ESOP 2007):

Particulars	**Grant 1**		**Grant 2**	
Date of Grant/Board Approval	2nd April 2009		26th October 2010	
No of Options Granted	967,500		200,000	
Exercise Price Per Option (Rs.) (Exercise Price of 667,500 options was revised from Rs. 57.30 to Rs. 10 vide Compensation Committee approval dated February 25, 2010)	10		10	
Method of Settlement	Equity		Equity	
Vesting Period	Date	Options	*Date*	*Options*
	01, Apr 10 (1 year)	387,000	26, October 11 (1 year)	80,000
	01, Apr 11 (2 year)	290,250	26, October 12 (2 year)	60,000
	01, Oct 11 (2 year 6 months)	290,250	26, October 13 (3 year)	60,000
Exercise Period	Three Years		Three Years	

This scheme (ESOP 2007) is covered under the approval of the shareholders vide their Extra-Ordinary General Meeting held on January 10, 2008 and further modified through postal ballot resolution, results whereof were declared on May 7,2010.

The details of activity under the plan are summarized below:

Particulars	Year ended March 31, 2011		*Year ended March 31, 2010*	
	No. of Shares	Weighted Average Exercise Price (Rs.)	*No. of Shares*	*Weighted Average Exercise Price (Rs.)*
Outstanding at the beginning of the year	911,000	10.00	—	—
Grant during the year	200,000	10.00	*967,500*	*10.00*
Exercised during the year	307,200	10.00	—	—
No of options lapsed during the year	91,400	10.00	*56,500*	*10.00*
Outstanding at the end of the year	712,400	10.00	*911,000*	*10.00*
Exercisable at the end of the year	34,800		—	
Weighted average remaining contractual life (in years)	1.77		*2.38*	
Weighted average fair value of the options granted (Rs.)	28.24		*0.95*	

Details of exercise price for Stock Options outstanding at the end of the year are:

Year End	Range of Exercise Price (Rs.)	No. of Options Outstanding	Weighted average remaining contractual life (in years)	Weighted average exercise price (Rs.)
March 31, 2011	10.00	712,400	1.77	10.00
March 31, 2010	*10.00*	*911,000*	*2.38*	*10.00*

Details of exercise price for Stock Options outstanding at the end of the year are:

ESOP Scheme	Range of Exercise Price (Rs.)	No. of Options Outstanding	Weighted average remaining contractual life (in years)	Weighted average exercise price (Rs.)
ESOP 2004	10.00	9,750	0.46	10.00
ESOP 2007	10.00	712,400	1.77	10.00

Employee Stock Purchase Plan 2010 (ESPP 2010):

During the year, the Company had also introduced an Employee Stock Purchase Plan, 2010 (ESPP 2010) which was approved by shareholders vide postal ballot resolution, results whereof were declared on May 7, 2010. However, there has been no activity under this Scheme till balance sheet date.

Since the Company uses the intrinsic value method, the impact on the reported net profit/(loss) and earnings per share by applying the fair value based method needs to be disclosed.

In March 2005 the ICAI has issued a Guidance Note on "Accounting for Employees Share Based Payments" applicable to employee based share plan, the grant date in respect of which falls on or after April 1, 2005. The said Guidance Note requires Proforma disclosures of the impact of the fair value method of accounting of employee stock compensation accounting in the financial statements. Applying the fair value based method defined in the said Guidance Note, the impact on the reported net profit/(loss) and earnings per share would be as follows:

	2010-2011 (Rs.)	***2009-2010 (Rs.)***
Loss as reported	(306,564,169)	*(500,343,241)*
Less: Employee stock compensation under intrinsic value method	9,822,491	*14,006,600*
Add: Employee stock compensation under fair value method	(10,208,197)	*(648,147)*
Proforma Loss	(306,949,875)	*(486,984,788)*
Loss Per Share		
Basic		
- As reported	(6.14)	*(16.63)*
- Pro forma	(6.15)	*(16.19)*
Diluted		
- As reported	(6.14)	*(16.63)*
- Pro forma	(6.15)	*(16.19)*

The fair value of options as mentioned above was determined using the Black-Scholes Option Pricing Model with the following assumptions:

ESOP 2004	**2010-2011**	***2009-2010***
a) Risk Free Interest Rate	7% to 7.64%	*4.44% to 6.36%*
b) Expected Dividend yield	1.4%	*4%*
c) Expected life of the option	0.12 to 0.82 Years	*0.25 to 2.33 years*
d) Expected Volatility of Share price	38.59% to 68.85%	*37.81% to 69.22 %*

ESOP 2007	**2010-2011**	***2009-2010***
a) Risk Free Interest Rate	7.35% to 7.42%	*6.14% to 6.60%*
b) Expected Dividend yield	1.4%	*4%*
c) Expected life of the option	1.0 to 2.79 Years	*2.0 to 2.75 years*
d) Expected Volatility of Share price	66.20% to 69.20%	*69.22%*

Since the intrinsic value being Rs. 9,822,491 *(2009-2010: Rs.14,006,600)*, accrual has been made towards compensation cost in the financial statements for the year ended March 31, 2011 and Rs. 700,848 (*2009-2010: Rs. Nil*) is written back upon lapse of options.

11. The Company's significant leasing arrangements are in respect of operating leases for premises (offices, residential, stores, godowns, etc.). These leasing arrangements, which are mutually cancellable generally, range between 11 months and 60 months. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease arrangements. The aggregate lease rentals amounting to Rs. 156,088,443 *(2009-2010: Rs. 111,720,792)* are charged as Rent under Schedule "P".

    The future minimum lease payments under these operating leases are as follows:

Particulars	**2010-2011 (Rs.)**	***2009-2010 (Rs.)***
Not later than one year	42,762,216	*96,259,502*
Later than one year but not later than five years	29,661,851	*72,210,370*
More than five years	-	-

12. The identification of Micro, Small and Medium enterprises is based on the management's knowledge of their status as at March 31, 2011. The Company has requested and received intimation from "suppliers" regarding their status as at March 31, 2011 under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, as per such intimations relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have been made.

13. Loss per share

	Particulars	**2010-2011 (Rs.)**	***2009-2010 (Rs.)***
i)	Loss after taxation	(306,564,169)	*(500,343,241)*
ii)	Opening number of equity shares outstanding	49,705,672	*19,885,103*
iii)	Number of equity shares issued on Rights basis	-	*29,820,569*
iv)	Fair value of one equity share immediately prior to exercise of rights on January 15, 2010	-	*50.50*
v)	Theoretical ex-rights fair value per share	-	*40.30*
vi)	Rights issue adjustment factor	-	*1.25*
vii)	Weighted number of equity shares	49,570,672	*30,078,839*
viii)	Equity shares arising on grant of stock options on ESOP	323,950	-
ix)	Weighted number of equity shares outstanding (includes ESOP)	49,931,422	*30,078,839*
x)	Basic Earnings per share (Rs.)	(6.14)	*(16.63)*
xi)	Diluted Earnings per share (Rs.)*	(6.14)	*(16.63)*
xii)	Nominal value of shares (Rs.)	10	*10*

* These shares are anti-dilutive and are ignored in the calculation of diluted earnings per share.

14. Derivative transactions:

The Company has not entered into any derivative transactions (including Forward Exchange Contracts) during the year. The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Amount receivable and payable as at March 31, 2011 in foreign currency on account of the following:

Particulars	2010-2011			*2009-2010*		
	Rs.	Value in foreign currency		*Rs.*	*Value in foreign currency*	
Receivable						
Services rendered	5,482,418	USD	122,787	*18,079,443*	*USD*	*400,519*
	1,410,886	EURO	22,310	*5,202,846*	*EURO*	*85,912*
Advance for Import of Goods/services	1,321,612	USD	29,162	*5,071,812*	*USD*	*1,12,357*
Payable						
Import of goods	602,324	JPY	1,479,912	*2,314,969*	*JPY*	*4,769,199*
				72,494	*USD*	*1,606*
				50,873	*EURO*	*840*
Services utilized						
	803,700	USD	18,000	*4,514*	*USD*	*100*
	1,802,340	EUR	28,500	*1,949,911*	*EURO*	*32,198*
	988,900	GBP	13,750	*452,954*	*GBP*	*6,658*

The above disclosures have been made consequent to announcement by the Institute of Chartered Accountants of India in December 2005, which is applicable to the financial periods ending on or after March 31, 2006.

15. Particulars of goods manufactured, etc:

a. Class of goods manufactured: Printed products of all kinds include annual reports, greeting cards, calendars, diaries, books, newspapers, magazines and other periodicals, directories, catalogues, publicity material, stationery, typesetting, half-tones, colour separations, plates and combinations thereof.

b. The nature of the Company's operations is such that there is no known physical measure of standard classification for its saleable products. Consequently, quantitative information regarding production, turnover and opening and closing stocks of finished goods has not been given.

c. The printing industry has been delicensed. The installed printing capacity as on March 31, 2011, computed on the basis of normal shifts worked, was 3,406 million *(2009-2010 : 3,406 million)* standard impressions. The actual production (including wastage) during the year was 1,215 million (*2009-2010: 1,306 million*) standard impressions. The installed printing capacity and actual production have been certified by the management and accepted by the auditors being a technical matter.

d. Sales include 13,426 numbers *(2009-2010; 7,774 numbers*) of 'Touchstone' gift articles worth Rs. 1,963,916 *(2009-2010: Rs.401,805)* and 10,065 numbers *(2009-2010 : 2,429 numbers*) of other traded goods worth Rs. 893,957 *(2009-2010 : Rs. 343,795)*.

16. Analysis of Material consumed:

	Unit	2010-2011 Quantity	2010-2011 Value (Rs.)	2009-2010 Quantity	2009-2010 Value (Rs.)
Paper sheets	Nos.	10,631,907	227,239,910	12,094,419	207,333,299
Paper reels	Kgs.	4,229,198		4,780,296	
Inks	Kgs.	103,012	19,885,162	110,833	19,759,621
Operating Supplies			51,936,845		32,345,121
Other ancillary costs			—		—
			299,061,917		**259,438,041**

17. C.I.F. Value of Imports of:

	2010-2011 (Rs.)	2009-2010 (Rs.)
Paper	122,316,372	83,703,810
Printing & Binding Material	509,159	452,206
Spares	2,739,740	860,850
	125,565,271	**85,016,866**

18. Expenditure in foreign currency (on accrual basis):

	2010-2011 (Rs.)	2009-2010 (Rs.)
Travelling	1,434,380	1,297,499
Content creation and License fee	7,177,628	11,318,293
Event costs, etc.	1,222,681	428,927
Others	1,760,007	1,632,670
	11,594,696	**14,677,389**

19. Value of imported and indigenous materials consumed and the percentage of each to the total consumption:

	2010-2011 (Rs.)	%	2009-2010 (Rs.)	%
Paper, inks, printing and binding materials**:**				
Imported, at landed cost	115,365,081	39	111,514,072	43
Indigenously obtained	183,696,836	61	147,923,969	57
	299,061,917	**100**	**259,438,041**	**100**

For the purpose of item 4D (c) of Part II of Schedule VI to the Companies Act, 1956, the term 'spare parts' has been interpreted to mean those consumed directly for production and not those consumed for repairs.

20. Earnings in foreign exchange (on cash basis):

	2010-2011 (Rs.)	2009-2010 (Rs.)
Magazine & Other advertisements	18,272,760	72,383,481
Events	147,825	—
Agency Commission	73,187,341	39,447,116
Receipt on Sale of Subsidiary	183,316,393	—
	274,924,319	**111,830,597**

21. Related Parties Disclosures:

a Particulars of parties where control exists:

i. Television Eighteen India Limited ('TV 18')	Holding company of I-Ven Interactive Limited till August 24, 2009. Holding Company of Infomedia 18 Limited from August 21, 2008 by virtue of control of the Board of Directors.
ii. Network18 Media & Investments Limited ('Network 18')	Holding company of Television Eighteen India Limited.
iii. Cepha Imaging Private Limited (CEPHA)	Subsidiary company w.e.f December 22, 2005 till May 31, 2010
iv. Glyph International UK Limited (Formerly Keyword Group Limited)(GIUK)	Subsidiary company w.e.f December 22, 2005 till May 31, 2010
v. Keyword Publishing Services	Subsidiary company of Glyph International UK Limited (Formerly Keyword Group Limited)(GIUK) till September 22, 2009
vi. Keyword Typesetting Services Limited	Subsidiary company of Glyph International UK Limited (Formerly Keyword Group Limited)(GIUK) till September 22, 2009
vii. Glyph International Limited (Formerly American Devices India Private Limited)(ADIPL)	Subsidiary company since April 1, 2006 till May 31, 2010
viii. Glyph International US LLC (Formerly Software Services LC)(SSLC)	Subsidiary company since April 1, 2006 till May 31, 2010

b Particulars of other parties:

Key Management Personnel

Mr. Haresh Chawla — Managing Director of the Company since August 21, 2008

c Joint Venture:

Reed Infomedia India Private Limited ('REED') — Joint control since March 30, 2006

d Fellow subsidiaries :

i. ibn18 Broadcast Limited ('ibn 18') — Fellow subsidiary since August 21, 2008

ii. TV18 Home Shopping Network Limited ('Homeshop 18') — Fellow subsidiary since August 21, 2008

iii. Viacom18 Media Private Limited ('Viacom 18') — Fellow subsidiary since August 21, 2008

iv. Network18 Publication Limited — Fellow subsidiary since August 21, 2008

v. Digital 18 Media Limited ('Digital 18') — Fellow subsidiary since August 21, 2008

vi. Web18 Software Services Limited ('Web 18') — Fellow subsidiary since August 21, 2008

vii. e-Eighteen.Com Limited (E-18.Com) — Fellow subsidiary since August 21, 2008

viii. E18, division of Network18 ('E18') — Fellow subsidiary since August 21, 2008

ix. Sports18, division of Network 18 ('Sports18') — Fellow subsidiary since August 21, 2008

x. IBN Lokmat News Private Limited ('IBN Lokmat') — Fellow subsidiary since August 21, 2008

e. Transaction, Account Balance etc. with Related Parties

	Subsidiary Company	Holding Company/ Group Company	Joint Venture	Key Management Personnel	Grand Total
TRANSACTION					
Assets					
Investment made during the year					
CEPHA	—				—
Previous Year	*36,667,553*				*36,667,553*
REED			—		—
Previous Year			*19,600,000*		*19,600,000*
Purchase of Fixed Assets					
REED			—		—
Previous Year			*921,352*		*921,352*
IBN LOKMAT		53,048			53,048
Previous Year		—			—
Liabilities					
Inter Corporate Deposit (ICD) accepted					
ICD accepted-Taken during the year					
ADIPL	—				—
Previous Year	*131,400,000*				*131,400,000*
CEPHA	—				—
Previous Year	*33,500,000*				*33,500,000*
TV 18		105,000,000			105,000,000
Previous Year		*180,000,000*			*180,000,000*
ICD accepted-Repaid during the year					
ADIPL	88,500,000				88,500,000
Previous Year	*101,900,000*				*101,900,000*
CEPHA	59,500,000				59,500,000
Previous Year	—				—
TV 18		285,000,000			285,000,000
Previous Year		*405,000,000*			*405,000,000*
ACCOUNT BALANCE					
Assets					
Accounts Receivable(Gross of TDS)					
Digital 18		33,790,156			33,790,156
Previous Year		*33,858,828*			*33,858,828*
ibn 18		—			—
Previous Year		*5,225,000*			*5,225,000*
Network18 Publication Ltd		—			—
Previous Year		*313,802*			*313,802*
TV 18		—			—
Previous Year		*10,195,877*			*10,195,877*
Viacom 18		—			—
Previous Year		*380,000*			*380,000*
Web 18		—			—
Previous Year		*2,307,293*			*2,307,293*
Homeshop 18		487			487
Previous Year		*290,749*			*290,749*
REED			90,149		90,149
Previous Year			*85,150*		*85,150*
Liabilities					
ICD accepted					
ADIPL	—				—
Previous Year	*88,500,000*				*88,500,000*

	Subsidiary Company	Holding Company/ Group Company	Joint Venture	Key Management Personnel	Grand Total
CEPHA	—				—
Previous Year	*59,500,000*				*59,500,000*
TV 18		—			—
Previous Year		*180,000,000*			*180,000,000*
Interest payable on ICD's (Net of TDS)					
ADIPL	—				—
Previous Year	*17,643,181*				*17,643,181*
CEPHA	—				—
Previous Year	*4,501,134*				*4,501,134*
TV 18		—			—
Previous Year		*49,480,562*			*49,480,562*
Sundry Creditors					
Digital 18		—			—
Previous Year		*7,840,000*			*7,840,000*
Network 18		13,906,907			13,906,907
Previous Year		*26,865,625*			*26,865,625*
ibn 18		20,962,768			20,962,768
Previous Year		*32,091,035*			*32,091,035*
Network18 Publication Ltd		469,875			469,875
Previous Year		*188,500*			*188,500*
TV 18		151,401,827			151,401,827
Previous Year		*162,723,850*			*162,723,850*
Web 18		16,785,884			16,785,884
Previous Year		*6,252,612*			*6,252,612*
Homeshop 18		—			—
Previous Year		*59,828*			*59,828*
Viacom 18		4,375,748			4,375,748
Previous Year		*6,001,255*			*6,001,255*
E-18.com		5,366,411			5,366,411
Previous Year		*3,405,545*			*3,405,545*
E 18 a division of Network18		*1,205,760*			*1,205,760*
Previous Year		—			—
IBN Lokmat		53,048			53,048
Previous Year		—			—
REED			3,000,000		3,000,000
Previous Year			*3,000,000*		*3,000,000*
Income					
Sales of goods and Services					
Digital 18		42,275,975			42,275,975
Previous Year		*49,887,802*			*49,887,802*
ibn 18		12,520,000			12,520,000
Previous Year		*5,225,000*			*5,225,000*
TV 18		7,889,700			7,889,700
Previous Year		*10,195,877*			*10,195,877*
Viacom 18		1,380,000			1,380,000
Previous Year		*380,000*			*380,000*
Web 18		2,856,800			2,856,800
Previous Year		*2,314,550*			*2,314,550*
Network18 Publication Ltd		—			—
Previous Year		*285,896*			*285,896*

	Subsidiary Company	Holding Company/ Group Company	Joint Venture	Key Management Personnel	Grand Total
E18.com		120,000			120,000
Previous Year		—			—
Other Receipt / Service Charges					
Digital 18		4,869,471			4,869,471
Previous Year		*1,650,000*			*1,650,000*
Interest Income on ICD's					
Keyword	—				—
Previous Year	*744,945*				*744,945*
Dividend Income					
Cepha	14,995,293				14,995,293
Previous Year	—				—
ADIPL	29,999,617				29,999,617
Previous Year	—				—
Expenses					
Interest Expense on ICD's (Gross of TDS)					
ADIPL	950,390				950,390
Previous Year	*15,093,782*				*15,093,782*
CEPHA	640,144				640,144
Previous Year	*3,471,404*				*3,471,404*
TV 18		5,740,000			5,740,000
Previous Year		*59,005,205*			*59,005,205*
Interest Expense					
Network 18		2,535,057			2,535,057
Previous Year		*1,378,252*			*1,378,252*
TV 18		2,918,698			2,918,698
Previous Year		*1,318,837*			*1,318,837*
Director's Sitting Fees					
Mr. Haresh Chawla				60,000	60,000
Previous Year				*75,000*	*75,000*
Event cost					
TV 18		—			—
Previous Year		*15,398,249*			*15,398,249*
E 18 a division of Network18		2,879,610			2,879,610
Previous Year		—			—
Advertising and publicity					
E-18.com		1,878,318			1,878,318
Previous Year		*2,633,858*			*2,633,858*
ibn 18		5,785,800			5,785,800
Previous Year		*28,988,050*			*28,988,050*
Network 18		—			—
Previous Year		*898,300*			*898,300*
TV 18		1,500,000			1,500,000
Previous Year		*68,828,176*			*68,828,176*
Viacom 18		91,858			91,858
Previous Year		*5,546,275*			*5,546,275*
Web 18		4,112,768			4,112,768
Previous Year		*630,370*			*630,370*
Digital 18		—			—
Previous Year		*8,000,000*			*8,000,000*
Insurance Cost					
Network 18		81,656			81,656
Previous Year		*72,222*			*72,222*

	Subsidiary Company	Holding Company/ Group Company	Joint Venture	Key Management Personnel	Grand Total
TV 18		4,562,532			4,562,532
Previous Year		*5,721,422*			*5,721,422*
Consultancy and Professional Fees					
TV 18		436,603			436,603
Previous Year		*9,686,496*			*9,686,496*
Network 18		14,128,311			14,128,311
Previous Year		*16,248,209*			*16,248,209*
Other Operating Costs					
E-18.com		35,017			35,017
Previous Year		*516,654*			*516,654*
Homeshop 18		205,840			205,840
Previous Year		*59,828*			*59,828*
ibn 18		7,153			7,153
Previous Year		—			—
Network 18		5,392,861			5,392,861
Previous Year		*808,488*			*808,488*
TV 18		20,395,335			20,395,335
Previous Year		*10,854,422*			*10,854,422*
Web 18		10,271,903			10,271,903
Previous Year		*5,482,323*			*5,482,323*
Network18 Publication Ltd		558,478			558,478
Previous Year		*188,500*			*188,500*
Digital 18		114,739			114,739
Previous Year		—			—
REED			—		—
Previous Year			*3,000,000*		*3,000,000*
Exceptional Items					
Provision for diminution in value of Investment/(Reversal of provision)	—		—		—
Previous Year	*(160,000,000)*		*12,000,000*		*(148,000,000)*
Guarantee Taken					
Network 18		850,000,000			850,000,000
Previous Year		*1,025,000,000*			*1,025,000,000*

(Also Refer Note 5 of Schedule 'S')

22. Employee Benefits

A Contribution to defined plan, recognised as expenses in the profit and loss account for the year are as under:

	2010-2011 (Rs.)	2009-2010 (Rs.)
Employer's Contribution to Provident Fund	18,025,443	15,047,086
Employer's Contribution to Superannuation Fund	-	24,300

	2011-2012 (Rs.)	2010-2011 (Rs.)
Expected Contribution for Gratuity	6,262,496	5,561,648

B Gratuity

The Company has a defined benefit gratuity plan. The gratuity is payable to all employees of the Company at the rate of half month salary for services more than 10 years but less than 15 years, three fourth month salary for services more than 15 years but less than 20 years and one month salary for services more than 20 years with ceiling of 20 months salary. All payments are subject to minimum as paid under the Payment of Gratuity Act. The annual contributions made to the Trust are invested as per the rules of the Trust. The shortfall between the accumulated fund balance and the liability as determined on the basis of an independent actuarial valuation is provided for as at the year end.

C Leave Encashment

In accordance with leave policy, the Company has provided for leave entitlement on the basis of actuarial valuation carried out at the end of the year. The short term compensated absences are provided for on the basis of actuarial valuation as at the year end.

The following tables summaries the components of net benefit expense recognized in the profit and loss account and the funded status and amounts recognized in the balance sheet for the respective plan.

Profit and Loss Account

Net employee benefit expense (recognized in Employee Cost)

The present value of defined benefit obligations and the related current service cost are measured using the projected unit credit method with actuarial valuation being carried at each balance sheet date. The details are set out as under:

Particulars	2010-2011 Gratuity (Rs.)	2009-2010 Gratuity (Rs.)	2010-2011 Leave Encashment (Rs.)	2009-2010 Leave Encashment (Rs.)
Current service cost	6,546,431	4,787,632	8,994,573	2,724,582
Interest cost on benefit obligation	4,065,773	3,469,948	1,684,937	1,244,892
Expected return on plan assets	(3,275,647)	(2,821,208)	-	-
Net actuarial (gain) / loss recognised in the year	(3,513,877)	(796,566)	(2,759,379)	5,731,575
Past service cost	-	-	-	-
Net (benefit) / expense	3,822,680	4,639,806	7,920,131	9,701,049
Actual return/(loss) on plan Assets	663,048	642,622	-	-

Details of Provision

Particulars	2010-2011 Gratuity (Rs.)	2009-2010 Gratuity (Rs.)	2010-2011 Leave Encashment (Rs.)	2009-2010 Leave Encashment (Rs.)
Defined benefit obligation / (net liability)	(50,927,481)	(50,822,164)	(25,972,452)	(23,858,992)
Fair value of plan assets	41,608,640	40,945,592	-	-
	(9,318,841)	(9,876,572)	(25,972,452)	(23,858,992)
Less: Unrecognised past service cost	-	-	-	-
Plan assets / (liability)	(9,318,841)	(9,876,572)	(25,972,452)	(23,858,992)

Changes in the present value of the defined benefit obligation are as follows:

Particulars	2010-2011 Gratuity (Rs.)	2009-2010 Gratuity (Rs.)	2010-2011 Leave Encashment (Rs.)	2009-2010 Leave Encashment (Rs.)
Opening defined benefit obligation	50,822,164	49,570,687	23,858,992	20,028,832
Interest cost	4,065,773	3,469,948	1,684,937	1,244,892
Current service cost	6,546,431	4,787,632	8,994,573	2,724,582
Benefits paid	(4,380,411)	(4,030,951)	(5,806,671)	(5,870,889)
Actuarial (gains) / losses on obligation	(6,126,476)	(2,975,152)	(2,759,379)	5,731,575
Closing defined benefit obligation	50,927,481	50,822,164	25,972,452	23,858,992

Changes in the fair value of plan assets are as follows:

Particulars	2010-2011 Gratuity (Rs.)	2009-2010 Gratuity (Rs.)
Opening fair value of plan assets	40,945,592	35,901,326
Expected return	3,275,647	2,821,208
Contributions by employer	4,380,411	8,432,595
Benefits paid	(4,380,411)	(4,030,951)
Actuarial gains/(losses)	(2,612,599)	(2,178,586)
Closing fair value of plan assets	41,608,640	40,945,592
Actuarial gains/(losses) recognized in the year	3,513,877	796,566

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	2010-2011 Gratuity %	2009-2010 Gratuity %
Group Gratuity Funds	75.71	81.52
Special Deposits with Banks	23.92	18.12
Securities	0.37	0.36

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The principal assumptions used in determining gratuity benefit obligations for the Company's plans are shown below:

Particulars	2010-2011 Gratuity %	2009-2010 Gratuity %
Discount rate	8.00	8.00
Expected rate of return on assets	8.00	8.00
Salary Escalation	6.00	6.00
Attrition Rate	3% till age of 30, 2% till age of 44 and 1% thereafter.	3% till age of 30, 2% till age of 44 and 1% thereafter.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Experience Adjustments

Particulars	2007-2008 Gratuity(Rs.)	2008-2009 Gratuity (Rs.)	2009-2010 Gratuity (Rs.)	2010-2011 Gratuity (Rs.)
Experience Adjustments on plan liabilities (Gain)/Loss	(2,800,055)	4,031,494	2,712,541	(3,081,807)
Experience Adjustments on plan Assets Gain/(Loss)	(561,357)	(3,257,596)	(2,178,586)	(2,612,599)

23 (i) **Segment Information for the year ended March 31, 2011**

	Continuing Operations		Discontinuing Operations				Eliminations		Consolidated	
	Printing	Printing	Publishing	Publishing	Others	Others			Total	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
REVENUE										
External Revenue	278,506,068	323,469,000	1,053,783,699	685,871,633	76,762,316	58,715,307	-	-	1,409,052,083	1,068,055,939
Prior Period Revenue	-	-	-	-	-	4,335,745	-	-	-	4,335,745
Inter Segment Revenue	113,498,325	102,844,527	-	-	-	-	(113,498,325)	(102,844,527)	-	-
Total Revenue	392,004,393	426,313,527	1,053,783,699	685,871,633	76,762,316	63,051,052	(113,498,325)	(102,844,527)	1,409,052,083	1,072,391,684
RESULT										
Segment Result	22,364,443	1,708,560	(306,799,229)	(476,955,977)	25,593,119	(7,857,765)	-	-	(258,841,667)	(483,105,182)
Unallocated Corporate Expenses net of Unallocated Income									-	-
Operating Profit /(Loss)	22,364,443	1,708,560	(306,799,229)	(476,955,977)	25,593,119	(7,857,765)	-	-	(258,841,667)	(483,105,182)
Interest Expenses	(4,510,922)	(20,165,155)	(44,900,477)	(134,018,346)	(3,129,809)	(12,276,293)	-	-	(52,541,208)	(166,459,795)
Interest Income, Dividend , Income from Investments, etc. (net)	14,592	25,660	12,043,672	1,413,844	1,031,672	104,706	-	-	13,089,937	1,544,210
Add/ Less: Exceptional Items-(Expense)/Income	-	-	4,818,653	(148,000,000)	-	-	-	-	4,818,653	(148,000,000)
Taxation for the year	3,452,577	322,474	-	-	-	-	-	-	3,452,577	322,474
Net Profit /(Loss)	14,415,536	(18,753,409)	(344,474,686)	(461,560,480)	23,494,982	(20,029,352)	-	-	(306,564,169)	(500,343,241)

23 (ii). **Segmental Balance Sheet as on March 31, 2011**

	Continuing Operations		Discontinuing Operations				Consolidated	
	Printing	*Printing*	Publishing	*Publishing*	Others	*Others*	Total	
	March 31, 2011	*March 31, 2010*	March 31, 2011	*March 31, 2010*	March 31, 2011	*March 31, 2010*	March 31, 2011	*March 31, 2010*
Segmental Assets	271,597,358	*333,885,446*	915,692,671	*1,776,632,878*	6,254,631	*16,671,867*	1,193,544,660	*2,127,190,191*
Unallocated Corporate Assets	-	-	-	-	-	-	-	-
Total Assets	271,597,358	*333,885,446*	915,692,671	*1,776,632,878*	6,254,631	*16,671,867*	1,193,544,660	*2,127,190,191*
Segmental Liabilities	107,627,385	*224,323,076*	988,430,748	*1,497,800,091*	653,774	*16,285,494*	1,096,711,907	*1,738,408,660*
Unallocated Corporate Liabilities	-	-	-	-	-	-	-	-
Total Liabilities	107,627,385	*224,323,076*	988,430,748	*1,497,800,091*	653,774	*16,285,494*	1,096,711,907	*1,738,408,660*
Capital Expenditure	6,056,419	*2,342,488*	37,506,952	*56,210,684*	14,350	*167,138*	43,577,721	*58,720,310*
Unallocated Capital Expenditure								
Impairment of Assets/(Reversal)	-	-	(7,560,048)	-	-	-	(7,560,048)	-
Depreciation	8,652,308	*19,375,128*	44,583,356	*39,492,954*	2,074,100	*1,886,359*	55,309,764	*60,754,441*
Unallocated Depreciation								
Non - cash expenses other than Depreciation/(Reversal)	1,320,868	*15,638,593*	22,001,748	*80,201,040*	590,430	*7,928,541*	23,913,046	*103,768,174*
Unallocated Non - Cash Expenses/(Reversal)	–	–	–	–	–	–	–	–

24. Going Concern

The Company has incurred a loss of Rs. 306,564,169 (2009-2010: Loss of Rs. 500,343,241) during year ended March 31, 2011 and the accumulated losses of the Company as at March 31, 2011 are Rs.1,240,234,034 (2009-2010: 933,669,865). During the year 2009-10, the Company has raised equity vide rights issue, amounting to Rs. 998,989,062 to augment the equity in the Company. The unutilized funds from the Rights issue as at March 31, 2011 are Rs 109,454,000. 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 3 above. The Company's Printing Press business may also be sold off. In the event that the assets of the Printing Press business are sold off, the Company shall consider starting a new line of business in the Company out of the resulting cash. 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 ended March 31, 2011. Management has assessed and confirmed that considering these factors the Company shall continue to be a going concern and hence, these financial statements have been prepared on a going concern basis.

25. Exceptional items

i) As per Share Purchase Agreement ('SPA') with Knowledgeworks Global Private Limited (a Cenveo Inc company) on May 4, 2010, the Company has sold its entire equity stake in its 4 subsidiaries. The net loss on the sale of these subsidiaries amounting to Rs.12,378,701 has been disclosed as an Exceptional item in the financial statements for the year ended March 31, 2011.

ii) Excess impairment provision in respect of fixed assets held at leased office of Rs.7,560,048 has been reversed during the year which has been disclosed as an Exceptional item in the financial statements for the year ended March 31, 2011.

iii) 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 160,000,000. 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.12,000,000 during the year ended March 31, 2010 and the same has also been disclosed as an Exceptional item in the financial statements for the year ended March 31, 2010.

26. i) During the year 2009-10 the Company has made an issue of equity shares on rights basis in the ratio of three equity shares for every two equity shares held on the record date. The rights issue consisted of 29,827,655 equity shares issued at a premium of Rs.23.50 per equity share aggregating to Rs. 998,989,062. The issue opened on December 29, 2009 and closed on January 15, 2010 and was fully subscribed.

ii) The Company has incurred expenses of Rs. Nil (2009-2010: Rs.21,325,242) in connection with the rights issue of its equity shares. This amount has been set off against the share premium arising from the rights issue of equity shares as permitted under section 78 of the Companies Act,1956.

iii) The Company has utilized an aggregate sum of Rs. 889,535,062 towards the purposes as stated in the prospectus filed for the offer of shares on rights basis, from the proceeds of the rights issue of equity shares of Rs.33.50 each. The unutilized funds of Rs. 109,454,000 are deployed in Liquid Mutual Funds disclosed as Current Investments in the Balance sheet.

27. Barter transactions are recognized at the fair value of consideration receivable or payable. When the fair value of the transactions cannot be measured reliably, the revenue/expense is measured at the fair value of the goods/services provided/received adjusted by the amount of cash or cash equivalent transferred. During the year ended March 31, 2011, the Company had entered into barter transactions, which were recorded at the fair value of consideration receivable or payable. The profit and loss account for the year ended March 31, 2011 has been grossed up to reflect revenue from barter transactions of Rs 33,184,369*(2009-2010:Rs. 46,123,298)* and expenditure of Rs. 33,184,369*(2009-2010: Rs 46,123,298)* being the fair value of barter transactions provided and received.

28. Estimated amount of contracts remaining to be executed on capital account and not provided for amounts to Rs. 3,010,655 *(2009-2010: Rs. 17,293,874)*.

29. During the previous year, Hon'ble High Court of Bombay had approved the Scheme of Arrangement ('the Scheme') between I-Ven Interactive Limited ('I-Ven'), Infomedia 18 Limited and their respective shareholders vide its order dated 24th July 2009. The Scheme was effective from 25th August 2009 on filing the copies of the order of the Hon'ble High Court with the Registrar of Companies. Accordingly I-Ven was merged with Infomedia 18 Limited on the effective date. Further pursuant to the Scheme, the Company had extinguished 12,338,112 Equity Shares held by I-Ven and equivalent number of shares have been issued by the Company to the shareholders of I-Ven in the swap ratio of 96.076:100. Upon the scheme becoming effective, the Company had recorded I-Ven Undertaking vested in it pursuant to the Scheme, at the respective book values as appearing in the financial statements of I-Ven as on the effective date, in accordance with "The Pooling of Interest" method as prescribed under Accounting Standard – 14 issued by The Institute of Chartered Accountants of India. The Company had credited to its Share Capital Account, the aggregate face value of the new equity shares issued on amalgamation to the shareholders of I-Ven. The Company had recorded the balances in the share premium and the general reserve of I-Ven in the same form and at the same values as they appeared in the financial statements of I-Ven immediately preceding the effective date. The aggregate of the excess/deficit of the value of assets over the value of liabilities of I-Ven vested in the Company, and the differential between the value of the investment in the equity share capital of the Company appearing in the books of accounts of I-Ven and the face value of the equity share capital of the Company held by I-Ven, had been debited to following accounts in the under-mentioned sequence: balance in security premium account, balance in general reserve account and balance in profit and loss account.

30. Interest in Joint venture

The Company has a 49% interest in the assets, liabilities, expenses and income of Reed Infomedia India Private Limited, incorporated in India, which is involved in business of publishing B2B magazines.

The Company's share of the assets, liabilities, income and expenses of the jointly controlled entity are as follows as at March 31, 2011.(Unaudited)

Particulars	**2010-2011 Rs.**	***2009-2010 Rs.***
Assets	1,550,844	*1,673,790*
Liabilities	638,464	*725,612*
Revenue (including other income)	14,443	*2,145,800*
Expenses	50,243	*2,193,438*
Loss before tax	35,800	*(47,638)*

31. The registered office of the Company has been shifted to 503, 504 & 507, 5th Floor, Mercantile House, 15, Kasturba Gandhi Marg, New Delhi - 110001, pursuant to confirmation by Company Law Board, Mumbai bench with effect from October 19, 2010.

32. Previous year's figures have been regrouped wherever necessary to conform with figures of the current year.

As per our report of even date

For S.R. Batliboi & Associates
Firm Registration no. 101049W
Chartered Accountants

For and on behalf of the Board of Directors of Infomedia 18 Limited

per Amit Majmudar
Partner
Membership No. : 36656

Yug Samrat
Company Secretary

Haresh Chawla
Managing Director

Senthil Chengalvarayan
Director

Mumbai: May 02, 2011

Infomedia 18 Limited (formerly Infomedia India Limited)
Balance Sheet abstract and General Business Profile

Balance Sheet abstract and General Business Profile

I Registration Details

Registration No. 9551 | State Code 11

Balance Sheet Date 31-03-11

II Capital raised during the period (Amount in Rs. Thousands)

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	**Private Placement Preference Shares**
NIL	NIL

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	Total Assets
1569731	1569731

Sources of Funds :

Paid-Up Capital (excluding share application money)	Reserves & Surplus (includes the Stock Option Outstanding)
500296	84786
Secured Loans	**Unsecured Loans**
211793	NIL
Deferred Tax Liability(Net)	
12856	

Application of Funds :

Net Fixed Assets	Investments
227972	153653
Net Current Assets (includes rights issue application money)	**Deferred Tax Asset**
+ [ ] - [✔] 60169	NIL
Miscellaneous Expenditure	**Accumulated Losses**
8041	1240234

(Please tick appropriate box + for positive - for negative)

IV Performance of Company (Amount in Rs. Thousands)

Turnover	Total Expenditure
1450992	1754104
Profit/(Loss) before Tax	**Profit/(Loss) after Tax**
+ [ ] - [✔] 303112	+ [ ] - [✔] 306564
Earnings per Share (Rs.)	**Dividend Rate (%)**
+ [ ] - [✔] 6.14	NIL

(Please tick appropriate box + for profit, - for loss)

V Generic names of three Principal Products/Services of the Company (As per monetary terms)

Item Code No. (ITC Code)	NA
Product Description	BUYERS' GUIDE
Item Code No. (ITC Code)	49011001
Product Description	PRINTED BOOKS
Item Code No. (ITC Code)	NA
Product Description	SPECIAL INTEREST PUBLICATIONS

For and on behalf of the Board of Directors of Infomedia 18 Limited

Mumbai: May 2, 2011	Yug Samrat *Company Secretary*	Haresh Chawla *Managing Director*	Senthil Chengalvarayan *Director*

CONSOLIDATED FINANCIAL ACCOUNTS

Infomedia 18 Limited (Formerly Infomedia India Limited)
Auditors' Report (Consolidated Accounts)

The Board of Directors
Infomedia 18 Limited

1. We have audited the accompanying consolidated balance sheet of Infomedia 18 Limited (the "Company") and its subsidiaries and joint venture company (together 'the Group'), as at March 31, 2011, and the related consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto ('consolidated financial statements'). These consolidated financial statements are the responsibility of the Group's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated 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. Without qualifying our report, we draw attention to Note 19 of schedule 'T' to the consolidated financial statements. As at March 31, 2011, the accumulated losses of the Group are Rs. 1,239,321,654 as against share capital and reserves of Rs. 1,323,032,777. During the year ended March 31, 2011, the Group has incurred losses of Rs. 457,200,336 . Further, as indicated in the said note, (a) the Business Directories business, the New media business and the Publishing business of the Group is in the process of being demerged into a separate undertaking as per a Scheme of Arrangement, and (b) Management of the Group is also evaluating various options in relation to its Printing business, including sale. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern which is dependent on the Group continuing its business operations, establishing profitable operations and obtaining continuing financial support from its shareholder These mitigating factors have been more fully disclosed in Note 19 to the consolidated financial statements in view of which the accompanying consolidated financial statements have been prepared on going concern assumption, and consequently, no adjustments have been made to the same in this regard. We are unable to comment on the consequential effects, if any, on the consolidated financial statements, arising from the above.
4. *The Group has received an Income tax demand of Rs 52,921,630 which has been disputed by the Group. The Group has filed an appeal before higher authority and has also been legally advised that the possibility of the matter being decided against the Group and the demand crystallizing is not likely. The ultimate outcome of the matter cannot presently be determined, and no provision for any liability that may result has been made in the consolidated financial statements. Based on the foregoing, we are unable to comment on the impact, if any, of this matter on the consolidated financial statements.*
5. We did not audit the financial statements of:
   a) certain subsidiaries whose financial statements reflect total assets of Rs. Nil as at March 31, 2011, total revenue of Rs. 45,260,480 and losses of Rs. 43,561,475 for the period April 1, 2010 to May 31, 2010 (being date of sale of the subsidiaries) and cash flows amounting to Rs. 8,180,788 for the period then ended and,
   b) a joint venture company whose financial statements reflect total assets of Rs. 3,164,987 as at March 31, 2011, the total revenue of Rs. Nil and, loss of Rs. 73,060 for the year then ended and cash outflows amounting to Rs. 239,916 for the year then ended, the Group's share of such assets, revenues loss and cash outflows being Rs. 1,550,844, Rs. Nil , Rs. 35,800 and Rs. 117,559 respectively.

   The above mentioned financial statements and other financial information for the subsidiaries and joint venture have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the reports of such other auditors.
6. We report that the consolidated financial statements have been prepared by the Group's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated financial statements and Accounting Standard (AS) 27, Financial Reporting of Interests in Joint Ventures notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended).
7. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, *subject to our comments in paragraph 4 above, the impact of which on the consolidated financial statements is currently not ascertainable,* we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
   (i) in the case of the consolidated balance sheet, of the state of affairs of the Group as at March 31, 2011;
   (ii) in the case of the consolidated profit and loss account, of the loss for the year; and
   (iii) in the case of the consolidated cash flow statement, of the cash flows for the year ended March 31, 2011.

For S.R. BATLIBOI & ASSOCIATES
Firm Registration no. 101049W
Chartered Accountants

per Amit Majmudar
Partner
Membership No. 36656
Place: Mumbai
Date: May 2, 2011

Consolidated Balance Sheet as at March 31, 2011

	Schedules		March 31, 2011 Rs.	March 31, 2010 Rs.
Sources of funds				
Shareholders' funds				
Share Capital	"A"	500,296,220		497,056,720
Right Issue Application Money		25,788		33,837
Stock Options Outstanding	"B"	14,034,010		14,006,600
Reserves and Surplus	"C"	830,752,363		834,905,270
			1,345,108,381	1,346,002,427
Loan Funds				
Secured Loans	"D"		211,793,233	403,210,914
Unsecured Loans	"E"		—	229,480,562
Deferred Tax Liabilities	"F"		12,855,897	16,433,330
Total			1,569,757,511	1,995,127,233
Application of funds				
Fixed assets	"G"			
Gross block, at cost		1,853,138,444		1,941,717,441
Less: Accumulated Depreciation		1,631,413,443		1,019,094,918
Net block		221,725,001		922,622,523
Advances on capital account and capital work in progress, at cost		6,247,098		9,699,082
			227,972,099	932,321,605
Investments	"H"		153,653,223	220,323,000
Deferred Tax Assets	"I"		—	6,437,230
Current assets, loans and advances	"J"			
Inventories		78,760,798		66,097,742
Sundry debtors		320,193,277		488,475,621
Cash and bank balances		43,788,437		79,375,063
Loans and advances		370,727,669		420,380,529
		813,470,181		1,054,328,955
Less:				
Current liabilities and provisions	"K"			
Current liabilities		823,051,249		962,915,970
Provisions		49,649,991		63,165,783
		872,701,240		1,026,081,753
Net current assets			(59,231,059)	28,247,202
Miscellaneous Expenditure - To the extent not written off	"L"		8,041,594	10,304,784
Debit Balance in Profit & Loss Account			1,239,321,654	797,493,412
Total			1,569,757,511	1,995,127,233
Notes to Accounts	"T"			

The schedules referred to above and Notes to Accounts form an integral part of the Balance Sheet.

As per our report of even date

For S.R. Batliboi & Associates
Firm Registration No. 101049W
Chartered Accountants

For and on behalf of the Board of Directors of Infomedia 18 Limited

per Amit Majmudar
Partner
Membership No. : 36656

Yug Samrat
Company Secretary

Haresh Chawla
Managing Director

Senthil Chengalvarayan
Director

Mumbai: May 2, 2011

Infomedia 18 Limited (Formerly Infomedia India Limited)

Consolidated Profit and Loss Account for the year ended March 31, 2011

	Schedules		Year Ended March 31, 2011 Rs.		*Year Ended March 31, 2010 Rs.*
Income					
Sales (Refer Note 22 of Schedule 'T')			1,454,312,563		*1,487,536,053*
Other income (Refer Note 8 of Schedule 'T')	"M"		41,954,265		*104,414,039*
Total			1,496,266,828		*1,591,950,092*
Expenditure					
Materials Consumed	"N"		299,061,917		*259,438,041*
Cost of Traded Products	"O"		4,171,581		*4,198,778*
Personnel Cost	"P"		613,192,435		*669,318,832*
Operating and other expenses	"Q"		811,520,822		*1,022,744,127*
Total			1,727,946,755		*1,955,699,778*
Loss Before Interest, Tax, Depreciation			(231,679,927)		*(363,749,686)*
Depreciation and amortisation	"G"		57,547,259		*77,712,437*
Financial Expenses	"R"		51,136,558		*150,559,268*
Loss Before Tax and before Exceptional items			(340,363,744)		*(592,021,391)*
Exceptional items Income/(Expense) (Refer Note 21 of Schedule 'T')			(108,034,212)		*262,797,026*
Loss Before Tax and Prior Period items			(448,397,956)		*(329,224,365)*
Prior Period items(Net) Income/(Expense)	"S"		—		*(3,877,355)*
Loss Before Tax			(448,397,956)		*(333,101,720)*
Profit/(Loss) from Continuing Operations before tax (Refer Note 5 of Schedule 'T')		18,107,717		*(14,986,647)*	
Tax Expenses					
Current Tax (MAT Credit) relating to prior years		3,518,715		*3,669,509*	
Deferred Tax (Credit)/Charge (Refer Note 11 of Schedule 'T')		(66,138)		*(3,347,035)*	
Fringe Benefit Tax		—		—	
Current Tax		—		—	
		3,452,577		*322,474*	
Profit/(Loss) from Continuing Operations after tax			14,655,140		*(15,309,121)*
Profit/(Loss) Before Tax for Discontinued/ Discontinuing Operations (Refer Note 5 of Schedule 'T')		(466,505,673)		*(318,115,073)*	
Tax Expenses					
Current Tax		5,349,803		*11,605,222*	
Deferred Tax (Credit)/Charge (Refer Note 11 of Schedule 'T')		—		*(3,088,125)*	
Fringe Benefit Tax		—		*139,476*	
Current Tax (MAT Credit) relating to prior years		—		*(8,124,661)*	
		5,349,803		*531,912*	
Profit/(Loss) After Tax for Discontinued Operations			(471,855,476)		*(318,646,985)*
Loss for the year			(457,200,336)		*(333,956,106)*
Balance (loss)/profit brought forward from previous year			(797,493,412)		*(480,327,961)*
(Add)/Less: Foreign Exchange Translation in balances brought forward from previous year			—		*(5,834,790)*
Less: Profit and Loss Account Balance of I-Ven Interactive Limited transferred as per Scheme of Arrangement (Refer Note 24 of Schedule 'T')			—		*134,543,042*
Add: Amount adjusted as per Scheme of Arrangement (Refer Note 24 of Schedule 'T')			—		*(104,269,847)*
(Add)/Less: Foreign Exchange Translation Income/(Expense) accounted on disposal of investment in subsidiaries			15,372,094		—
Amount available for appropriation			(1,239,321,654)		*(789,845,662)*
Appropriations					
Proposed dividend			—		—
Dividend tax			—		*(7,647,750)*
Balance carried to the balance sheet			(1,239,321,654)		*(797,493,412)*
Loss per share (Refer Note 15 of Schedule 'T')					
Basic - Nominal value of shares Rs. 10.			(9.16)		*(11.10)*
Diluted - Nominal value of shares Rs. 10.			(9.16)		*(11.10)*
Notes to Accounts	"T"				

The schedules referred to above and Notes to Accounts form an integral part of the Profit and Loss Account.

As per our report of even date

For S.R. Batliboi & Associates
Firm Registration No. 101049W
Chartered Accountants

For and on behalf of the Board of Directors of Infomedia 18 Limited

per Amit Majmudar
Partner
Membership No. : 36656
Mumbai: May 2, 2011

Yug Samrat
Company Secretary

Haresh Chawla
Managing Director

Senthil Chengalvarayan
Director

Infomedia 18 Limited (Formerly Infomedia India Limited)

Consolidated Cash Flow Statement for the year ended March 31, 2011

		March 31,2011 Rs.	March 31,2010 Rs.
A.	**Cash flow from operating activities:**		
	Net loss before tax and after Exceptional items	(448,397,956)	(333,101,720)
	Adjustments for		
	Exceptional items	108,034,212	(262,797,026)
	Depreciation and amortisation	57,547,259	77,712,437
	Foreign Exchange	2,124,954	9,705,345
	Interest Income	(817,537)	(495,255)
	Dividend Income	(11,950,195)	(317,500)
	(Profit)/Loss on Sale of Investments	(322,221)	(65,392)
	Interest charged	48,873,368	148,706,061
	Loss on sale of fixed assets	1,238,244	18,814,120
	Provision for Doubtful debts	11,600,000	7,664,135
	Employee Stock Compensation expenses	9,121,643	14,006,600
	Miscellaneous Expenditure written off	2,263,190	1,853,207
	Provisions for obsolete inventories	-	1,400,000
	Capital Work in Progess Charged off	7,780,376	-
	Printing Provision written back	-	(72,062,162)
	Operating loss before working capital changes	(212,904,663)	(388,977,150)
	Adjustments for		
	Trade and other receivables	18,383,321	(126,753,886)
	Inventories	(12,663,056)	14,556,923
	Trade Payables/Provisions	(57,844,325)	302,686,869
	Amount paid as per Scheme of Arrangement	-	(11,151,041)
	Cash Used in operations	(265,028,723)	(209,638,285)
	Direct taxes (paid) / refunded	(5,368,518)	36,772,021
	Net Cash From/(Used in) Operating Activities	(270,397,241)	(172,866,264)
B.	**Cash flow from investing activities:**		
	Purchase of fixed assets	(48,536,178)	(76,274,990)
	Sale of fixed assets	894,665	18,749,073
	Sale of Investments	322,221	65,392
	Disposal of Investments in subsidiaries, net of cash and cash equivalents of subsidiaries	656,812,573	-
	Dividend received	11,950,195	317,500
	Net Cash From/(Used in) Investing Activities	621,443,476	(57,143,025)
C.	**Cash flow from financing activities:**		
	Scheme of Arrangement for Share Buyback	(111,230)	(110,005)
	Shares Allotted - ESOS	3,239,500	-
	Shares Allotted - Rights issue (including share premium)	-	998,989,062
	Right Issue Application Money	(8,049)	33,837
	Loan Processing charges	-	(10,340,625)
	Intercorporate deposits repaid	(180,000,000)	(225,000,000)
	Term Loans repaid	(140,288,096)	(87,500,000)
	Proceeds from Term Loans	-	117,794,783
	Working Capital Loan repaid	(50,000,000)	-
	(Reduction)/Utilisation of Cash Credit facilities (net)	255,414	(259,810,812)
	Investments in Fixed Deposits	(381,807)	(6,261,066)
	Interest received	817,537	495,255
	Interest paid	(99,738,929)	(98,856,039)
	Dividend and tax thereon	(310,683)	(591,054)
	Net Cash From/(Used in) Financing Activities	(466,526,343)	428,843,336
Net Increase/(decrease) in cash and cash equivalents		(115,480,108)	198,834,047
	Cash and Cash Equivalents as at April 1, 2010	257,712,097	58,878,050
	Cash and Cash Equivalents as at March 31, 2011	142,231,989	257,712,097

	March 31,2011 Rs.	March 31,2010 Rs.
Cash and Cash Equivalents:		
Cash on hand	191,671	217,333
Cheques on hand	4,357,421	1,332,232
Credit Balance in Bank Book	(49,562,871)	(35,719,400)
Balances with scheduled banks :		
In current accounts	32,244,199	69,553,664
In deposit accounts	1,200,000	1,875,000
Balances with Other banks :		
In current accounts	153,846	135,768
In Current investments (Less than three months)	153,647,723	220,317,500
	142,231,989	**257,712,097**

Notes:

1. Direct taxes (paid)/refunded are treated as arising from operating activities and are not allocated to investing and financing activities.
2. Cash and Cash Equivalents include unclaimed dividend Accounts amounting to Rs 2,029,543 *(2009-2010 : Rs.2,339,122)*.

	Continuing Operations		Discontinuing and Discontinued Operations		Total	
	March 31,2011 Rs.	***March 31,2010 Rs.***	**March 31,2011 Rs.**	***March 31,2010 Rs.***	**March 31,2011 Rs.**	***March 31,2010 Rs.***
Net Cash From/(Used in) Operating Activities	24,122,338	*70,315,649*	(294,519,579)	*(243,181,913)*	(270,397,241)	*(172,866,264)*
Net Cash From/(Used in) Investing Activities	(3,968,398)	*(2,342,488)*	625,411,874	*(54,800,537)*	621,443,476	*(57,143,025)*
Net Cash From/(Used in) Financing Activities	(45,318,640)	*948,519,042*	(421,207,703)	*(519,675,706)*	(466,526,343)	*428,843,336*

For S.R. Batliboi & Associates
Firm Registration No. 101049W
Chartered Accountants

per Amit Majmudar
Partner
Membership No. : 36656

Mumbai
Dated: May 2, 2011

For and on behalf of the Board of Directors of Infomedia 18 Limited

Yug Samrat
Company Secretary

Haresh Chawla
Managing Director

Senthil Chengalvarayan
Director

	March 31, 2011 Rs.	March 31, 2010 Rs.
"A" Share Capital		
Authorised		
100,000,000 *(2009-2010 : 100,000,000)* Equity Shares of Rs. 10 each	1,000,000,000	*1,000,000,000*
Issued and subscribed		
50,029,622 *(2009-2010: 49,705,672)* Equity Shares of Rs. 10 each, fully paid up	500,296,220	*497,056,720*

a) Of the above fully paid up shares:

(i) 148,000 *(2009-2010 : 148,000)*Equity Shares of Rs. 10 each are issued as fully paid up pursuant to a contract without payment having been received in cash.

(ii) 470,000 *(2009-2010 : 470,000)*Equity Shares of Rs. 10 each are issued as fully paid up bonus shares by capitalisation of general reserve.

(iii) 17,798,900 *(2009-2010 : 17,798,900)*Equity Shares of Rs. 10 each are issued as fully paid up bonus shares by capitalisation of securities premium account.

(iv) 23,913,061 *(2009-2010 : 23,913,061)*Equity Shares of Rs. 10 each are held by Television Eighteen India Limited, the holding company

(v) 640,950 *(2009-2010 : 317,000)*Equity shares of Rs. 10 each are issued as fully paid shares as per the Employee Stock Option Scheme of the Company.

(vi) 29,820,569 *(2009-2010 : 29,820,569)*Equity shares of Rs. 10 each are issued as fully paid shares as per the Right Issue of the Company. (Refer Note 23(i) of Schedule 'T')

b) The Company has granted (net of options lapsed and exercised)

9,750 *(2009-2010 : 36,750)* Share options under the Employee Stock Option Scheme ('ESOP') at the market price prior to the date of grant of options. 9,750 *(2009-2010 : 36,750)* of these options have vested.

712,400 *(2009-2010 : 911,000)* Share options under the Employee Stock Option plan, 2007 at the market price prior to the date of grant of options further 34,800 (2009-2010: 364,400) of these options have vested , further 238,800*(2009-2010 : 273,300)* will vest on 1st April 2011, further 238,800 *(2009-2010 : 273,300)* will vest on 1st October 2011, further 80,000(2009-2010: Nil) will vest on 26th October, 2011, further 60,000(2009-2010: Nil) will vest on 26th October, 2012, further 60,000(2009-2010: Nil) will vest on 26th October, 2013.

c) Pursuant to the scheme of arrangement between the Company and its shareholders, the Company had purchased 33,16,197 shares, @ Rs 245/- per equity share. The said scheme of Arrangement was approved by the Hon'ble High Court of Bombay vide its order dated September 15, 2006.

d) Pursuant to the Scheme of Arrangement between I-Ven Interactive Limited and Infomedia 18 Limited and their respective shareholders approved by High Court vide its order dated 24th July 2009, the effective date being 25th August 2009, 123,38,112 Equity shares earlier held by I-Ven Interactive Limited had been cancelled and equivalent number of shares were issued to its respective shareholders.(Refer Note 24 of Schedule 'T')

	March 31, 2011 Rs.	March 31, 2010 Rs.
"B" Stock Options Outstanding (Refer Note 12 of Schedule 'T')		
Employee Stock options outstanding	17,011,127	*14,190,000*
Less : Deferred Employee compensation	2,977,117	*183,400*
Net Balance	14,034,010	*14,006,600*

		March 31, 2011 Rs.	March 31, 2010 Rs.
"C" Reserves and surplus			
Securities Premium account			
As per last balance sheet	679,458,130		*35,872,637*
Add : Securities Premium of I-Ven Interactive Limited accounted as per Scheme of Arrangement (Refer Note 24 of Schedule 'T')	-		*783,540,429*
Less : Utilised as per the Scheme of Arrangement (Refer Note 24 of Schedule 'T')	-		*819,413,066*
Add :Securities Premium received during the year from Rights issue of shares (Refer Note 23(i) of Schedule 'T')	-		*700,783,372*
Less : Rights Issue expenses written Off (Refer Note 23(ii) of Schedule 'T')	-		*21,325,242*
Securities Premium received during the year from ESOP	9,094,233		*-*
		688,552,363	*679,458,130*
General reserve			
As per last balance sheet	-		*1,931,209*
Add : General Reserve of I-Ven Interactive Limited accounted as per the Scheme of Arrangement (Refer Note 24 of Schedule 'T')	-		*22,655,458*
Less : Utilised as per the Scheme of Arrangement (Refer Note 24 of Schedule 'T')	-		*24,586,667*
		-	*-*
Capital Reserve			
As per last balance sheet	142,200,000		
Add : Share Application Money Forfeited (Refer Note 26 of Schedule 'T')	-		
		142,200,000	*142,200,000*
Foreign Exchange Translation reserve			
As per last balance sheet	13,247,140		*3,166,576*
Add : Net adjustments during the year	(13,247,140)		*10,080,564*
Includes addition during the year Rs. 2,124,954 and transfer to profit and loss account of Rs. 15,372,094 on sale of subsidiaries.		-	*13,247,140*
		830,752,363	*834,905,270*
"D" Secured Loans			
From Banks :			
Long Term			
- Term Loans	110,006,687		*250,294,783*
Term Loans include instalments payable within one year Rs.18,000,000 *(2009-2010 : 141,071,420)*			
Short Term			
- Working Capital Demand Loans	-		*50,000,000*
- Cash Credit Facilities	99,012,368		*98,756,954*
Interest accrued and due on Term Loan	1,574,178		*4,159,177*
Interest accrued and due on Cash Credit	1,200,000		*-*
(For Securities given, Refer Note 7 of Schedule 'T')		211,793,233	*403,210,914*
"E" Unsecured Loans(Short Term)			
Inter Corporate Deposit from Holding Company	-		*180,000,000*
Interst Accrued and due on Inter Corporate Deposit (Television Eighteen India Limited - the holding company) (Refer Note 17 of Schedule 'T')	-		*49,480,562*
(Maximum amount outstanding at any time during the year Rs. 265,000,000 *(2009-2010 : 585,000,000)*)		-	*229,480,562*
"F" Deferred Tax Liabilities (Refer Note 11 of Schedule 'T')			
Deferred Tax Liabilities			
On account of timing differences on :			
Depreciation		12,855,897	*16,433,330*
		12,855,897	*16,433,330*

"G" Fixed Assets

(Amount in Rs.)

	Gross Block				Depreciation, Amortisation and Impairment					Net Block	*Net Block*
	Cost as at 01.04.2010	Additions	Deductions	Cost as at 31.03.2011	As at 01.04.2010	For the Year	On Deduction	Impairment Provision Reversal	As at 31.03.2011	As at 31.03.2011	*As at 31.03.2010*
	(Refer note b)				(Refer note b)						
Tangible Assets											
Land-freehold	40,000	-	-	40,000	-	-	-	-	-	40,000	*40,000*
Land -leasehold	1,873,125	-	-	1,873,125	780,472	31,219	-	-	811,691	1,061,434	*1,092,653*
Building	59,083,529	-	-	59,083,529	35,328,208	3,907,619	-	332,642	38,903,185	20,180,344	*23,755,321*
Ownership flats (*Refer Note* a)	23,741,895	-	-	23,741,895	5,559,342	386,993	-	-	5,946,335	17,795,560	*18,182,554*
Plant, machinery and equipment	675,978,434	5,950,592	7,048,445	674,880,581	640,373,323	7,576,713	2,129,664	4,159,547	641,660,825	33,219,756	*35,605,110*
Computer Equipment, etc.	242,216,798	24,287,406	65,743,034	200,761,170	183,663,230	14,706,486	48,490,480	-	149,879,236	50,881,934	*58,574,521*
Furniture, fixtures,electrical and office equipment	153,715,656	3,170,280	39,254,150	117,631,786	83,175,458	12,284,187	15,472,489	3,067,859	76,919,297	40,712,489	*70,543,628*
Vehicles	15,237,825	10,500,056	4,296,649	21,441,232	6,332,262	3,371,271	2,555,926	-	7,147,607	14,293,625	*8,905,562*
Intangible Assets :											
Enterprise Resource Planning Software	49,263,366	299,452	15,940,558	33,622,260	44,478,237	345,092	11,201,069	-	33,622,260	-	*4,785,129*
Goodwill On Consolidation	645,320,766	-	-	645,320,766	2,661,000	642,659,766	-	-	645,320,766	-	*642,659,766*
Goodwill	50,000	-	-	50,000	50,000	-	-	-	50,000	-	*-*
Brands and Trademarks	74,692,100	-	-	74,692,100	16,213,821	14,938,420	-	-	31,152,241	43,539,859	*58,478,279*
Total	1,941,213,494	44,207,786	132,282,836	1,853,138,444	1,018,615,353	700,207,766	79,849,628	7,560,048	1,631,413,443	221,725,001	*922,622,523*
March 31, 2010	*1,952,649,701*	*66,575,908*	*77,508,168*	*1,941,717,441*	*1,153,782,440*	*77,712,437*	*52,399,959*	*160,000,000*	*1,019,094,918*		
Advances on capital account and capital work in progress, at cost										6,247,098	*9,699,082*
Total										227,972,099	*932,321,605*

(a) Cost Includes Rs. 3,500 (2009-2010: Rs. 3,500) being the face value of shares in co-operative housing societies.

(b) Opening Balance of Gross Block of Fixed Assets and Accumulated depreciation include foreign exchange translation of Rs. 503,947 (2009-2010: Rs. 940,976) and Rs. 479,565 (2009-2010: Rs. 474,620) respectively, being the translation of balances as on 01.04.2010, on the closing rate as on 31.05.2010.

		March 31, 2011 Rs.	March 31, 2010 Rs.
"H" Investments			
Long Term - Unquoted (Non Trade) :			
	6 years National Savings Certificates	5,500	*5,500*
Total Long - Term Unquoted		5,500	*5,500*
Current - Unquoted (Non Trade) :			
Nil	*(2009-2010 : 4,967,879) units of HDFC Floating Rate Income Fund* Short Term Plan - Wholesale option - Dividend Reinvestment	-	*50,080,695*
Nil	*(2009-2010 : 2,343,512) units of Reliance Medium Term Fund* Daily Dividend Plan	-	*40,063,518*
Nil	*(2009-2010 : 3,005,581) units of LICMF Income Plus Fund* Daily Dividend Plan	-	*30,055,814*
Nil	*(2009-2010 : 5,004,534) units of JM Money Manager Fund* Super Plus Plan - Daily Dividend	-	*50,071,861*
Nil	*(2009-2010 : 2,980,465) units of Kotak Floater Long Term* Daily Dividend	-	*30,042,487*
Nil	*(2009-2010 : 189,182) units of HDFC Floating Rate Income Fund* Short Term Plan - Wholesale option - Dividend Reinvestment	-	*20,003,125*
5,200,499	*(2009-2010 : 5,200,499)* units of UTI Income Interval Fund Qtr Plan Series III Inst Dividend Plan Reinvestment	52,004,987	*-*
5,162,689	*(2009-2010 : 5,162,689)* units of LIC Nomura MF Interval Fund Quarterly Plan Series II - Qtrly Dividend	51,634,116	*-*
5,000,862	*(2009-2010 : 5,000,862)* units of DSP Black Rock FMP 3M Series 30 - Dividend payout	50,008,620	*-*
Total Current-Unquoted (Non Trade)		153,647,723	*220,317,500*
Total Unquoted Investments		**153,653,223**	***220,323,000***

Investments purchased and sold during the year are as follows -

Sr. No.	Particulars	*Units* Nos	*Cost*
1	Reliance Liquid Fund - TP - IP - Daily Div	3,318,092	50,725,000
2	Reliance Interval Fund - Quarterly Series III - IP - Dividend	4,998,737	50,004,867
3	DWS Insta Cash Plus Fund - IP - Dly Div	1,989,733	20,000,000
4	DWS Treasury Fund - Cash - IP - Dly Dividend	1,990,340	20,002,317
5	LIC MF Liquid Fund - Daily Dividend	6,830,539	75,000,000
6	LIC MF Income Plus Fund - Daily Dividend	7,500,873	75,008,738
7	ICICI Prudential Liquid - Super IP - Daily Div	1,506,592	150,692,924
8	ICICI Prudential Interval Fund V - Monthly Interval - Plan A - Dividend	5,000,537	50,005,374
9	UTI Liquid Fund - Cash Plan - IP - Dly Dividend	98,092	100,000,000
10	UTI FIIF - Series 2 - Qtly Interval Plan VI - IP - Dividend	5,001,630	50,016,302
11	JM High Liquidity - I P - Daily Dividend	2,497,484	25,014,550
12	JM Money Manager Fund - Reg - Dly Dividend	7,568,740	75,772,170
13	UTI Treasury Advantage Fund - IP - Dly Dividend	49,995	50,005,967
14	Kotak Liquid - Inst Premium Plan - Daily Dividend	8,177,886	100,000,000
15	Kotak Quarterly Interval Plan - Series III - Dividend	5,000,654	50,012,537
16	HDFC Liquid Fund - Premium Plan - Daily Div	4,078,370	50,000,000
17	HDFC Cash Mgmt Fund - Treasury Advantage - WP - Dly Div	4,984,909	50,006,118
18	Birla Sun Life Cash Plus - I P - Daily Dividend	3,175,250	34,300,000
19	Birla Sun Life Savings Fund - IP - Dly Dividend	3,428,736	34,310,676
20	ICICI Prudential Flexible Income Plan - Premium - Daily Dividend	473,052	50,018,132
21	J P Morgan India Liquid Fund - Super IP - Daily Dividend	4,996,053	50,000,000
22	J P Morgan India Treasury Fund - Super IP - Daily Dividend	4,997,459	50,019,063
23	ICICI Prudential Interval Fund II - Quarterly Interval - Plan C - IP - Div	5,075,044	50,751,962
24	Religare FMP - Series IV - Plan C - Dividend	5,000,500	50,005,000
25	Axis Short Term Fund - IP - Dividend	3,066,089	30,726,500
26	JM Money Manager Fund - Super Plan - Dly Dividend	2,152,700	21,552,397
27	DSP Black Rock Liquidity Fund - IP - Dly Dividend	49,984	50,000,000
28	Birla Sun Life Cash Plus - Institutional Premium Plan - Daily Div	4,990,269	50,000,000
29	Kotak Quarterly Interval Plan - Series VII - Dividend	5,000,351	50,006,015
	Total		**1,563,956,609**

Investments purchased and sold during the year 2009-2010 are as follows -

Sr. No.	Particulars	*Units* Nos	*Cost*
1	HDFC Cash Mgmt Fund - Savings Plan - Daily Dividend	4,700,869	50,000,000
2	Reliance Liquid Fund - TP - IP - Daily Dividend	2,616,568	40,000,000
3	LIC MF Liquid Fund - Daily Dividend	2,732,216	30,000,000
4	ICICI Prudential Liquid - Inst Plus - Daily Dividend	168,755	20,000,000
5	ICICI Prudential flexible income plan	98,536	1,591,106
	Total		**141,591,106**

	Rs.	March 31, 2011 Rs.	March 31, 2010 Rs.
"I" Deferred Tax Assets (Refer Note 11 of Schedule 'T')			
On account of timing differences on :			
Provision for Leave Encashment	-		*5,833,763*
Provision for Doubtful Debts	-		*603,467*
		-	*6,437,230*
"J" Current assets, loans and advances			
Inventories			
Stores and spare parts		7,596,371	*8,980,116*
Raw Materials : Paper, inks, printing and binding materials	67,623,318		*48,440,234*
Work in progress	2,008,033		*3,778,624*
Finished Goods : Children's books and stationery products, etc.	392,138		*2,806,207*
Finished Goods :Touch Stone Gifts and Other traded goods	1,140,938		*3,492,561*
Provision for Obsolete stock	-		*(1,400,000)*
		71,164,427	*57,117,626*
		78,760,798	*66,097,742*
Sundry debtors (Refer Note 16 and 17 of Schedule 'T')			
Debts outstanding for a period exceeding six months			
Secured - considered good	7,613,608		*1,708,659*
Unsecured			
Considered good	84,984,227		*117,793,563*
Considered doubtful	74,818,737		*107,759,427*
	167,416,572		*227,261,649*
Others - considered good			
Secured	2,781,935		*842,796*
Unsecured	224,835,787		*368,130,603*
	227,617,722		*368,973,399*
Less: Provision for doubtful debts	(74,841,017)		*107,759,427*
		320,193,277	*488,475,621*
Cash and bank balances			
Cash on hand	191,671		*217,333*
Cheques on hand	4,357,421		*1,332,232*
Balances with scheduled banks :			
In current accounts	32,244,199		*69,553,664*
In deposit accounts	6,841,300		*8,136,066*
Balances with other banks :			
In current accounts	153,846		*135,768*
		43,788,437	*79,375,063*
Bank balance with other Bank includes : Municipal Co-op. Bank, Navi Mumbai. (Maximum Amount Outstanding during the year Rs.724,084(2009-2010 Rs. 428,003))			
Loans and advances (unsecured and considered good unless otherwise stated)			
Advances recoverable in cash or in kind or for value to be received	184,507,200		*225,130,458*
Security Deposits	104,011,120		*103,448,075*
MAT Credit Entitlement	-		*8,124,661*
Advance payments of Income-tax less provisions Advance Tax : Rs. 425,856,549*(2009-2010: Rs. 425,546,920)* Less: Provision for Tax : Rs. 343,647,201 *(2009-2010: Rs. 343,448,514)*	82,209,349		*82,098,406*
Advance payments of Fringe Benefit Tax ('FBT') less provisions Advance FBT: Rs. 29,614,372(2009-2010:31,193,300) Less: Provision for FBT: Rs. 29,614,372(2009-2010:29,614,371)	-		*1,578,929*
		370,727,669	*420,380,529*
		813,470,181	*1,054,328,955*

	Rs.	March 31, 2011 Rs.	March 31, 2010 Rs.
"K" Current liabilities and provisions			
Current liabilities			
Sundry creditors (Refer Note 14,16 and 17 of Schedule 'T')			
Due to Micro, Small and Medium enterprises	519,604		2,301,901
Due to Holding Company	151,401,823		189,589,475
Due to Others	290,400,097		355,423,680
Sundry Deposits	16,416,140		9,125,366
Unclaimed dividend *	2,029,543		2,340,226
Advances received from customers	299,070,013		298,335,888
Credit Balance in Bank Book	49,562,871		35,719,400
Provision for Mark To Market Adjustments	-		30,734,517
Other Liabilities	13,651,158		39,345,517
		823,051,249	962,915,970
* There is no amount due and outstanding to be credited to Investor Education and Protection Fund.			
Provisions			
Tax on proposed dividend	-		7,647,750
Provision for Rebates, returns etc.(Refer Note 10(b) of Schedule 'T')	14,358,627		10,886,086
Provision for Gratuity (Refer Note 18 of Schedule 'T')	9,318,913		18,997,534
Provision for leave encashment (Refer Note 18 of Schedule 'T')	25,972,451		25,634,413
		49,649,991	63,165,783
		872,701,240	1,026,081,753
"L" Miscellaneous Expenditure (to the extent not written off or adjusted)			
(Refer note 3(t) of Schedule 'T')			
Processing Fees			
Opening Balance		10,304,784	1,817,366
Additions during the year		-	10,340,625
		10,304,784	12,157,991
Less : Written off during the year		2,263,190	1,853,207
		8,041,594	10,304,784

	Current Year Rs.	Previous Year Rs.
"M" Other income		
Interest others- gross (tax deducted at source on interest received Rs. Nil *(2009-2010 : Nil)*)	236,409	326,553
Interest received on Fixed Deposit (tax deducted at source on interest received Rs.74,334*(2009-2010 : Rs. 5,314)*)	581,128	168,702
Dividend income from Trade investments	11,950,195	317,500
Miscellaneous receipts	11,228,438	17,613,275
Scrap Sales	17,635,874	13,860,455
Provision for printing expeses written back (Refer Note 8 of Schedule 'T')	-	72,062,162
Profit on sale of Investment	322,221	65,392
	41,954,265	104,414,039

	Rs.	Current Year Rs.	*Previous Year Rs.*
"N" Materials Consumed			
Opening Balance of Raw Material	48,440,234		*66,429,528*
Opening Balance of Work-In-Progress	3,778,624		*709,047*
Add: Purchase of Paper, inks and binding Materials	316,474,410		*244,518,324*
			311,656,899
Less:			
Closing Balance of Raw Material		67,623,318	*48,440,234*
Closing Balance of Work-In-Progress		2,008,033	*3,778,624*
Consumption of Paper, inks and binding materials		299,061,917	*259,438,041*
"O" Cost of Traded Products			
Opening Balance of Touch Stone Gifts and Other Traded products	3,492,561		*3,151,678*
Opening balance of Childrens Books and Stationery products	1,406,207		*3,189,260*
Add: Purchase for resale	805,889		*2,756,608*
			9,097,546
Less:			
Closing balance of Childrens Books and Stationery products		392,138	*1,406,207*
Closing balance of Touch Stone Gifts and Other Traded products		1,140,938	*3,492,561*
Cost of Goods Sold		4,171,581	*4,198,778*
"P" Personnel Cost			
Payments to and provisions for employees			
Salaries, wages & bonus	519,435,310		*568,818,400*
Contribution to provident and other funds, retirement benefits	30,717,184		*36,046,712*
Employee's Stock Compensation expense	9,121,643		*14,006,600*
Employees' welfare expenses	53,918,298		*50,447,120*
		613,192,435	*669,318,832*
"Q" Operating and other expenses			
Stores and spare parts consumed	16,628,265		*16,780,737*
Outwork and ancillary printing	72,162,585		*80,019,237*
Power and fuel	47,380,595		*47,379,847*
Distribution expenses	15,724,821		*19,021,046*
Postage	69,791,159		*81,640,756*
Repairs to building	799,883		*1,857,723*
Repairs and maintenance to plant and machinery	2,360,380		*1,344,503*
Other repairs and maintenance	14,031,983		*25,261,460*
Advertising and publicity	35,461,903		*131,014,644*
Marketing expenses	52,432,987		*48,081,289*
Design and Content Charges	16,751,256		*15,564,746*
Brokerage & Commission	259,113		*1,021,408*
Discounts Allowed to Customers (Refer Note 10(b) of Schedule 'T')	50,690,907		*37,398,121*
Rent	159,661,916		*133,095,569*
Rates and taxes	4,876,670		*12,722,777*
Bad debts written off	38,525		*17,685,518*
Insurance	3,697,021		*4,319,658*

	Rs.	Current Year Rs.	Previous Year Rs.
Traveling expenses	36,927,311		37,409,219
License Fees	7,353,563		6,671,043
Consultancy and professional fees	71,898,391		87,400,903
Event cost	17,847,570		33,608,682
Telephone Expenses	12,999,711		14,305,951
Loss On sale of Fixed Assets(Net)	1,238,244		18,814,120
Exchange Loss (net) (Refer Note 9 of Schedule 'T')	7,952,429		48,505,691
General expenses	76,813,015		90,933,863
		795,780,203	1,011,858,511
Auditors' remuneration			
Audit fees		3,000,619	1,957,813
Tax audit fees		300,000	403,464
Limited Review		500,000	400,000
Reimbursement of out-of-pocket expenses		-	60,204
As advisor or in any other capacity in respect of:			
Taxation matters		-	-
Company law matters		-	-
Management services		-	-
In other manner:			
Certification		75,000	50,000
		3,875,619	2,871,481
Provision for doubtful debts		11,600,000	7,664,135
Directors' fees		265,000	350,000
		811,520,822	1,022,744,127
"R" Financial Expenses			
Interest			
On Term Loans	19,865,607		36,158,736
On working capital Loans and Cash Credit Accounts	14,814,546		46,649,541
On ICD	5,379,128		59,005,205
On others	7,453,219		2,764,680
Bank Charges	3,624,058		5,981,106
		51,136,558	150,559,268
"S" Prior Period Items(Net)			
Advertising & Publicity Expenses	-		8,213,100
Less : Net Advertisement Revenue	-		4,335,745
		-	3,877,355

"T" Notes to Accounts

1. Nature of Operations:

   The Group is in the business of publishing Business Directories and Special Interest Magazines in India, Printing services, E-Publishing Services and Agency services.

2. Basis of Consolidation:

   The consolidated financial statements are related to Infomedia 18 Limited (the Company), its subsidiary companies and a joint venture company. The Company, its subsidiary companies and the joint venture company constitute the Group.

   a) Basis of Accounting:

      The consolidated financial statements have been prepared in accordance with Accounting Standard 21 (AS 21) – "Consolidated Financial Statements" and Accounting Standard 27 (AS 27) "Financial Reporting of interests in Joint Ventures", notified pursuant to Companies (Accounting Standards) Rules, 2006 ('as amended'). The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made. The accounting policies have been consistently and uniformly applied by the Group and are consistent with those used in the previous year.

      The subsidiary companies and joint venture company (which along with Infomedia 18 Limited, the parent, constitute the Group) considered in the preparation of this consolidated financial statements are:

	Name	Country of Incorporation	Percentage of Ownership interest as at 31st March, 2011	Percentage of Ownership interest as at 31st March, 2010
Subsidiary Companies:				
1.	Cepha Imaging Private Limited w.e.f. 22nd December'2005 till 31st May'2010	India	-	100%
2.	Glyph International UK Limited (Formerly Keyword Group Limited) (GIUK) w.e.f. 22nd December'2005 till 31st May'2010	UK	-	100%
3.	Keyword Publishing Services Limited w.e.f. 22nd December'2005 till 22nd September'2009 (subsidiary of GIUK)	UK	-	100%
4.	Keyword Typesetting Services Limited w.e.f. 22nd December'2005 till 22nd September'2009 (subsidiary of GIUK)	UK	-	100%
5.	Glyph International Limited (Formerly American Devices India Private Limited)(GIL)w.e.f. 1st April'2006 till 31st May'2010	India	-	100%
6.	Glyph International US LLC (Formerly Software Services LC)(GIUS) w.e.f. 1st April'2006 till 31st May'2010	USA	-	100%
Joint Venture Company:				
7.	Reed Infomedia India Private Limited w.e.f. 30th March'2006	India	49%	49%

The Company entered into a Share Purchase Agreement ('SPA') with Knowledgeworks Global Private Limited (a Cenveo Inc company) on May 4, 2010 to sell its entire equity stake in its subsidiaries which were carrying on the Publishing BPO business(E-Publishing Segment). Pursuant to the SPA, the sale of all subsidiaries has been completed during the year ended March 31, 2011. The effective date of the sale of the subsidiaries is May 31, 2010. Accordingly the operations of these subsidiaries from April 1, 2010 to May 31, 2010 have been treated as discontinued operations and the required disclosures have been made in the Note 5 and 20 below.

The difference between the proceeds from the disposal of investment in the subsidiary companies and the carrying amount of its assets less liabilities as of the date of disposal as adjusted with the unamortized goodwill and capital reserve is recognised in the consolidated statement of profit and loss as the profit or loss on the disposal of the investment in the subsidiary companies. This is also disclosed as an exceptional item (Refer Note 21(i) below).

b) Principles of consolidation:

The consolidated financial statements have been prepared on the following basis:

i. The financial statements of the Company and its subsidiary companies have been combined on a line-to-line basis by adding together like items of assets, liabilities, income and expenses. The intra group balances and intra group transactions and unrealized profits or losses have been fully eliminated. The interest in joint venture, which is in the nature of jointly controlled entity, has been consolidated by using the proportionate consolidation method.

ii. The excess of cost to the Company of investments over share of equity of subsidiary / joint venture is recognised as goodwill and excess of share of equity of subsidiary / joint venture over cost of investments is recognised as capital reserve.

iii. The results of operations of the subsidiary companies with which parent-subsidiary relationship ceases to exist are included in the consolidated statement of profit and loss until the date of cessation of the relationship. The difference between the proceeds from the disposal of investment in the subsidiary companies and the carrying amount of its assets less liabilities as of the date of disposal as adjusted with the unamortized goodwill and capital reserve is recognised in the consolidated statement of profit and loss as the profit or loss on the disposal of the investment in the subsidiary companies.

c) These consolidated financial statements are based, in so far as they are related to amounts included in respect of subsidiary companies, on the audited financial statements prepared for consolidation by each of the subsidiary companies and in so far as they are related to the amounts included in respect of the joint venture company, on the audited financial statements prepared for consolidation purposes by the joint venture company.

d) The financial statements of the Company, its subsidiary companies and joint venture company are prepared as at March 31, 2011.

3. Significant Accounting Policies

a) Basis of Accounting

The financial statements have been prepared to comply in all material respects with the Notified Accounting Standards issued by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year.

b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Fixed Assets

Fixed assets are stated at their original cost including incidental expenses related to acquisition and installation and subsequent additional cost in respect of major reconditioning expenses enhancing the standard of performance of the assets less accumulated depreciation and impairment loss if any.

Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

d) Depreciation

The Group depreciates its fixed assets as follows:

i.	Leasehold land	-	over the period of the lease on straight line method.
ii.	Furniture, Fixtures, Electrical And Office Equipment (in Leased premises)	-	over the period of the office lease on straight line method or life of the asset whichever is lower
iii.	Vehicles	-	on the written down value method at the rates specified in Schedule XIV of the Companies Act, 1956;
iv.	Other assets	-	on straight line method at the rates which are based on the useful life as estimated by the management and are equal to the rates specified in Schedule XIV of the Companies Act, 1956;
v.	Major reconditioning expenses (Included in Plant, Machinery and Equipment)	-	over a period of three years on straight line method or life of the assets whichever is lower

e) Intangibles

Software

Software is capitalised where it is expected to provide future enduring economic benefits. Capitalisation costs include license fees and costs of implementation / system integration services. The costs are capitalised in the year in which the relevant software is implemented for use. "Enterprises Resource Planning (ERP) Software" is depreciated over a period of four years on straight line basis.

Brands & Trade Marks

Costs relating to Brands & Trade Marks which are acquired, are capitalized and amortised on a straight line basis over a period of five years, as estimated by management.

f) Impairment

The carrying amount of Goodwill is reviewed at each balance sheet date. The carrying amounts of other assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

Reversal of impairment loss is recognised immediately as income in profit and loss account.

g) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the long-term investments.

h) Goodwill on consolidation

The group accounts for goodwill arising on consolidation at cost, and recognizes, where applicable, any impairment. The difference between the proceeds from the disposal of investment in the subsidiary companies and the carrying amount of its assets less liabilities as of the date of disposal is adjusted against the unamortized goodwill and capital reserve as on the date of disposal.

i) Inventories

Raw materials, components, stores and spares: Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

Work-in-progress and finished goods: Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

j) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

i. Advertising Revenues

Advertising Revenue from Business Directories is recognised in the period in which the Directories are printed and are accounted net of commission and discounts.

Advertising Revenue from Special Interest Magazines is recognised in the period in which the magazines are published and are accounted net of commission and discounts.

Advertising revenue from portal is recognized in the period in which the advertising is displayed on the portal.

ii. Subscription Revenues

Revenue recognition from subscriptions to the Group's print publications is recognised as earned, prorata on a per issue basis over the subscription period.

iii. Circulation Revenues

Circulation Revenue includes sales to retail outlets/ newsstands, which are subject to returns. The Group records these retail sales upon delivery, net of estimated returns. These estimated returns are based on historical return rates and are revised as necessary based on actual returns.

iv. Print Sales

Revenue from printing jobs is recognised on completion basis and is accounted net of taxes.

v. Traded Products

Revenue is recognised when the significant risks and rewards of ownership of the products have passed to the buyer and is stated net of taxes and discounts.

vi. Event Sale

Revenue from event sale is recognized on the completion of the event and on the basis of related service performed.

vii. E-Publishing Revenues

Revenue for projects undertaken is recognised at the time when invoice is raised as per the terms settled with the customers.

viii. Agency Commission

Revenue is recognised as per the terms of agreement with the principals, on rendering of relevant services.

ix. Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

x. Dividends

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date. Dividend from Subsidiary Companies is recognised even if same is declared after the balance sheet date but pertains to period on or before the date of balance sheet.

k) Employee Benefits

i. Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the profit and loss account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

ii. Gratuity liability is a defined benefit obligation and is charged to the profit and loss account when annual contribution is made to the Trustees of the Company's fund on the basis of the Funds' rules. The shortfall between the accumulated fund balance and the liability as determined on the basis of an independent actuarial valuation is provided for at the year-end. The actuarial valuation is done as per projected unit credit method.

Gratuity liability for Glyph International Limited (Formerly American Devices India Private Limited) and Cepha Imaging Private Limited is a defined benefit obligations and is charged to the profit and loss account and the liability as determined on the basis of an independent actuarial valuation is provided for at the year-end.

iii. Short term compensated absences are provided on the basis of estimates. Long term compensated absences in the form of Leave encashment is accrued and provided for on the basis of an actuarial valuation as at the year-end. The actuarial valuation is done as per projected unit credit method.

iv. Actuarial gains / losses are immediately taken to profit and loss account and are not deferred.

l) Voluntary Retirement Compensation

Voluntary retirement compensation is fully charged off in the year of severance of service of the employee.

m) Foreign Currency Transaction

Initial Recognition:

Foreign currency transactions are recorded in Indian Rupees by applying to the foreign currency amount, the exchange rate between the Indian Rupee and the foreign currency prevailing at the date of the transaction.

Conversion:

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences:

Exchange differences arising on the settlement of monetary and non-monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.

Forward Exchange Contracts not intended for trading or speculation purposes:

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year. Contracts open on the balance sheet date are Marked to Market (MTM) and losses if any based on the MTM valuation are provided for in the profit and loss account.

Translation of Non-integral foreign operation:

In translating the financial statements of a non-integral foreign operation for incorporation in financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; income and expense items of the non-integral foreign operation are translated at average exchange rate during the year; and all resulting exchange differences are accumulated in a “Foreign Exchange Translation Reserve” until the disposal of the net investment.

On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognised as income or as expenses in the same period in which the gain or loss on disposal is recognised.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

The Group uses Indian rupees (Rs.) as its reporting currency. The exchange difference arising on translation of financial statements of foreign Subsidiary Companies into Indian Rupees is disclosed as “Foreign Exchange Translation Reserve” under Reserves and Surplus.

n) Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the profit and loss account on a straight-line basis over the lease term.

o) Taxes on Income

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets on timing differences are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Group has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become virtually/reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Group writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Tax expenses shown in the consolidated financial statements are the aggregate of the amount of tax expense appearing in the separate financial statements of the Company, its subsidiary companies and joint venture Company.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note on Accounting for Credit Available in Respect of Minimum Alternative Tax Under The Income-Tax Act. 1961 issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal Income Tax during the specified period.

p) Segment Reporting

i. Identification of Segments:

The Group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

ii. Intersegment Transfers:

Inter segment revenues have been accounted for based on the transaction price agreed to between segments which is primarily market led.

iii. Allocation of costs:

a. Direct Revenues and direct expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

b. Revenues and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis are generally included under "Unallocated corporate expenses/ income".

c. In view of the Scheme of Arrangement('the Scheme') discussed in Note 4 below, the "Unallocated Corporate expenses/income" have been further allocated by management on the following basis:

- Indirect Revenues and Expenses allocated on appropriate basis as decided by management
- Expenses relating to Common Facilities – Allocated as agreed to by the Board of Directors of Infomedia 18 Limited and Network18 Media & Investments Limited as per paragraph 1.4 of the Scheme.
- Employees cost – Allocated as agreed to by the Board of Directors of Infomedia 18 Limited and Network18 Media & Investments Limited as per paragraph 1.6 of the Scheme.
- Unallocated Borrowings and related Interest Cost – Allocated on basis of Ratio of assets as at April 1, 2010
- Investments and related Dividend Income – Allocated as agreed to by the Board of Directors of Infomedia 18 Limited and Network18 Media & Investments Limited as per paragraph 1.6 of the Scheme.

iv. Segment policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

q) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus element in a rights issue to existing shareholders.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any, except where the result would be anti-dilutive.

r) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

s) Employee Stock Compensation Costs

Measurement and disclosure of the employee share based payment plans is done in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Guidance Note on Accounting for Employee Share Based Payments, issued by the Institute of Chartered Accountants of India. The Group measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

t) Miscellaneous Expenditure (to the extent not written off)

Processing fees paid to various lenders are amortised equally over the period for which the funds are acquired.

u) Cash and cash equivalents in the financial statements comprise of cash at bank and in hand and short-term investments with an original maturity of three months or less.

v) Derivative instruments

As per the announcement of Institute of Chartered Accountants of India on Derivative accounting, accounting for derivative contracts other than those covered under Accounting Standard 11 (AS 11) – "The Effects of Changes in Foreign Exchange Rates", are marked to market on a portfolio basis, and the net loss after considering the offsetting impact on the underlying hedge item is charged to the income statement. Net gains are ignored.

4. 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 and creditors. 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 has been approved by the shareholders and creditors (secured and unsecured) of the Company at their meetings held on February 23, 2011, convened pursuant to the directions of the Hon'ble High Court of Delhi. The Company has to file second motion application under Section 391-394 of the Companies Act, 1956 with the Hon'ble High Court of Delhi for the approval of the Scheme. 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, which is still pending. Accordingly no effect of the Scheme has been given in these consolidated financial statements for the year ended March 31, 2011.

5. As stated in Note 4 above, as per the Scheme, the Business Directories business, the New Media business and the Publishing business(together the 'Publishing' and 'Other' Segments) of the Company shall be demerged into Network 18 Media & Investments Limited from April 1, 2010 (Appointed Date) while the Printing Press business (Printing Segment) will continue to remain with the Company. The scheme shall become effective when the High Court orders approving the Scheme are filed with the Registrar of Companies. Accordingly the Business Directories business, the New Media business and the Publishing business have been considered as Discontinuing Operations and the Printing business has been considered Continuing Operations for the year ended March 31, 2011. The following statement shows the revenue, expenses, assets and liabilities of Continuing and Discontinuing operations:

(Amount in Rs. Lakhs)

Particulars	Continuing Operations for the year ended (31/03/2011)	Continuing Operations for the year ended (31/03/2010)	Discontinuing Operations for the year ended (31/03/2011)	Discontinuing Operations for the year ended (31/03/2010)	Discontinued Operations for the year ended (31/03/2011)	Discontinued Operations for the year ended (31/03/2010)	Total for the year ended 2010-2011	Total for the year ended 2009-2010
Turnover	3,920.05	4,263.14	11,305.46	7,490.13	452.61	4,193.90	15,678.11	15,947.18
Intersegment revenue elimination	-	-	-	-			1,134.98	1,028.45
Turnover net of Intersegment revenue	3,920.05	4,263.14	11,305.46	7,490.13	452.61	4,193.90	14,543.13	14,918.73
Expenses	3,696.26	4,245.62	13,987.12	12,450.70	887.00	3,704.25	18,570.38	20,400.58
Intersegment cost elimination	-	-	-	-	-	-	1,134.98	1,028.45
Expenses net of Intersegment cost	3,696.26	4,245.62	13,987.12	12,450.70	887.00	3,704.25	17,435.40	19,372.13
EBIT	223.79	17.52	(2,681.66)	(4,960.57)	(434.40)	489.65	(2,892.27)	(4,453.40)
Interest	42.71	167.39	467.43	1,311.62	1.22	26.58	511.37	1,505.59
Profit before exceptional item and tax	181.07	(149.87)	(3,149.10)	(6,272.19)	(435.61)	463.07	(3,403.64)	(5,958.99)
Exceptional item-Income/(Expense)	-	-	75.60	-	(1,155.94)	2,627.97	(1,080.34)	2,627.97
Profit before tax	181.07	(149.87)	(3,073.50)	(6,272.19)	(1,591.55)	3,091.04	(4,483.98)	(3,331.02)
Tax	34.53	3.22	-	-	53.50	5.32	88.02	8 .54
Profit after tax	146.55	(153.09)	(3,073.50)	(6,272.19)	(1,645.05)	3,085.72	(4,572.00)	(3,339.56)
	As on 31-03-2011	As on 31-03-2010	As on 31-03-2011	As on 31-03-2010	As on 31-03-2011	As on 31-03-2010	Total As on 31-03-2011	Total As on 31-03-2010
Assets	2,715.97	3,338.85	9,234.98	9,481.27	-	9,313.99	11,950.95	22,134.11
Liabilities	1,076.27	1,983.15	9,897.23	13,706.75	-	1,062.17	10,973.50	16,752.06

6. Goodwill on Consolidation (Net) comprises of:

	Name	2010-2011 (Rs.)	2009-2010 (Rs.)
Goodwill			
1.	Keyword Group Limited	158,847,276	158,847,276
2.	American Devices India Private Limited	319,801,330	319,801,330
3.	Software Services LC	171,386,377	171,386,377
4.	Reed Infomedia India Private Limited	-	-
5.	Cepha Imaging Private Limited	-	-
Total Goodwill		650,034,983	650,034,983
Less:			
Capital Reserve			
1.	Cepha Imaging Private Limited	4,714,217	4,714,217
Total Capital Reserve		4,714,217	4,714,217
Goodwill (Net)		645,320,766	645,320,766
Less: Goodwill amortised in earlier years		2,661,000	2,661,000
Goodwill impaired in earlier years		160,000,000	160,000,000
Add : Reversal of earlier impairment provision (Refer Note 21(iii) below)		(160,000,000)	(160,000,000)
Goodwill adjusted on sale of subsidiaries (Refer Note 2(a) above)		642,659,766	-
Goodwill Net		-	***642,659,766***

7. The Group has term loans; working capital demand loans and cash credit facilities with banks, which are secured by:

a) **Term Loans:**

Infomedia 18 Limited:

Axis Bank

Principal of Rs. Nil *(2009-2010 : Rs.131,250,000)*

Interest accrued and due of Rs. Nil *(2009-2010 : Rs. 2,693,132)*

The loan has been repaid during the year

Punjab National Bank

Principal of Rs. 110,006,687 *(2009-2010 : Rs.* 119,044,783*)*

Interest accrued and due of Rs. 1,574,178 *(2009-2010 : Rs.* 1,466,045*)*

- First exclusive charge/ mortgage on all immovable and moveable assets of the Company.
- Second charge on all existing fixed assets of the Company including all immovable properties of the Company.
- Corporate Guarantee given by Network18 Media & Investments Limited.
- Interest accrued and due of Rs. 1,574,178 has been duly debited by bank on April 2, 2011

b) **Working Capital Demand Loans**:

Infomedia 18 Limited:

HSBC

Principal of Rs. Nil *(2009-2010 : Rs. 50,000,000)*

Interest accrued and due of Rs. Nil *(2009-2010: Rs. Ni)*

- The loan has been repaid during the year

c) **Cash Credit Facilities**:

Infomedia 18 Limited:

Axis Bank

Principal of Rs. 99,012,367 *(2009-2010: Rs. 93,737,287)*

- Pari passu second charge on all fixed assets of the Company.
- Pari passu first charge on all current assets of the Company.
- Corporate Guarantee given by Network18 Media & Investments Limited.

8. Other income for the year ended March 31, 2011 includes Rs. Nil *(2009-2010:* 72,062,162*)* pertaining to provision no longer required for printing expenses written back.

9. The net difference in foreign exchange (i.e. the difference between the spot rates on the dates of the transactions and the actual rates at which the transactions are settled/ appropriate rates applicable at the year end) debited to Consolidated profit and loss account is Rs. 7,952,429*(2009-2010: loss Rs. 48,505,691)*.

10. Provisions and Contingencies –

a) Claims against the Group not acknowledged as debts:

i. The Group has received demands of Rs. 109,870,463 *(2009-2010: Rs. 36,404,621)* towards Income Tax for the Assessment Year 2005-06, 2006-2007, 2007-2008 & 2008-2009 and Rs. Nil *(2009-2010: Rs. 2,506,882)* for Fringe benefit Tax for Assessment Year 2006-07. The Group 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 Group has also been legally advised that the possibility of matters being decided against the Group and the demands crystallizing is not likely.

ii. Sales tax / Works Contract tax matters disputed by the Group relating to issue of applicability, allowability, etc. aggregating to Rs. 41,556,776 *(2009-2010: Rs. 4,839,279)* for the F.Y 1999-2000,2000-2001,2001-2002 and 2002-03.

iii. Third party claim relating to compensation before Monopolies and Restrictive Trade Practices Commission aggregating to Rs. Nil *(2009-2010: Rs. 20,000,000)*, net of tax Rs. Nil *(2009-2010: Rs. 13,268,000)*.

iv. Third party claim relating to Service Tax pending with Allahabad High Court aggregating to Rs. 16,993,598 *(2009-2010: Rs. Nil)*

In respect of the demands/claims described in paragraphs (i), (ii) and (iv) above, the Group has also 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.

v. Bank guarantee given to Bombay Stock Exchange ('BSE') towards issue of Equity shares on rights basis amounting to Rs. 5,000,000*(2009-2010: Rs. 5,000,000)*.

b) Provision

Provision for Rebates, Returns etc.	**2010-2011**	***2009-2010***
	(Rs.)	*(Rs.)*
Opening Balance	10,886,086	*5,697,817*
Addition during the year	32,449,696	*28,934,895*
Amount utilized during the year	28,977,155	*23,746,626*
Closing Balance	**14,358,627**	***10,886,086***

A provision is recognised for expected returns on products sold during the year based on past experience of level of returns. It is expected that most of this cost will be utilised in the next financial year. Assumptions used to calculate the provision for returns are based on current sales level and current information available about returns.

11. Deferred tax

Break up of deferred tax assets/liabilities and reconciliation of current year deferred tax is as under:

(Amount in Rs.)

Particulars	**Opening balance ***	**Adjusted on sale of subsidiaries**	**Charged/ (Credited) to P&L during the Year**	**Closing balance**
	A	**B**	**C**	**A-B+C=D**
Deferred Tax Liabilities				
Tax impact of difference between carrying amount of fixed assets in the financial statements and the income tax return	1,64,33,330	(35,11,295)	(66,138)	1,28,55,897
Total Deferred Tax Liabilities	**1,64,33,330**	**(35,11,295)**	**(66,138)**	**1,28,55,897**
Deferred Tax Assets				
Provision for leave encashment	58,33,763	(58,33,763)	-	-
Provision for gratuity	6,03,467	(6,03,467)	-	-
Total Deferred Tax Assets	**64,37,230**	**(64,37,230)**	**-**	**-**

* Includes opening balance relating to subsidiaries which were sold during the year

12. Employee Stock Option Plans (ESOP) 2004 and 2007

The Company has provided share based payment schemes to its employees. During the year ended March 31, 2011 the following schemes were in operation

Employee Stock Option Plan 2004 (ESOP 2004):

Particulars	Grant 1		Grant 2		Grant 3		Grant 4		Grant 5		Grant 6	
Date of Grant/ Board Approval	25, Oct 04		10, May 05		28, Oct 05		27, Jun 06		27, Oct 06		22, Nov 07	
No of Options Granted	164,000		100,000		155,500		17,500		18,500		38,500	
Exercise Price Per Option (Rs.)	86.85		141.45		150.8		180.5		154.05		209.85	
Revised Exercise Price vide Board approval dated February 25th 2010	10		10		10		10		10		10	
Method of Settlement	Equity		Equity		Equity		Equity		Equity		Equity	
Vesting Period	Date	Options	Date	Options	Date	Options	Date	Options	Date	Options	Date	Options
	24, Oct 05 (1 Year)	40,000	30, May 06 (1 Year & 21 days)	20,000	27, Oct 06 (1Year)	77,750	26, Jun 07 (1 Year)	8,750	26, Oct 07 (1 Year)	9,250	21, Nov 08 (1 Year)	19,250
	30, May 06 (1 year & 217 days)	60,000	30, May 07 (2 Years & 21 days)	80,000	27, Oct 07 (2 Years)	77,750	26, Jun 08 (2 Years)	8,750	26, Oct 08 (2 Years)	9,250	21, Nov 09 (1 Year)	19,250
	31, Mar 06 (1 Year & 157 days)	32,000										
	31, Mar 07 (2 Years & 157 days)	32,000										
Exercise Period	Three Years		Three Years		Three Years		Three Years		Three Years		Three Years	

This scheme (ESOP 2004) is covered under the approval of the shareholders vide their Annual General Meeting held on July 28, 2004 as modified at Extra Ordinary General Meeting held on January 20, 2005 and Annual General Meeting held on October 10, 2006 and further modified through postal ballot resolution , results whereof declared on July 15, 2010.

The details of activity under the plan are summarized below:

	Year ended March 31, 2011		*Year ended March 31, 2010*	
Particulars	No. of Shares	Weighted Average Exercise Price (Rs.)	*No. of Shares*	*Weighted Average Exercise Price (Rs.)*
Outstanding at the beginning of the year	36,750	187.17	*47,250*	*187.06*
Grant during the year	-	-	-	-
Exercised during the year	16,750	10.00	-	-
No of Options Lapsed	10,250	10.00	*10,500*	*186.66*
Outstanding at the end of the year	9,750	10.00	*36,750*	*187.17*
Exercisable at the end of the year	9,750		*36,750*	
Weighted average remaining contractual life (in years)	0.46		*1.46*	
Weighted average fair value of the options granted (Rs.)	18.76		*37.26*	

Details of exercise price for Stock Options outstanding at the end of the year are:

Year End	Range of Exercise Price (Rs.)	No. of Options Outstanding	Weighted average remaining contractual life (in years)	Weighted average exercise price (Rs.)
March 31, 2011	10	9,750	0.46	10
March 31, 2010	*150.80 to 209.85*	*36,750*	*1.46*	*187.17*

Employee Stock Option Plan 2007 (ESOP 2007):

Particulars	**Grant 1**		**Grant 2**	
Date of Grant/Board Approval	2nd April 2009		26thOctober 2010	
No of Options Granted	967,500		200,000	
Excercise Price Per Option (Rs.) (Excercise Price of 667,500 options was revised from Rs. 57.30 to Rs. 10 vide Compensation Committee approval dated February 25, 2010)	10		10	
Method of Settlement	Equity		Equity	
Vesting Period	Date	Options	Date	Options
	01, Apr 10 (1 year)	387,000	26, October 11 (1 year)	80,000
	01, Apr 11 (2 year)	290,250	26, October 12 (2 year)	60,000
	01, Oct 11 (2 year 6 months)	290,250	26, October 13 (3 year)	60,000
Exercise Period	Three Years		Three Years	

This scheme (ESOP 2007) is covered under the approval of the shareholders vide their Extra-Ordinary General Meeting held on January 10, 2008 and further modified through postal ballot resolution, results whereof declared on 7th May ,2010.

The details of activity under the plan are summarized below:

Particulars	Year ended March 31, 2011		*Year ended March 31, 2010*	
	No. of Shares	Weighted Average Exercise Price (Rs.)	*No. of Shares*	*Weighted Average Exercise Price (Rs.)*
Outstanding at the beginning of the year	911,000	10.00	-	-
Grant During the year	200,000	10.00	*967,500*	*10.00*
Exercised during the year	307,200	10.00	-	-
No of Options Lapsed	91,400	10.00	*56,500*	*10.00*
Outstanding at the end of the year	712,400	10.00	*911,000*	*10*
Exercisable at the end of the year	34,800		-	
Weighted average remaining contractual life (in years)	1.77		*2.38*	
Weighted average fair value of the options granted (in Rs.)	28.24		*.95*	

Details of exercise price for Stock Options outstanding at the end of the year are:

Year End	Range of Exercise Price (Rs.)	No. of Options Outstanding	Weighted average remaining contractual life (in years)	Weighted average exercise price (Rs.)
March 31, 2011	10.00	712,400	1.77	10.00
March 31, 2010	*10.00*	*911,000*	*2.38*	*10.00*

Details of exercise price for Stock Options outstanding at the end of the year are:

ESOP Scheme	Range of Exercise Price (Rs.)	No. of Options Outstanding	Weighted average remaining contractual life (in years)	Weighted average exercise price (Rs.)
ESOP 2004	10.00	9,750	0.46	10.00
ESOP 2007	10.00	712,400	1.77	10.00

Employee Stock Purchase Plan 2010 (ESPP 2010):

During the year, the Company had also introduced an Employee Stock Purchase Plan, 2010 (ESPP 2010) which was approved by shareholders vide postal ballot resolution, results whereof were declared on May 7, 2010. However, there has been no activity under this Scheme till balance sheet date.

Since the Company uses the intrinsic value method, the impact on the reported net profit and earnings per share by applying the fair value based method needs to be disclosed.

In March 2005 the ICAI has issued a Guidance Note on "Accounting for Employees Share Based Payments" applicable to employee based share plan, the grant date in respect of which falls on or after April 1, 2005. The said Guidance Note requires Proforma disclosures of the impact of the fair value method of accounting of employee stock compensation accounting in the financial statements. Applying the fair value based method defined in the said Guidance Note, the impact on the reported net profit and earnings per share would be as follows:

	2010-2011 (Rs.)	*2009-2010 (Rs.)*
Loss as reported	(457,200,336)	*(333,956,106)*
Less: Employee stock compensation under intrinsic value method	9,822,491	*14,006,600*
Add: Employee stock compensation under fair value method	(10,208,197)	*(648,147)*
Proforma Loss	(457,586,042)	*(320,597,653)*
Loss Per Share		
Basic		
- As reported	(9.16)	*(11.10)*
- Pro forma	(9.16)	*(10.66)*
Diluted		
- As reported	(9.16)	*(11.10)*
- Pro forma	(9.16)	*(10.66)*

The fair value of options as mentioned above was determined using the Black-Scholes. Option Pricing Model with the following assumptions:

ESOP 2004	**2010-2011**	***2009-2010***
a) Risk Free Interest Rate	7% to 7.64%	*4.44% to 6.36%*
b) Expected Dividend yield	1.4%	*4%*
c) Expected life of the option	0.12 to 0.82 Years	*0.25 to 2.33 years*
d) Expected Volatility of Share price	38.59% to 68.85%	*37.81% to 69.22 %*

ESOP 2007	**2010-2011**	***2009-2010***
a) Risk Free Interest Rate	7.35% to 7.42%	*6.14% to 6.60%*
b) Expected Dividend yield	1.4%	*4%*
c) Expected life of the option	1.0 to 2.79 Years	*2.0 to 2.75 years*
d) Expected Volatility of Share price	66.20% to 69.20%	*69.22%*

Since the intrinsic value being Rs. 9,822,491 *(2009-2010: Rs. 14,006,600)* accrual has been made towards compensation cost in the financial statements for the year ended March 31, 2011 and Rs. 700,848 *(2009-2010: Rs. Nil)* is written back upon lapse of options.

13. The Group's significant leasing arrangements are in respect of operating leases for premises (offices, residential, stores, godowns, etc.). These leasing arrangements that are mutually cancellable generally range between 11 months and 60 months. The aggregate lease rentals amounting to Rs. 159,661,916 *(2009-2010: Rs. 133,095,569)* are charged as Rent under Schedule "Q".

    The future minimum lease payments under these operating leases are as follows:

Particulars	2010-2011 (Rs.)	*2009-2010 (Rs.)*
Not later than one year	42,762,216	*127,540,701*
Later than one year but not later than five years	29,661,851	*172,260,853*
More than five years	-	-

14. The identification of Micro, Small and Medium enterprises is based on the management's knowledge of their status as at March 31, 2011. The Company has requested and received intimation from "suppliers" regarding their status as at March 31, 2011 under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, as per such intimations relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have been made.

15. Loss per share

Particulars		2010-2011 (Rs.)	2009-2010 (Rs.)
i)	Loss after taxation	(457,200,336)	(333,956,106)
ii)	Opening number of equity shares outstanding	49,570,672	19,885,103
iii)	Number of equity shares issued on Rights basis	-	29,820,569
iv)	Fair value of one equity share immediately prior to Exercise of rights on January 15, 2010	-	50.50
v)	Theoretical ex-rights fair value per share	-	40.30
vi)	Rights issue adjustment factor	-	1.25
vii)	Weighted number of equity shares	49,570,672	30,078,839
viii)	Equity shares arising on grant of stock options on ESOP (see note below)	323,950	-
ix)	Weighted number of equity shares outstanding (includes ESOP)	49,931,422	30,078,839
x)	Basic Earnings per share (Rs.)	(9.16)	(11.10)
xi)	Diluted Earnings per share (Rs.)*	(9.16)	(11.10)
xii)	Nominal value of shares (Rs.)	10	10

* These shares are anti-dilutive and are ignored in the calculation of diluted earnings per share.

16. Derivative Instruments and Unhedged Foreign Currency Exposure

Forward Contract Outstanding at the Balance sheet date.

Year	Particulars of Derivatives	Purpose
2010-2011	Sell US $ Nil	Not applicable
2009-2010	Sell US $ 5,200,000	Hedge of expected receivables against future sales.

The Indian subsidiaries of the Group had entered into options contracts in earlier years for hedging its US Dollar (USD)/GBP revenues, as stated above. Based on a Mark to Market (MTM) valuation of these options computed as on May 31, 2010 the resultant MTM loss of Rs. 917,000 has been debited to profit and loss account and disclosed as exchange gain/ loss.

The Group does not have any obligation towards these outstanding options due to the sale of its subsidiary companies effective from May 31, 2010.

Amount receivable and payable as at March 31, 2011 in foreign currency on account of the following:

Particulars	2010-2011			2009-2010		
	Rs.	Value in foreign Currency		Rs.	Value in foreign Currency	
Receivable						
Services rendered	5,482,418	USD	122,787	98,178,277	USD	2,174,973
	1,410,886	EURO	22,310	5,202,846	EURO	85,912
				52,365,239	GBP	769,737
Advance for Import of Goods/Services	1,321,612	USD	29,162	5,071,812	USD	112,357
Payable						
Import of goods	602,324	JPY	1,479,912	2,314,969	JPY	4,769,199
				72,494	USD	1,606
				50,873	EURO	840
				585,670	GBP	8,609
Services utilized	988,900	GBP	13,750	312,258	GBP	4,590
	803,700	USD	18,000	4,473,825	USD	99,110
	1,802,340	EUR	28,500	1,949,911	EURO	32,198

The above disclosures have been made consequent to an announcement by the Institute of Chartered Accountants of India in December 2005, which is applicable to the financial periods ending on or after March 31, 2006.

17. Related Parties Disclosures:

a Particulars of parties where control exists:

i.	Television Eighteen India Limited ('TV 18')	Holding company of I-Ven Interactive Limited till August 24, 2009. Holding Company of Infomedia 18 Limited from August 21, 2008 by virtue of control of Board of Directors.
ii.	Network18 Media & Investments Limited ('Network 18')	Holding company of Television Eighteen India Limited.
iii.	Cepha Imaging Private Limited (CEPHA)	Subsidiary company since December 23, 2005 till May 31, 2010
iv.	Glyph International UK Limited (Formerly Keyword Group Limited) (Keyword)	Subsidiary company since December 23, 2005 till May 31, 2010
v.	Keyword Publishing Services	Subsidiary company of Glyph International UK Limited (Formerly Keyword Group Limited) (Keyword) till September 22, 2009
vi.	Keyword Typesetting Services	Subsidiary company of Glyph International UK Limited Limited (Formerly Keyword Group Limited)(Keyword) till September 22, 2009
vii.	Glyph International Limited (Formerly American Devices India Private Limited)(ADIPL)	Subsidiary company since April 1, 2006 till May 31, 2010
viii.	Glyph International US LLC (Formerly Software Services LC)(SSLC)	Subsidiary company since April 1, 2006 till May 31, 2010

b Particulars of other parties where there have been transactions:

Key Management Personnel

Mr. Haresh Chawla - Managing Director of the Company since August 21, 2008

c Joint Venture:

Reed Infomedia India Private Limited (REED) – Joint control since March 30, 2006

d Fellow subsidiary Companies:

i. ibn18 Broadcast Limited ('ibn 18') – Fellow subsidiary since August 21, 2008
ii. TV18 Home Shopping Network Limited ('Homeshop 18') - Fellow subsidiary since August 21, 2008
iii. Viacom18 Media Private Limited ('Viacom 18')- Fellow subsidiary since August 21, 2008
iv. Network18 Publication Limited - Fellow subsidiary since August 21, 2008
v. Digital 18 Media Limited ('Digital 18') - Fellow subsidiary since August 21, 2008
vi. Web18 Software Services Limited ('Web 18') - Fellow subsidiary since August 21, 2008
vii. e-Eighteen.Com Limited (E-18.Com) - Fellow subsidiary since August 21, 2008
viii. E18, division of Network18 ('E18')- Fellow subsidiary since August 21, 2008
ix. Sports18, division of Network 18('Sports18') – Fellow subsidiary since August 21, 2008
x. IBN Lokmat News Private Limited ('IBN Lokmat') - Fellow subsidiary since August 21, 2008

e. Transaction, Account Balance etc. with Related Parties

	Subsidiary Company	Holding Company/ Group Company	Joint Venture	Key Manage-ment Personnel	Grand Total
<u>TRANSACTION</u>					
Assets					
Purchase of Fixed Assets					
IBN LOKMAT		53,048			53,048
Previous Year		-			-
Liabilities					
Inter Corporate Deposit (ICD) accepted ICD accepted-Taken during the year					
TV 18		105,000,000			105,000,000
Previous Year		*180,000,000*			*180,000,000*
ICD accepted-Repaid during the year					
TV 18		285,000,000			285,000,000
Previous Year		*405,000,000*			*405,000,000*
<u>ACCOUNT BALANCE</u>					
Assets					
Accounts Receivable(Gross of TDS)					
Digital 18		33,790,156			33,790,156
Previous Year		*33,858,828*			*33,858,828*
ibn 18		-			-
Previous Year		*5,225,000*			*5,225,000*
Network18 Publication Ltd		-			-
Previous Year		*313,802*			*313,802*
TV 18		-			-
Previous Year		*10,195,877*			*10,195,877*

	Subsidiary Company	Holding Company/ Group Company	Joint Venture	Key Manage-ment Personnel	Grand Total
Viacom 18		-			-
Previous Year		*380,000*			*380,000*
Web 18		-			-
Previous Year		*2,307,293*			*2,307,293*
Homeshop 18		487			487
Previous Year		*290,749*			*290,749*
REED			90,149		90,149
Previous Year			*85,150*		*85,150*
Liabilities					
ICD accepted					
TV 18		-			-
Previous Year		*180,000,000*			*180,000,000*
Interest payable on ICD's (Net of TDS)					
TV 18		-			-
Previous Year		*49,480,562*			*49,480,562*
Sundry Creditors					
Digital 18		-			-
Previous Year		*7,840,000*			*7,840,000*
Network 18		13,906,907			13,906,907
Previous Year		*26,865,625*			*26,865,625*
ibn 18		20,962,768			20,962,768
Previous Year		*32,091,035*			*32,091,035*
Network18 Publication Ltd		469,875			469,875
Previous Year		*188,500*			*188,500*
TV 18		151,401,827			151,401,827
Previous Year		*162,723,850*			*162,723,850*
Web 18		16,785,884			16,785,884
Previous Year		*6,252,612*			*6,252,612*
Homeshop 18		-			-
Previous Year		*59,828*			*59,828*
Viacom 18		4,375,748			4,375,748
Previous Year		*6,001,255*			*6,001,255*
E-18.com		5,366,411			5,366,411
Previous Year		*3,405,545*			*3,405,545*
E 18 a division of Network18		1,205,760			1,205,760
Previous Year		-			-
IBN Lokmat		53,048			*53,048*
Previous Year		-			-
REED			3,000,000		3,000,000
Previous Year			*3,000,000*		*3,000,000*

	Subsidiary Company	Holding Company/ Group Company	Joint Venture	Key Management Personnel	Grand Total
Income					
Sales of goods and Services					
Digital 18		42,275,975			42,275,975
Previous Year		*49,887,802*			*49,887,802*
ibn 18		12,520,000			12,520,000
Previous Year		*5,225,000*			*5,225,000*
TV 18		7,889,700			7,889,700
Previous Year		*10,195,877*			*10,195,877*
Viacom 18		1,380,000			1,380,000
Previous Year		*380,000*			*380,000*
Web 18		2,856,800			2,856,800
Previous Year		*2,314,550*			*2,314,550*
Network18 Publication Ltd		-			-
Previous Year		*285,896*			*285,896*
E18.com		120,000			120,000
Previous Year		-			-
Other Receipt / Service Charges					
Digital 18		4,869,471			4,869,471
Previous Year		*1,650,000*			*1,650,000*
Expenses					
Interest Expense on ICD's (Gross of TDS)					
TV 18		5,740,000			5,740,000
Previous Year		*59,005,205*			*59,005,205*
Interest Expense					
Network 18		2,535,057			2,535,057
Previous Year		*1,378,252*			*1,378,252*
TV 18		2,918,698			2,918,698
Previous Year		*1,318,837*			*1,318,837*
Director's Sitting Fees					
Mr. Haresh Chawla				60,000	60,000
Previous Year				*75,000*	*75,000*
Event cost					
TV 18		-			-
Previous Year		*15,398,249*			*15,398,249*
E 18 a division of Network18		2,879,610			2,879,610
Previous Year		-			-
Advertising and publicity					
E-18.com		1,878,318			1,878,318
Previous Year		*2,633,858*			*2,633,858*
ibn 18		5,785,800			5,785,800
Previous Year		*28,988,050*			*28,988,050*
Network 18		-			-
Previous Year		*898,300*			*898,300*

	Subsidiary Company	Holding Company/ Group Company	Joint Venture	Key Management Personnel	Grand Total
TV 18		1,500,000			1,500,000
Previous Year		*68,828,176*			*68,828,176*
Viacom 18		91,858			91,858
Previous Year		*5,546,275*			*5,546,275*
Web 18		4,112,768			4,112,768
Previous Year		*630,370*			*630,370*
Digital 18		-			-
Previous Year		*8,000,000*			*8,000,000*
Insurance Cost					
Network 18		81,656			81,656
Previous Year		*72,222*			*72,222*
TV 18		4,562,532			4,562,532
Previous Year		*5,721,422*			*5,721,422*
Consultancy and Professional Fees					
TV 18		436,603			436,603
Previous Year		*9,686,496*			*9,686,496*
Network 18		14,128,311			14,128,311
Previous Year		*16,248,209*			*16,248,209*
Other Operating Costs					
E-18.com		35,017			35,017
Previous Year		*516,654*			*516,654*
Homeshop 18		205,840			205,840
Previous Year		*59,828*			*59,828*
ibn 18		7,153			7,153
Previous Year		-			-
Network 18		5,392,861			5,392,861
Previous Year		*808,488*			*808,488*
TV 18		20,395,335			20,395,335
Previous Year		*10,854,422*			*10,854,422*
Web 18		10,271,903			10,271,903
Previous Year		*5,482,323*			*5,482,323*
Network18 Publication Ltd		558,478			558,478
Previous Year		*188,500*			*188,500*
Digital 18		114,739			114,739
Previous Year		-			-
Exceptional Items					
Provision for diminution in value of Investment/(Reversal of provision)	-		-		-
Previous Year	*(160,000,000)*		*12,000,000*		*(148,000,000)*
Guarantee Taken					
Network 18		850,000,000			850,000,000
Previous Year		*1,025,000,000*			*1,025,000,000*

(Also Refer Note 7 of Schedule ‘T’)

18. Employee Benefits

A Contributions to defined plan, recognised as expenses in the profit and loss account for the year are as under:

	2010-2011 (Rs.)	2009-2010 (Rs.)
Employer's Contribution to Provident Fund	18,974,373	20,603,623
Employer's Contribution to Superannuation Fund	-	24,300

	2011-2012 (Rs.)	2010-2011 (Rs.)
Expected Contribution for Gratuity for next year	6,262,496	8,066,131

B Gratuity

The Company has a defined benefit gratuity plan. The gratuity is payable to all employees of the Company at the rate of half month salary for services more than 10 years but less than 15 years, three fourth month salary for services more than 15 years but less than 20 years and one month salary for services more than 20 years with ceiling of 20 months salary. All payments are subject to minimum as required to be paid under the Payment of Gratuity Act. The annual contributions made to the Trust are invested as per the rules of the Trust. The shortfall between the accumulated fund balance and the liability as determined on the basis of an independent actuarial valuation is provided for as at the year end.

The following tables summaries the components of net benefit expense recognized in the profit and loss account and the funded status and amounts recognized in the balance sheet for the respective plan.

Profit and Loss Account

Net employee benefit expense (recognized in Employee Cost)

The present value of defined benefit obligations and related current services cost are measured using projected unit credit method with actuarial valuation being carried at each balance sheet date. The details are set out as under:

Particulars	2010-2011 Gratuity (Rs.)	2009-2010 Gratuity (Rs.)
Current service cost	6,546,431	7,125,981
Interest cost on benefit obligation	4,065,773	4,082,457
Expected return on plan assets	(3,275,647)	(2,821,208)
Net actuarial (gain) / loss recognized in the period	(3,513,847)	(2,963,446)
Past service cost	-	-
Net (benefit) / expense	3,822,680	5,423,784
Actual return / (loss) on plan Assets	663,048	642,622

Balance sheet

Details of Provision

Particulars	2010-2011 Gratuity (Rs.)	2009-2010 Gratuity (Rs.)
Defined benefit obligation / net liability	50,927,481	59,943,125
Less: Fair value of plan assets	41,608,640	40,945,592
	9,318,841	18,997,533
Less: Unrecognised past service cost	-	-
Plan assets / (liability)	(9,318,841)	(18,997,533)

Changes in the present value of the defined benefit obligation are as follows:

Particulars	2010-2011 Gratuity (Rs.)	2009-2010 Gratuity (Rs.)
Opening defined benefit obligation / net liability*	50,822,164	58,320,822
Interest cost	4,065,773	4,082,457
Current service cost	6,546,431	7,125,981
Benefits paid	(4,380,411)	(4,444,103)
Actuarial (gains) / losses on obligation	(6,126,476)	(5,142,032)
Closing defined benefit obligation / net liability	50,927,481	59,943,125

*Does not include opening balance of *Rs.* 9,120,961 relating to subsidiaries which were disposed during the year.

Changes in the fair value of plan assets are as follows:

Particulars	2010-2011 Gratuity (Rs.)	2009-2010 Gratuity (Rs.)
Opening fair value of plan assets	40,945,592	35,901,220
Expected return	3,275,647	2,821,208
Contributions by employer	4,380,411	8,845,853
Benefits paid	(4,380,411)	(4,444,103)
Actuarial gains /(losses)	(2,612,599)	(2,178,586)
Closing fair value of plan assets	41,608,640	40,945,592
Actuarial gains / (losses) recognized in the period	3,513,877	2,963,446

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	2010-2011 Gratuity %	2009-2010 Gratuity %
Group Gratuity Funds	75.71	81.52
Special Deposits with Banks	23.92	18.12
Securities	0.37	0.36

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The principal assumptions used in determining gratuity benefit obligations for the Group's plans are shown below:

Particulars	2010-2011 Gratuity %	*2009-2010 Gratuity %*
Discount rate	8.00	*8.00*
Expected rate of return on assets	8.00	*8.00*
Salary Escalation	6.00	*6.00*
Attrition Rate	3% till age of 30, 2% till age of 44 and 1% thereafter.	*3% till age of 30, 2% till age of 44 and 1% thereafter.*

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Experience Adjustments

Particulars	**2007-2008 Gratuity** (Rs.)	**2008-2009 Gratuity** (Rs.)	**2009-2010 Gratuity** (Rs.)	**2010-2011 Gratuity** (Rs.)
Experience Adjustments on plan liabilities (Gain)/Loss	(2,764,633)	3,821,667	1,443,293	(3,081,807)
Experience Adjustments on plan Assets Gain/(Loss)	(561,357)	(3,257,596)	(2,178,586)	(2,612,599)

C Leave Encashment

In accordance with leave policy, the Group has provided for leave entitlement on the basis of actuarial valuation carried out at the end of the period. The short term compensated absences are provided for on the basis of estimates. The following tables summaries the components of net benefit expense recognized in the profit and loss account and the funded status and amounts recognized in the balance sheet for the respective plan.

Profit and Loss Account

Net employee benefit expense (recognized in Employee Cost)

The present value of defined benefit obligations and related current services cost are measured using projected unit credit method with actuarial valuation being carried at each balance sheet date. The details are set out as under :

Particulars	2010-2011 Leave Encashment (Rs.)	*2009-2010 Leave Encashment (Rs.)*
Current service cost	8,994,573	*3,295,306*
Interest cost on benefit obligation	1,684,937	*1,350,901*
Expected return on plan assets	-	-
Net actuarial (gain) / loss recognized in the period	(2,759,379)	*5,330,686*
Past service cost	-	-
Net (benefit) / expense	7,920,131	*9,976,893*

Balance sheet

Details of Provision

Particulars	2010-2011 Leave Encashment (Rs.)	*2009-2010 Leave Encashment (Rs.)*
Defined benefit obligation / net liability	25,972,452	*25,634,413*
Less: Fair value of plan assets		*-*
	25,972,452	*25,634,413*
Less: Unrecognised past service cost		*-*
Plan asset / (liability)	(25,972,452)	*(25,634,413)*
Less: Benefits paid by the Group on behalf of the fund		*-*
Assets/ (Liability) Balance	(25,972,452)	*(25,634,413)*

Changes in the present value of the defined benefit obligation are as follows:

Particulars	2010-2011 Leave Encashment (Rs.)	*2009-2010 Leave Encashment (Rs.)*
Opening defined benefit obligation / net liability*	23,858,992	*21,543,251*
Interest cost	1,684,937	*1,350,901*
Current service cost	8,994,573	*3,295,306*
Benefits paid	(5,806,671)	*(5,885,732)*
Actuarial (gains) / losses on obligation	(2,759,379)	*5,330,686*
Closing defined benefit obligation / net liability	25,972,452	*25,634,412*

* Does not include opening balance of Rs. 1,775,420 relating to subsidiaries which were disposed during the year.

19. Going Concern

a) Group

The Group has incurred a loss of Rs. 457,200,336 *(2009-2010: Loss of Rs. 333,956,106)* during year ended March 31, 2011 and the accumulated losses of the Group as at March 31, 2011 are Rs. 1,239,321,654 *(2009-2010: Rs. 797,493,412)*. During the year 2009-10, the Group has raised equity vide rights issue, amounting to Rs. 998,989,062 to augment the equity in the Group. The unutilized funds from the Rights issue as at March 31, 2011 are Rs. 109,454,000. The Parent Company has also given support letter to extend any financial support, which may be required by the Group. The Group is in the process of restructuring its business as described in Note 4 above. The Group's Printing Press business may also be sold off. In the event that the assets of the Printing Press business are sold off, the Group shall consider starting a new line of business in the Company out of the resulting cash. The Group 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 ended March 31, 2011. Management has assessed and confirmed that considering these factors the Group shall continue to be a going concern and hence, these financial statements have been prepared on a going concern basis.

b) Joint Venture

The net-worth of the Joint Venture Company, Reed Infomedia India Private Limited ('Reed' or 'JV') has been completely eroded as at March 31, 2011. Reed Elsevier Overseas B.V ("REOBV"), the holding company of the JV has communicated to the Company, the 49% shareholder, in their meeting held on March 25, 2009 their intention not to provide any further financial support to the JV to meet the JV's obligations. REOBV and the Company are in the process of terminating the shareholders agreement dated December 13, 2005, to wind up and liquidate the JV. Consequently, the JV Management decided to discontinue the JV's operations and the employment of the personnel hired by the JV were terminated. Thereafter, the JV does not have definite business plans. Accordingly, the financial statements of the JV have been prepared assuming the JV will not continue as a going concern and accordingly, fixed assets of the JV have been stated at lower of written down value and net realisable value, and current assets and liabilities are stated at the values at which they are realisable / payable.

20. Segmental Information for the year ended March 31, 2011

Information about Primary Business Segments

(i)

	Continuting Operations		Discontinuing Operations		Discontinued Operations		Discontinuing Operations		Eliminations		Consolidated	
	Printing	Printing	Publishing	Publishing	E-publishing	E-publishing	Others	Others			Total	
	March31,2011	March31,2010	March31,2011	March31,2010	March31,2011	March31,2010	March31,2011	March31,2010	March31,2011	March31,2010	March31,2011	March31,2010
REVENUE												
External Revenue	278,506,068	323,469,000	1,053,783,699	685,961,652	45,260,480	419,390,094	76,762,316	58,715,307	-	-	1,454,312,563	1,487,536,053
Prior Period Revenue	-	-	-	-	-	-	-	4,335,745	-	-	-	4,335,745
Inter Segment Revenue	113,498,324	102,844,527	-	-	-	-	-	-	(113,498,324)	(102,844,527)	-	-
Total Revenue	392,004,393	426,313,527	1,053,783,699	685,961,652	45,260,480	419,390,094	76,762,316	63,051,052	(113,498,324)	(102,844,527)	1,454,312,563	1,491,871,798
RESULT												
Segment Result	22,364,443	1,708,560	(306,835,079)	(488,954,425)	(43,439,605)	48,951,398	25,593,119	(7,857,765)	-	-	(302,317,123)	(446,152,232)
Unallocated Corporate Expenses	-	-	-	-	-	-	-	-	-	-	-	-
net of Unallocated Income												
Operating Profit /(Loss)	22,364,443	1,708,560	(306,835,079)	(488,954,425)	(43,439,605)	48,951,398	25,593,119	(7,857,765)	-	-	(302,317,123)	(446,152,232)
Interest Expenses	(4,271,318)	(16,739,268)	(43,471,334)	(122,300,877)	(121,871)	(2,658,165)	(3,272,036)	(8,860,958)	-	-	(51,136,558)	(150,559,268)
Interest Income, Dividend,												
Income from Investments, etc. (net)	14,592	44,061	12,043,672	721,414	-	13,489	1,031,672	33,791	-	-	13,089,937	812,755
Add/ Less: Exceptional Items-(Expense)/Income	-	-	7,560,048	-	(115,594,260)	262,797,026	-	-	-	-	(108,034,212)	262,797,026
Taxation for the year	3,452,577	322,474	-	-	5,349,803	531,912	-	-	-	-	8,802,380	854,386
Net Profit /(Loss)	14,655,140	(15,309,121)	(330,702,693)	(610,533,888)	(164,505,538)	308,571,836	23,352,755	(16,684,933)	-	-	(457,200,336)	(333,956,106)

20 (ii) Segmental Balance Sheet as on 31.03.2011

	Continuting Operations		Discontinuing Operations		Discontinued Operations		Discontinuing Operations		Consolidated	
	Printing	Printing	Publishing	Publishing	E-publishing	E-publishing	Others	Others	Total	
	March 31,2011	March 31,2010	March 31,2011	March 31,2010	March 31,2011	March 31,2010	March 31,2011	March 31,2010	March 31,2011	March 31,2010
Segmental Assets	271,597,358	333,885,446	917,243,514	931,454,886	-	931,398,593	6,254,631	16,671,867	1,195,095,504	2,213,410,792
Unallocated Corporate Assets	-	-	-	-			-	-	-	-
Total Assets	271,597,358	333,885,446	917,243,514	931,454,886	-	931,398,593	6,254,631	16,671,867	1,195,095,504	2,213,410,792
Segmental Liabilities	107,627,385	198,314,529	989,069,212	1,354,389,931	-	106,216,609	653,774	16,285,494	1,097,350,371	1,675,206,563
Unallocated Corporate Liabilities	-	-	-	-			-	-	-	-
Total Liabilities	107,627,385	198,314,529	989,069,212	1,354,389,931	-	106,216,609	653,774	16,285,494	1,097,350,371	1,675,206,563
Capital Expenditure	6,056,419	2,342,488	37,506,952	56,210,683	630,065	7,855,599	14,350	167,138	44,207,786	66,575,908
Unallocated Capital Expenditure										
Impairment of Goodwill/(Reversal)	-	-	-	-	-	(160,000,000)	-	-	-	(160,000,000)
Impairment of Assets/(Reversal)	-	-	(7,560,048)	-	-	-	-	-	(7,560,048)	-
Depreciation	8,652,308	19,375,128	44,583,356	39,641,148	2,237,495	16,809,803	2,074,100	1,886,359	57,547,259	77,712,438
Unallocated Depreciation										
Non - cash expenses other than Depreciation/(Reversal)	1,320,868	15,638,593	22,001,748	80,201,040	-	-	590,430	7,928,541	23,913,046	103,768,174
Unallocated Non - Cash Expenses/ (Reversal)										

Information about secondary Geographical segments

	March 31, 2011	March 31, 2010
1 Segment Revenue (Including prior period revenue)		
-Within India	1,395,998,900	938,530,873
-Outside India	58,313,663	553,340,925
Total Segment Revenue	1,454,312,563	1,491,871,798
2 Segment Assets		
-Within India	1,195,095,504	1,989,842,927
-Outside India	-	223,567,865
Total Assets	1,195,095,504	2,213,410,792
3 Capital Expenditure		
-Within India	44,207,786	66,476,330
-Outside India	-	99,578
Total Capital Expenditure	44,207,786	66,575,908
4 Unallocated Corporate Assets		
-Within India	-	-
-Outside India	-	-
Total Unallocated Corporate Assets	-	-
5 Total Revenue (Including prior period revenue)		
-Within India	1,437,953,078	1,042,944,912
-Outside India	58,313,784	553,340,925
Total Revenue	1,496,266,862	1,596,285,837

Note: The Group has disclosed Business Segments as the primary segments. Publishing includes publishing of Business Directories and Special Interest Publications. Printing Segment includes the primary business segment of printing and 'Touchstone' products. Others include agency service for Alibaba.Com and Others. E-publishing business includes services for typesetting, artwork and production services to various publishers.

The geographical segments considered considered for disclosures are : (a) Within India (b) Outside India

21. Exceptional items:

i) As per Share Purchase Agreement ('SPA') with Knowledgeworks Global Private Limited (a Cenveo Inc company) on May 4, 2010, the Company has sold its entire equity stake in its four subsidiaries. The net loss on the sale of these subsidiaries amounting to Rs. 115,594,260 has been disclosed as an Exceptional item in the financial statements for the year ended March 31, 2011.

ii) Excess impairment provision in respect of fixed assets held at leased office amounting to Rs. 7,560,048 has been reversed during the year which has been disclosed as an Exceptional item in the financial statements for the year ended March 31, 2011.

iii) The Company entered into a Share Purchase Agreement ('SPA') with Knowledgeworks Global Private Limited, a Cenveo Inc. company, in May 2010 to sell its entire equity stake in its four subsidiaries carrying on the Publishing BPO business. In the year 2008-2009, the Company had made a provision of Rs. 160,000,000, for impairment in the value of Goodwill. Considering the sales consideration to be received as per the SPA, the Company was of the view that the provision made of Rs. 160,000,000 was no longer required and hence the same had been reversed during the previous year ended March 31, 2010. This amount had been disclosed as an exceptional item for the year ended March 31, 2010.

iv) The Indian subsidiaries of the Group had entered into options contracts in earlier years for hedging its US Dollar (USD)/GBP revenues. Based on a Mark to Market (MTM) valuation of these options computed as on March 31, 2010 the resultant MTM reversal of loss of Rs. 102,797,026 was disclosed as an Exceptional item for the year ended March 31, 2010.

22. Barter Transactions

Barter transactions are recognised at the fair value of consideration receivable or payable. When the fair value of the transactions cannot be measured reliably, the revenue/expense is measured at the fair value of the goods/services provided/received adjusted by the amount of cash or cash equivalent transferred. During the year ended March 31, 2011, the Company had entered into barter transactions, which were recorded at the fair value of consideration receivable or payable. The profit and loss account for the year ended March 31, 2011 has been grossed up to reflect revenue from barter transactions of Rs. 33,184,369 *(2009-2010:Rs. 46,123,298)* and expenditure of Rs. 33,184,369 *(2009-2010:Rs 46,123,298)* being the fair value of barter transactions provided and received.

23. i) During the year 2009-10, the Company has made an issue of equity shares on rights basis in the ratio three equity shares for every two equity shares held on the record date. The rights issue consisted of 29,827,655 equity shares issued at a premium of Rs. 23.50 per equity share aggregating to *Rs.* 998,989,062. The issue opened on December 29, 2009 and closed on January 15, 2010 and was fully subscribed.

ii) The Company has incurred expenses of Rs. Nil (2009-2010: Rs. 21,325,242) in connection with the rights issue of its equity shares. This amount has been set off against the share premium arising from the issue of shares on rights basis as permitted under section 78 of the Companies Act, 1956.

iii) The Company has utilized an aggregate sum of Rs. 889,535,062 towards the purposes as stated in the prospectus filed for the offer of shares on rights basis, from the proceeds of the rights issue of equity shares of Rs. 33.50 each. The unutilized funds of Rs. 109,454,000 are deployed in Liquid Mutual Funds disclosed as Current Investments in the Balance sheet.

24. Hon'ble High Court of Bombay had approved the Scheme of Arrangement ('the Scheme') between I-Ven Interactive Limited ('I-Ven'), Infomedia 18 Limited and their respective shareholders vide its order dated 24th July 2009. The Scheme was effective from 25th August 2009 on filing the copies of the order of the Hon'ble High Court with the Registrar of Companies. Accordingly I-Ven was merged with Infomedia 18 Limited on the effective date. Further pursuant to the Scheme, the Company has extinguished 12,338,112 Equity Shares held by I-Ven and equivalent number of shares have been issued by the Company to the shareholders of I-Ven in the swap ratio of 96.076:100. Upon the scheme becoming effective, the Company has recorded I-Ven Undertaking vested in it pursuant to the Scheme, at the respective book values as appearing in the financial statements of I-Ven as on the effective date, in accordance with "The Pooling of Interest" method as prescribed under Accounting Standard – 14 issued by The Institute of Chartered Accountants of India. The Company has credited to its Share Capital Account, the aggregate face value of the new equity shares issued on amalgamation

to the shareholders of I-Ven. The Company has recorded the balances in the share premium and the general reserve of I-Ven in the same form and at the same values as they appeared in the financial statements of I-Ven immediately preceding the effective date. The aggregate of the excess/deficit of the value of assets over the value of liabilities of I-Ven vested in the Company, and the differential between the value of the investment in the equity share capital of the Company appearing in the books of accounts of I-Ven and the face value of the equity share capital of the Company held by I-Ven, has been debited to following accounts in the under-mentioned sequence: balance in security premium account, balance in general reserve account and balance in profit and loss account.

25. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 3,010,655 *(2009-2010: Rs. 17,293,874)*

26. The Company had issued 5,000,000 and 1,000,000 preferential Equity Warrants to Television Eighteen India Limited and India Advantage Fund II respectively, convertible into equity shares at an exercise price of Rs. 237/- per equity share. The Convertible warrants were issued as per Chapter XIII of SEBI Guidelines on preferential basis and each warrant was convertible into one equity share within a period of eighteen months from the date of allotment i.e. January 30, 2008. The amount received from the above parties was Rs. 142,200,000 representing 10% of the total value of convertible warrants as per the terms of issue the investors were required to pay balance 90% at the time of conversion of said warrants into equity. Further in case the investors do not opt for conversion of the warrants, the upfront amount so paid would stand forfeited by the Company and all the rights attached to the warrants lapse automatically.

    However, none of the warrant holders exercised the option to convert any of the aforesaid warrants till the last date of conversion (within 18 months from the date of allotment). Accordingly, during the year the Company forfeited the amount of Rs. 142,200,000 paid on the warrants due to non-exercise of the option by the warrant holders. This amount has been transferred from Share Application money account and credited to Capital Reserve Account during the year ended March 31, 2010.

27. Particulars of Joint Venture Company – Reed Infomedia India Private Limited consolidated through the proportionate consolidation method – (Amount in Rupees.)

a) Sundry Debtors Rs.

Sundry Debtors	As at 31.03.2011	*As at 31.03.2010*
(Unsecured)		
Debts Outstanding For a Period More Than Six Months		
- Considered good	-	-
- Considered doubtful	-	-
Other Debts		
- Considered good	1,470,000	*1,470,000*
- Considered doubtful	3,968,973	*3,991,253*
Less : Provision for doubtful debtors	3,991,253	*3,991,253*
	1,447,720	*1,470,000*

(b) Cash and Bank Balances Rs.

Cash and Bank Balances	As at 31.03.2011	*As at 31.03.2010*
Cash In Hand	-	-
Cheques On hand	-	-
Balances with Scheduled Banks in:		
- Current Accounts	86,232	*203,790*
	86,232	*203,790*

(c) **Loans and Advances** Rs.

Loans and Advances	As at 31.03.2011	*As at 31.03.2010*
(Unsecured and considered good, unless otherwise stated)		
Advances Recoverable in Cash or in Kind or for Value to be Received	-	-
Deposits	-	-
Balance with Excise Authorities	-	-
Advance tax/ Tax Deducted At Source	16,892	-
	16,892	-

(d) **Current Liabilities and Provisions** Rs.

Current Liabilities	As at 31.03.2011	*As at 31.03.2010*
Sundry Creditors		
a) Micro and Small Enterprises	-	-
b) Others	627,756	*601,916*
Security Deposit	8,820	*8,820*
Advance From Customers	-	-
Temporary Book Overdraft	-	-
Other Liabilities	1,888	*114,875*
	638,464	*725,611*
Provisions	-	-
	638,464	*725,611*

(e) **Sales** Rs.

Sales	For the year ended March 2011	*For the year ended March 2010*
Advertisement Revenue	-	-
Magazine Subscription	-	*89,577*
Circulation Revenue	-	-
Event Sales	-	-
	-	*89,577*

(f) **Other Income** Rs.

Other Income	For the year ended March 2011	*For the year ended March 2010*
Profit on Sale of Fixed Assets	-	*90,724*
Other Income	14,443	*1,965,499*
	14,443	*2,056,223*

(g) Employee Costs

Employee Costs	For the year ended March 2011	*For the year ended March 2010*
Salaries, Allowances and Incentives	-	*527,923*
Contribution to Provident and Other Funds	-	*11,538*
	-	*539,461*

(h) Administration and Other Expenses

Administration and Other Expenses	For the year ended March 2011	*For the year ended March 2010*
Rates and taxes	-	*8,996*
Communication	16,214	*63,505*
Legal and Professional Fees	-	*18,370*
Advertising and Business Promotion	-	*(67,143)*
Provision for Incometax(CG)-P&L	-	*38,880*
License Fees	-	*(206,252)*
Provision for Doubtful Debts	-	*1,538,201*
Auditors' Remuneration		
- Statutory Audit	21,619	-
- Tax Audit Fees	-	-
- Other Services	-	-
- Out of Pocket Expenses	-	*62,278*
Loss on sale of Assets	-	*42,455*
General Expenses	12,410	*6,494*
	50,243	*1,505,784*

(i) Depreciation

Depreciation	For the year ended March 2011	*For the year ended March 2010*
Depreciation	-	*148,193*

28. The registered office of the Company has been shifted to 503, 504 & 507, 5th Floor, Mercantile House, 15, Kasturba Gandhi Marg, New Delhi - 110001, pursuant to confirmation by Company Law Board, Mumbai bench with effect from October 19, 2010.

29. Previous year's figures have been regrouped wherever necessary to conform with figures of the current year. Due to the sale of subsidiaries on May 31, 2010, the current year figures cannot be compared to the previous year to that extent.

As per our report of even date

For S.R. Batliboi & Associates
Firm Registration No. 101049W
Chartered Accountants

For and on behalf of the Board of Directors of Infomedia 18 Limited

per Amit Majmudar
Membership No. : 36656

Yug Samrat
Company Secretary

Haresh Chawla
Managing Director

Senthil Chengalvarayan
Director

Mumbai: May 02, 2011

Statement pursuant to Section 212 of the Companies Act, 1956, relating to subsidiary companies for the year ended 31st March 2011

Name of the Subsidiary	Cepha Imaging Private Limited	Glyph International UK Limited (Formerly Keyword Group Limited)	Keyword Publishing Services Limited*	Keyword Typesetting Services Limited*	Glyph International Limited (Formerly American devices India Private Limited)	Glyph International US LLC (Formerly Software services LC (USA))
Additional Information						**(Amount in Rs.)**
a. Capital	-	-	-	-	-	-
b. Reserves	-	-	-	-	-	-
c. Total Assets	-	-	-	-	-	-
d. Total Liabilities	-	-	-	-	-	-
e. Details of Investment (except in case of Investment in Subsidiaries)	-	-	-	-	-	-
f. Turnover	17,112,057	4,371,482	-	-	27,732,527	10,297,945
g. Profit/(Loss) before Taxation	(6,858,856)	(408,185)	-	-	(35,335,279)	507,120
h. Provision for taxation	(5,349,803)	-	-	-	-	-
i. Profit after Taxation	(12,208,659)	(408,185)	-	-	(35,335,279)	507,120
j. Proposed Dividend	-	-	-	-	-	-

Notes

1 The following exchange rates have been adopted for disclosure of additional information.

Name of the Company	Reporting Currency	Exchange Rate (Amount INR)
Glyph International UK Limited (Formerly Keyword Group Limited)	GBP £	67.88
Keyword Publishing Services Limited	GBP £	67.88
Keyword Typesetting Services Limited	GBP £	67.88
Glyph International US LLC (Formerly Software services LC (USA))	USD $	45.17

2 * These have become subsidiary of the company by virtue of Section 4(1)(c) pf the Companies Act, 1956.

3 The Annual Accounts of the subsidiary companies are available for inspection by any investor at the registered office of the Company and the respective registered offices of the subsidiaries.

For and on behalf of the Board of Directors of Infomedia 18 Limited

Mumbai: Dated: May 2, 2011	Yug Samrat Company Secretary	Haresh Chawla Managing Director	Senthil Chengalvarayan Director