

Infomedia 18 Limited

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

POSTAL BALLOT NOTICE

(Pursuant to Section 192A of the Companies Act, 1956)

Dear Shareholder(s),

NOTICE is hereby given that, pursuant to Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, Infomedia 18 Limited (the Company) proposes to obtain approval of its Shareholders for the resolutions proposed by way of Postal Ballot as given in this notice.

The Board of Directors at its meeting held on 19th January 2011 has appointed Mr. Rajiv Adlakha of M/s R. K Adlakha & Associates as Scrutinizer for conducting the voting through Postal Ballot in a fair and transparent manner. You are requested to carefully read the instructions printed on accompanying Postal Ballot Form and Notes to this notice and also ensure that the said Postal Ballot Form duly completed, in the attached self-addressed postage pre-paid envelope, reaches the Scrutinizer on or before the close of working hours on Friday, 11th March 2011.

The Scrutinizer will submit his report to the Chairman/Managing Director/ Company Secretary of the Company immediately after completion of the scrutiny and the result of voting by Postal Ballot shall be declared and displayed at the Registered Office of the Company on Friday, 18th March 2011 at 4.00 p.m.

PROPOSED RESOLUTIONS:

1. To consider and if thought fit, to pass as may be deemed fit, the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 100 and other applicable provisions of the Companies Act, 1956, and subject to obtaining such approvals, consents, permissions, and sanctions as may be required and subject to the sanction of the Scheme of Arrangement between the Company and Network 18 Media and Investments Limited and their respective shareholders and creditors under sections 391 to 394 read with Section 78 and 100 to 103 and other applicable provisions of the Companies Act, 1956, if any (hereinafter referred to as the "scheme") which has already been approved by the Board of Directors at their meeting held on July 7, 2010 and subject to confirmation of the Hon'ble High Court of Delhi (the "Court") and further subject to such conditions as may be prescribed while granting such approvals, consents, permissions, sanctions and confirmation which the Board of Directors of the Company may agree and accept, the consent and approval of the shareholders be and is hereby accorded that the aggregate of the net assets of the Demerged Undertaking standing in the books of accounts of the Company transferred to the Network18 as increased by the debit balance of Profit and Loss Account of the Company at the close of business of the day immediately preceding the Appointed Date, shall be adjusted against Capital Reserve Account and Securities Premium Account in the order specified or upto such amount as may be deemed necessary by the Board while implementing the Scheme.

RESOLVED FURTHER THAT Mr. Haresh Chawla, Managing Director, Mr. Senthil Chengalvarayan, Director, Mr. Yug Samrat, Company Secretary, Mr. Soumen Bose, Head Finance and Mr. Sachin Gupta, Authorised Signatory of the Company be and are hereby severally authorized to give such directions as they may think fit and proper, including directions for settling any questions or difficulties that may arise, prepare and finalize Form of Minutes, and to do all such acts, deeds, matters and things of whatsoever nature as they may in their absolute discretion consider necessary, expedient, desirable or appropriate and to make, agree or accept such modifications/amendments/limitations and/or conditions arising out of or by virtue of the said Scheme or as may be directed or imposed by the Stock Exchanges with whom the shares of the Company are listed and/or any other authorities and/or by the Court and which the Board of Directors consider necessary to effectively implement the said Scheme."

2. To consider and if thought fit, to pass, as may be deemed fit, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to section 61 and other applicable provisions of the Companies Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992 as amended, the regulations, rules and guidelines etc. issued thereunder and the terms of the listing agreement entered into by the Company with the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited, authority, approval and consent of the shareholders/ Company be and is hereby accorded to vary the objects intended to be funded from the proceeds of the rights issue of the Company of 2,98,20,569 Equity Shares ("Issue") as mentioned in the Letter of Offer dated December 9, 2009 issued by the Company, such that the amount of approximately Rs. 1069.10 lakhs, remaining unutilized from the specified objects of a) Upgradation of Machinery in Printing Press of the Company, b) the savings on issue expenses c) excess amount left after repayment of

Loan of Standard Chartered Bank and , d) investment in voice based and online directory and Information services, be utilized and deployed for General Corporate Purposes and that the said amount may be utilized and deployed for the said purposes up to the financial year ending March 31, 2012 and also the unutilized amount of Rs. 178.29 lakhs 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.

RESOLVED FURTHER THAT Mr. Haresh Chawla, Managing Director, Mr. Senthil Chengalvarayan, Director, Mr. Yug Samrat, Company Secretary and Mr. Soumen Bose, Head Finance of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, incidental or expedient to give effect to the above resolution."

**By order of Board
For Infomedia 18 Limited**

**Sd/-
Yug Samrat
Company Secretary**

**Place: Mumbai
Date: February 4, 2011**

Notes:

1. In terms of section 192 A of the Companies Act 1956 read with Companies (Passing of Resolution by Postal Ballot) Rules, 2001, and with a view to encourage participation of all Shareholders of the Company in passing of the resolution(s), the items of businesses set out in the notice above are proposed to be passed by way of a Postal Ballot.
2. Shareholders desiring to exercise vote by postal ballot may complete the enclosed Postal Ballot Form (in original) and send it to the Scrutinizer in the attached self-addressed prepaid postage envelope. Envelopes containing postal ballots, if sent by courier at the expenses of the Shareholder will also be accepted.
3. The Company has appointed Mr. Rajiv Adlakha of M/s R. K Adlakha & Associates as Scrutinizer for conducting the Postal Ballot voting process in a fair and transparent manner.
4. **The Shareholders are requested to carefully read the instruction printed on the attached Postal Ballot Form. The Postal Ballot Form duly completed and signed should be forwarded to the Scrutinizer appointed by the Company, so as to reach the Scrutinizer not later than the close of working hours of Friday, 11th March 2011. For this purpose, a self-addressed postage pre-paid envelope is enclosed herewith. Please note that any response received from the Shareholders after 11th March 2011 shall be treated as if no response has come from a Shareholder in terms of Rule 5(f) of the Companies (Passing of Resolution by Postal Ballot) Rules, 2001. Accordingly Shareholders are requested to send duly completed Postal Ballot Forms well before the above said date providing sufficient time for postal transit.**
5. Voting rights shall be reckoned on proportionate basis of the paid up value of shares registered in the name of Shareholders on closing hours of 28th January 2011.
6. The Scrutinizer, after completion of scrutiny, will submit his Report to the Chairperson/Managing Director/Company Secretary of the Company. The results of Postal Ballot will be declared and displayed by the Chairperson, the Managing Director or the Company Secretary of the Company on **Friday, 18th March 2011 at 4:00 p.m.** at the Registered Office of the Company. In the event of the draft resolution is assented to by requisite majority of Shareholders, the date of declaration of result shall be deemed to be the date of passing of the said resolution.
7. The Scrutinizer's decision on the validity of Postal Ballot shall be final.
8. Explanatory statement and reasons for the proposed resolutions pursuant to section 173(2) read with Section 192A of the Companies Act, 1956 is enclosed herewith.

EXPLANATORY STATEMENT AND REASONS FOR THE PROPOSED RESOLUTIONS PURSUANT TO SECTION 173(2) READ WITH SECTION 192A OF THE COMPANIES ACT, 1956.

In respect of Item No. 1 of the Notice

Your Company has entered into a scheme of arrangement (the "Scheme") with Network 18 Media & Investments Limited (Network18), wherein publishing and other businesses of your Company (including publication of business directories, yellow pages and city guides and publication of special interest publications/ magazines, search business including properties such as www.askme.in and www.burrrp.com) except the printing business would be transferred to and housed in Network18. The proposed arrangement is expected to generate synergies and also bring about desired amount of management focus on the respective business and unlock value for its stakeholders and all concerned.

Clause 8 of the Scheme interalia provides that the aggregate of the net assets of the Demerged Undertaking standing in the books of accounts of the Company transferred to the Resulting Company as increased by the debit balance of Profit and Loss Account of the Company at the close of business of the day immediately preceding the Appointed Date, shall be adjusted against Capital Reserve Account and Securities Premium Account. Such reduction of capital (capital reserves/ securities premium account) forms an integral part of the Scheme and should be read in the context of whole Scheme and not on standalone basis.

In accordance with the provisions of Sections 78 and 100 of the Companies Act, 1956, reduction of share capital and reduction of securities premium account requires approval of the shareholders by way of a special resolution.

For the sake of clarity, it is specified that such reduction of capital (capital reserves/ securities premium account) does not involve either diminution of liability in respect of unpaid capital or payment to any shareholder of any amount paid in respect of shares issued, hence the interest of the creditors of the Company are not affected in any way. The proposed adjustment would not in any way adversely affect the ordinary operations of the Company or the ability of the Company to honour its commitments or to pay all its debts in the ordinary course of business.

Further, Article 55 of the Articles of Association of the Company permits the Company to reduce its share capital. Such reduction of share capital will be subject to the Approval of the Hon'ble High Court of Delhi as part of the Scheme or otherwise.

The aforesaid Scheme is being placed for consideration of the equity shareholders of the Company at their meeting scheduled to be held on February 23, 2011, as per the directions of the Hon'ble High Court of Delhi, vide its order dated January 17, 2011, however as a part of good corporate governance practice, your approval is separately sought by voting through postal ballot in terms of the provisions of Section 192A of the Companies Act, 1956 read with the provisions of the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001. Notice of the said court convened meeting along with the Scheme has already been sent to all the shareholders separately. The Scheme is also available at the Registered Office of the Company for inspection on any working day (except Saturday) from 11.00 a.m. to 3.00 p.m. and also available at the website of the Company (www.infomedia18.in).

Your Directors recommend this Special Resolution for the approval of the shareholders.

None of the Directors of the Company is in any way concerned or interested in the said Resolution except to the extent of their shareholding in the Company.

In respect of Item No. 2 of the Notice

Your Company raised Rs. 99.89 Crores through the Rights Issue vide the Letter of Offer dated December 9, 2009 and allotted 2,98,20,569 Equity Shares of Rs. 10/- each, at a price of Rs. 33.50/- per share including a premium of Rs. 23.50/- per equity share, offered in the ratio of three Equity Share for every two Equity Shares held ("Issue").

However, there has been an amount of about Rs.1247.39 lakhs remaining unutilized from the objects of the Issue as detailed below:

Amount (Rs. In Lacs)

Objects for which funds raised	Amount as per Letter of Offer	Amount already utilised upto 31.12.10	Balance unutilized amount
Expansion of Call Centre	120.00	57.09	62.91
Upgradation of Machinery in Printing Press	385.00	0	385.00
Acquisition in voice based and online directory and Information services	1000.00	337.12	662.88
Working Capital	659.68	659.68	0
<u>Repayment of Loans:</u>			
- Standard Chartered Bank	2430.00	2410.71	19.29
- Television Eighteen India Limited	4050.00	4050.00	0
Investment in Brand Building initiative	445.00	335.34	109.66
General Corporate Purposes	700.00	694.28	5.72
Issue Related Expenses	200.00	198.07	1.93
Total	9989.68	8742.29	1247.39

The management has been evaluating various propositions for the printing press division of the Company including its outright sale and reorganization and/or transferring the Company's print business undertaking to a separate entity that would pave the way for investments in modernization of the press, and inducting a strategic partner who could provide dedicated support to the Company. Accordingly management has decided that it is not appropriate at this juncture to spend money on upgradation of the machinery at printing press and the said funds are proposed to be utilized for general corporate purposes. Further management could not identify any suitable opportunity for investment in voice based and online directory and Information services and such funds are also proposed to be utilized for general corporate purposes.

It is also proposed that the savings on issue expenses and excess amount left after repayment of Loan of Standard Chartered Bank may also be used for the general corporate purposes.

Funds raised for the purposes of (i) Expansion of Call Centre, (ii) Investment in Brand Building initiative and (iii) General Corporate Purposes, as mentioned in above table, are not likely to be fully utilized in fiscal 2010 as mentioned in Letter of Offer. Accordingly it is proposed that such funds may be utilized for the respective purposes by March 31, 2012.

Hence, in order to enable the Company to utilize the unutilized portion of the Rights Issue proceeds more effectively, the Board of Directors proposed to vary the objects as mentioned in the Letter of Offer to use the unutilized funds for General Corporate Purposes and also extend the time for its utilizations as explained above. Such variation in the terms mentioned in the Letter of Offer would require approval of the shareholders pursuant to Section 61 of the Companies act, 1956. Hence, the Board of Directors recommends the resolution for the approval of the shareholders.

None of the Directors of the Company is in any way concerned or interested in the said Resolution except to the extent of their shareholding in the Company.

**By Order of the Board of Directors
For Infomedia 18 Limited**

**Place: Mumbai
Dated: February 4, 2011**

**Sd/-
Yug Samrat
Company Secretary**

Infomedia 18 Limited

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

POSTAL BALLOT FORM

1. Name & Registered address of
the Sole/First named Member
(in block Letters) :

2. Name of the joint Members(s), if any :

3. Registered Folio No. /
DP ID No. & Client ID No.*
(*Applicable to members holding
shares in dematerialized form)

4. Number of Shares held :

5. I/We hereby exercise my/our vote in respect of the Resolutions proposed through Postal Ballot for the businesses stated in the Postal Ballot Notice of the Company dated February 4, 2011 by conveying my/our assent or dissent to said Resolutions by placing the tick (✓) mark at the appropriate box below:

(tick in both the boxes would render your Ballot invalid for the respective resolution(s))

Sr. No.	Description	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1	Special Resolution for reduction of capital(capital reserves/ securities premium account) pursuant to Scheme of Arrangement		
2	Ordinary Resolution for variation in objects for utilisation of the Rights Issue proceeds and extension of time for utilization of the same		

Place:

Date:

Signature of the Shareholder / Beneficial Owner
(Refer instruction No. 4 given overleaf)

Note: Last date for receipt of Postal Ballot Forms by the Scrutinizer is 11th March 2011.

Please read the instructions overleaf carefully before completing the Ballot Form.

INSTRUCTIONS

1. A Shareholder desiring to exercise vote by Postal Ballot may complete this Postal Ballot Form and send it directly to the Scrutinizer in the attached preprinted self addressed envelope. No postage is required to be paid by the Shareholder as the prepaid self addressed postal envelope is enclosed. Envelope containing Postal Ballots, if sent by courier/registered post at the expense of the registered Shareholder, will also be accepted.
2. A (✓) mark should be placed in the relevant box signifying assent/dissent for the resolution, as the case may be. Incomplete or unsigned Postal Ballots will be rejected. Tick in both the boxes would render your Ballot Form invalid. Please note that (X) mark or any other mark other than (✓) in the box signifying assent or dissent shall be deemed as if no mark has been placed and the box is left blank.
3. Duly completed Postal Ballot Form should reach the Scrutinizer not later than the close of working hours on Friday, 11th March 2011. For this purpose, a self-addressed postage pre-paid envelope is enclosed herewith. Please note that any response received from the Shareholders after 11th March 2011 shall be treated as if no response has come from a Shareholder in terms of Rule 5(f) of the Companies (Passing of Resolution by Postal Ballot) Rules, 2001. Accordingly Shareholders are requested to send duly completed Postal Ballot Forms well before the above said date providing sufficient time for postal transit.
4. This form should be completed and signed by the Shareholder. In case of joint holdings, this form should be completed and signed (as per the Specimen Signature registered with the Company) by first named Shareholder and in his absence, by the next named Shareholder. In case of other than individual shareholders, this form should be signed by an authorized signatory whose signature is already registered with the Company.
5. In case of shares held by Companies, Trust, Societies etc., duly completed Postal Ballot Form should also be accompanied by a certified copy of the Board Resolution/Other Authority together with the attested specimen signatures of the duly authorized person exercising the voting by Postal Ballot.
6. If any extraneous paper is found in such envelop the same would not be considered by the Scrutinizer and would be destroyed.
7. The Postal Ballot shall not be exercised by a Proxy.
8. The Scrutinizer's decision on the validity of the Postal Ballot shall be final.

Sl. No.	Resolution	Assent	Dissent
1	Special Resolution for reduction of capital/repurchase of securities		
2	Special Resolution for variation of objects of the business		
3	Ordinary Resolution for variation of objects of the business		

Signature of the Shareholder / Authorized Officer
(As per specimen No. 4 given over)

Place
Date

Note: This form for receipt of Postal Ballot Form by the Scrutinizer is 11th March 2011.

Please read the instructions carefully before completing the Ballot Form.