(REVISED).

Infomedia 18

Note on the Scheme of Arrangement ("Scheme") entered into among Infomedia 18 Limited. ("INFOMEDIA 18" or the Demerged Company), Network18 Media & Investments Ltd., ("NETWORK18" or Resulting Company)

1. In order to effectively and efficiently cater to the independent growth plans for the respective businesses of the Demerged Company, diversification is imperative. Therefore, it has been proposed to re-organize the businesses of the Demerged Company in a manner so as to facilitate greater efficiency to maximize shareholder value. The Scheme will unlock full value for demerged business upon listing of shares of Resulting Company issued in demerger.

   The Scheme gives flexibility to the shareholders of the Demerged Company to continue or divest in Demerged Company or Resulting Company.

2. Accordingly it has been proposed to demerge the Demerged Undertaking (as defined in the Scheme) of the Demerged Company into the Resulting Company in compliance of the provisions of Sections 391-394 and other relevant provisions of the Companies Act, 1956.

   "Demerged Undertaking" *inter-alia means:*

   - *publishing business including publication of business directories, yellow pages & city guides;*
   - *publication of special interest publication/ magazines;*
   - *search business including properties such as www.askme.com, www.askme.in and www.burrp.com;*
   - *any other business except Remaining Business.*

   being carried on by Infomedia18 on a going concern basis, along with all related assets, liabilities, rights and obligations and shall include (without limitation) as on the Appointed Date.

3. The demerger of the Demerged Undertaking will provide potential for further growth, better synergy and optimization of resources as well as to facilitate separate growth and development of the Publishing business and Printing business of Demerged Company.

4. The Scheme was approved by the Hon'ble High Court of Delhi on November 22, 2011. However there were some minor errors, which have been rectified by the Honb'le High Court vide its orders dated February 10, 2012, 3rd May 2012 and 22 May 2012. Copies of the said orders are enclosed herewith for your ready reference.

5. **Issue of shares as consideration for demerger -**

   In pursuance of the demerger of the Demerged Undertaking into Resulting Company pursuant to this scheme, Resulting Company shall issue and allot equity shares at par on a proportionate basis to each member of Demerged Company whose name is recorded in the register of members of the Demerged Company as holding equity shares on the Record Date in the ratio of **7:50** i.e., seven fully paid-up equity shares of Rs 5 each of Resulting Company to be issued for every fifty fully paid-up equity shares of Rs 10 each of Demerged Company, held by the member.

   Please note that the shareholders of Demerged Company shall continue to hold their original share, which will represent the left over print business undertaking. Accordingly there will be no change in the shareholding of the Demerged Company in pursuance of the Scheme.

For Infomedia 18 Limited

Company Secretary

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No equity shares to be issued for shares held by Resulting Company in the Demerged Company

It is clarified that no equity shares will be issued in respect of the equity shares held by Resulting Company in Demerged Company *(vested upon merger of Television Eighteen India Limited ("TV18") with the Resulting Company under a separate scheme of arrangement, which has taken effect prior to demerger of Demerged Undertaking into Resulting Company).*

No fractional entitlements to be issued, but cash consideration paid to members -

In case any member's holding in Demerged Company is such that the member becomes entitled to a fraction of an equity share in Resulting Company, Resulting Company shall not issue fractional shares to such member but shall consolidate such fractions and issue consolidated equity shares to separate trustees nominated by Resulting Company in that behalf, who shall sell such shares at prevailing market prices within a reasonable time frame after the allotment and distribute the net sale proceeds (after deduction of tax, if applicable) to the members of Demerged Company in proportion to their fractional entitlements.

Given below is the pre and post share capital of Network18, as there will not be any change in the shareholding of Infomedia18 Limited.

	No. of Shares	% of Total
Total paid up capital of Infomedia18 Limited	50194172	
less: shares held by Network18/ TV18	23913061	47.64
shares held by public	26281111	52.36
shares to be allotted in Network18**	3679356	
A) Pre Scheme		
Total outstanding shares in Network18	*14,28,79,916*	
Shares held by promoter and promoter group	70790089	49.55
Shares held by Public	7,20,89,827	50.45
B) Post Scheme		
Total outstanding shares in Network18	14,65,59,272	
Shares held by promoter and promoter group**	70790089	48.30
Shares held by Public	7,57,69,183	51.70

** tentative, as there could be minor change due to rounding off of the fractions.

Certified True Copy

For Infomedia 18 Limited

Tasneem Udaipurwala
Company Secretary

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