www.theindianfilmcompany.com

THE INDIAN FILM COMPANY

Annual Report and Consolidated Financial Statements

For the year ended 31 March 2009

Managed by Film Investment Managers (Mauritius) Limited

Asin Thottumkal in Ghajini

Investment Objective

The investment objective of The Indian Film Company Limited (the "Company") and its Subsidiaries, The Indian Film Company (Cyprus) Limited and IFC Distribution Private Limited (collectively the "Group") is to achieve total return for Shareholders through investment in a diverse portfolio of Indian films and films primarily targeted at the Indian audience across different genres, languages and budgets. The Group intends to build a film library of Intellectual Property Rights ("IPR") in various formats, including satellite, home video and mobile technology. The Directors and Film Investment Managers (Mauritius) Limited (the "Investment Manager") believe that the Group is well placed to take advantage of film investment opportunities and to capitalise on the growth that the Indian film industry is experiencing.

Operational Strategy

The Investment Manager, on behalf of the Group, captures opportunities in the entire value chain of film creation by; (i) sourcing and evaluating prospective film projects through a research-led investment process; and (ii) managing and structuring the production and distribution of such film projects. In sourcing prospective film projects the Investment Manager thoroughly evaluates film concepts, scripts, directors and cast in respect of current market data relating to current tastes and trends. The Investment Manager then assesses the feasibility of the project in relation to budget, timescales and the risks and rewards of each opportunity. Once a film project has been approved by the Board, the Group seeks to retain full ownership of all IPR relating to each film project, although in certain situations the Group may invest in a film project where it may not acquire all rights.

Investing Policy

The Investment Manager will adhere to the following investment policies and restrictions in making its recommendations to the Board:

- *Target Film Projects*: Investments will be made in Indian films and films primarily targeted at an Indian audience that range across different genres, languages (including Hindi, regional Indian languages and English) and budgets, and to a lesser extent, cross-over films
- *Type of Investments*: Investments will be funded by way of cash. It is not intended that Ordinary Shares will be used as consideration for any investments in Film Projects
- *Number of Investments*: Once fully invested, the Investment Manager envisages that the Group should hold investments in a diversified portfolio of approximately 30 to 40 Film Projects
- *Investment Size*: It is anticipated that the size of each of the Group's investments in individual Film Projects should not exceed 30 per cent. of the Group's Net Asset Value at the time of the investment
- *Borrowing*: The Group may be permitted to use debt at the investment level where appropriate and may borrow, for investment or short-term funding purposes, amounts of up to 50 per cent. of the Group's Net Asset Value calculated at the time of borrowing. The Group may also utilise an overdraft and other short-term borrowing facilities to provide short-term working capital, including capital required to meet any expenses or fees payable by the Group
- *Uninvested Funds*: The Group intends that cash pending investment, reinvestment or distribution should be placed in bank deposits, bonds or government-issued treasury securities in order to protect the capital value of the Group's cash assets.

Contents

www.theindianfilmcompany.com

A closed-ended investment company, incorporated under The Companies (Guernsey) Law, 2008, as amended.
REGISTERED IN GUERNSEY No. 46723

CHAIRMAN'S Statement

I am pleased to present to Shareholders the second Annual Report and Consolidated Financial Statements of The Indian Film Company Limited (the "Company") and its Subsidiaries, The Indian Film Company (Cyprus) Limited and IFC Distribution Private Limited (collectively the "Group"), which covers the year from 1 April 2008 to 31 March 2009.

Through the consistent delivery of positive results achieved since its admission to trading on AIM on 18 June 2007, the Group is now recognised as a leading player in the Indian film industry.

Financial update

2008 was an eventful year for the Indian film industry as the sector faced tough competition from sporting events such as the Twenty20 cricket competition – Indian Premier League ("IPL"), a global economic slowdown, the terror attacks in Mumbai and a lower success ratio of films compared to 2007.

The filmed entertainment sector is estimated to have grown at a compound annual growth rate ("CAGR") of 17.7% over the past three years and is estimated to have grown 13.4% in 2008, to a size of INR 109.3 billion (approximately £1.5 billion). This growth had been driven mainly by demand from the growing home video market and the cable and satellite ("C&S") market. The success ratio of films in 2008 was lower than that of 2007, with many of the big releases having performed below expectations at the box office in the

Akshay Kumar in Singh Is Kinng

Chairman's Statement

continued

first half of 2008. In addition, IPL matches affected the attendance levels at cinemas. There was however a marked improvement in the second half of 2008, with big-ticket releases leading to increased attendance rates at cinemas. Industry estimates indicate a flat growth rate for the filmed entertainment segment over the next year due to fewer releases, lower expected attendance rates and lower returns forecast from C&S and ancillary revenue streams.[1] Despite the overall gloomy economic environment, the Group has been able to deliver good financial results and with a strong slate of films, the Group is poised to expand with a healthy growth rate in the year ending 31 March 2010.

The Group recorded a net profit for the year of £3.89 million (period ended 31 March 2008: £1.96 million), giving earnings per share ("EPS") of 7.07 pence (period ended 31 March 2008: 3.56 pence), an EPS growth of 98.60% in the year. The Group's net asset value ("NAV") as at 31 March 2009 was 117.32 pence per Ordinary Share; an increase of 17.80% from the last audited NAV of 99.59 pence per Ordinary Share as at 31 March 2008.

As at 31 March 2009, the Group held cash balances of £0.94 million (£3.28 million including the term deposit) and had exploitation rights and investments in films and films under production with an aggregate carrying value of £52.06 million. Post 31 March 2009, the Group has further committed to invest £20.63 million towards film projects. These commitments will predominantly be funded through cash generated by the Group from exploitation of film rights. The Group is also evaluating the option of raising debt to fund some of its future investments in film projects.

The Group has been successful in the monetisation of film rights over various revenue streams. The Group has earned its revenues from various streams, including theatrical release, music, home video, television and other ancillary rights. The Group has innovated and made pioneering efforts to maximise its revenues from each stream. For the year ended 31 March 2009, the composition of total revenue is provided below (the breakup does not include revenue from the sale of film rights as it is not considered a core activity for the Group).

Operational update

Key Highlights

The Group continues to innovate and set benchmarks for the Indian film industry to follow:

- The Group released eight films during the financial year including "Bhoothnath", "Panduranga", the box office smash hit "Singh Is Kinng", "Kidnap", the Diwali hit "Golmaal Returns", "Dil Kabaddi", the blockbuster success "Ghajini" and the international film festival awards winner "Little Zizou"
- The biggest Bollywood blockbuster to date, "Ghajini", broke all existing records at the Indian box office and is the biggest Bollywood grosser of all time, grossing £26.83 million (INR 1,950 million) at the box office. Ghajini also holds records for both opening week and weekend making £15.14 million (INR 1,100 million) and £9.63 million (INR 700 million) respectively in gross box office collections in India. The film was released aggressively on 1,500 screens in India, one of the widest releases for an Indian film. This record was previously held by another of the Group's films, "Singh Is Kinng", released in August 2008
- The Group has started on a new production currently titled "7 days in Paris". The film is being directed by Sanjay Ghadvi and stars Imran Khan and Katrina Kaif. This film is a romantic comedy and is expected to be released in April 2010
- The Group signed a co-production deal with "Bend it like Beckham's" director Gurinder Chadha to produce "It's A Wonderful Afterlife". Filming began in London in March. The multi-cultural cast includes the legendary Indian actress, Shabana Azmi, Sendhil Ramamurthy of "Heroes", Shaheen Khan of "Bend It Like Beckham" and British-Indian theatre actress Goldie Notay. Gurinder Chadha's earlier works include "Bend it Like Beckham", "Bhaji On The Beach", "Angus, Thongs and Perfect Snogging" and "Bride & Prejudice"
- The Group's "Road, Movie" is the first Indian production to be picked up for representation by a leading international sales agent. Fortissimo Films will represent "Road, Movie" in the overseas market as its worldwide sales agents. The film is written and directed by Dev Benegal and produced by two time Academy Award Nominee Ross Katz and Susan B Landau
- The Group's first international co-production "Little Zizou" won multiple awards at International film festivals held in Los Angeles, New York and Singapore. The film won the Best Feature at the Indian Film Festival of Los Angeles ("IFFLA"). It won the Best Producer award at the Asia-Pacific Festival of First Films ("AFFF") held in Singapore. It also won the Best Director and Time Warner Best Screenplay awards at the 2008 Mahindra Indo-American Art Council Festival in New York. Following these awards, the Group appointed American World Pictures ("AWP"), a Los Angeles-based global sales company, as a sales agent to exploit the rights of this film worldwide, except the Indian territories
- One of the most innovative accomplishments of the year was the sale of music rights for a defined period, where traditionally music rights are sold for an unlimited period in the Indian film industry. The Group successfully did this for "Singh Is Kinng" and continued this practice with the sale of the music rights to its other films – "Kidnap" and "Dil Kabbadi"
- The Group continued to build on its strategy to develop and expand its library of rights for television syndication in the year under review. The television syndication model entails the sale of limited telecast rights for a limited period to multiple players. This model was extended to the overseas territories of the UK, North America, Asia and Europe.

The Group has recently added the following projects to its portfolio:

Acquisitions

"Luck"

- **Expected release date** – July/August 2009
- **Director** – Soham Shah
- **Cast** – Sanjay Dutt, Imran Khan, Danny Denzongpa
- **Genre** – Action thriller

Co-productions

"It's A Wonderful Afterlife"

- **Expected release date** – April 2010
- **Director** – Gurindher Chadha
- **Cast** – Shabana Azmi, Sendhil Ramamurthy, Shaheen Khan, Goldie Notay
- **Genre** –Comedy

Financial year ended 31 March 2009

46%	Domestic Theatrical
35%	Television Syndication
8%	Overseas Theatrical
7%	Music
4%	Home Video

Financial period ended 31 March 2008

56%	Domestic Theatrical
18%	Overseas Theatrical
15%	Television Syndication
8%	Home Video
3%	Music


Road Movie


Imaad Shah with Jahan in Little Zizou

Chairman's Statement

continued

Productions

"7 days in Paris"

- **Expected release date** – April 2010
- **Director** – Sanjay Ghadvi
- **Cast** – Imran Khan, Katrina Kaif
- **Genre** – Romantic comedy

Talent

- The Group added Sabal Singh Shekhawat to its director talent pool during the year.

Remake rights

- "Italian Job" – remake rights of the Hollywood film "Italian Job" were acquired from Paramount Studios. This film is being scripted and casted by director duo Abbas-Mastan, who are famous for action thrillers.

Films released

"Singh Is Kinng"

- **Starring** – Akshay Kumar, Katrina Kaif
- **Directed by** – Anees Bazmee
- **Genre** – Action comedy
- **Released** – 8 August 2008
- The blockbuster "Singh Is Kinng" broke records at the Indian film worldwide box office for both opening weekend and week making £9.63 million (INR 700 million) and £15.14 million (INR 1,100 million) respectively
- The film released on 1,350 prints across 1,700 screens worldwide, one of the widest released Indian films
- It ranked 6th in the UK top 10 on the weekend of release and stayed in the UK Top 10 for two weeks
- "Singh Is Kinng's" India record was broken by the Group's "Ghajini" in December 2008
- The Group set an industry benchmark by selling music rights with defined period contracts, including the music rights to "Singh Is Kinng", which were sold for a record INR 107 million (approximately £1.47 million).

"Kidnap"

- **Starring** – Sanjay Dutt, Imran Khan, Minisha Lamba
- **Directed by** – Sanjay Ghadvi
- **Genre** – Action drama
- **Released** – 2 October 2008
- Kidnap became the second highest grosser for Sanjay Dutt's movies in the overseas market.

"Golmaal Returns"

- **Starring** – Ajay Devgan, Kareena Kapoor, Arshad Warsi, Tusshar Kapoor, Shreyas Talpade, Amrita Arora
- **Directed by** – Rohit Shetty
- **Genre** – Comedy
- **Released** – 29 October 2008
- "Golmaal Returns" achieved the highest box office takings out of all Bollywood releases during Diwali
- Released in 1,050 locations, "Golmaal Returns" achieved worldwide gross box office takings over the five-day long Diwali weekend of £6.84 million (INR 497 million). The film's gross box office collection in India over the opening weekend was £6.19 million (INR 450 million).
- It ranked 10th in the coveted UK Top 10 alongside Hollywood films.

"Dil Kabaddi"

- **Starring** – Rahul Bose, Irrfan Khan, Konkona Sen Sharma, Rahul Khanna
- **Directed by** – Anil Senior Sharma
- **Genre** – Drama comedy
- **Produced by** – Indian Films and Paramhans Creations
- **Released** – 5 December 2008
- "Dil Kabaddi" was released a week after the terror attacks in Mumbai and its box office performance was affected negatively due to the unwillingness of audiences to go to the cinemas. Compared to other films released during that weekend, "Dil Kabaddi" achieved the highest opening viewing figures.

"Ghajini"

- **Starring** – Aamir Khan, Asin Thottumkal
- **Directed by** – A R Murgadoss
- **Genre** – Action romance
- **Released** – 25 December 2008
- "Ghajini" broke all existing records at the Indian box office for both opening weekend and week making £9.63 million and £15.14 million respectively in gross box office collections in India
- "Ghajini" also became the biggest all time grosser at the Indian box office with £26.83 million in gross ticket sales
- The film was released aggressively on 1,500 screens in India, one of the widest releases for an Indian film. This record was previously held by the Group's "Singh Is Kinng" released in August 2008.

"Little Zizou"

- **Starring** – Boman Irani, Zenobia Shroff, Sohrab Ardeshir, Iyanah Bativala, Jahan Bativala
- **Directed by** – Sooni Taraporevala
- **Genre** – Social drama
- **Produced by** – Presented by Mira Nair & Indian Films
- **Released** – 13 March 2009
- "Little Zizou" was released in India to critical acclaim
- The film has received awards at multiple international film festivals.

The Group's portfolio comprises of 35 films and a library of 54 rights bought exclusively for television syndication.

Awards

Some of the awards that the Group's movies have received are:

- Screen Best Actor (Male) – Akshay Kumar for "Singh Is Kinng"
- Stardust Best Film Award – "Singh Is Kinng"
- Filmfare Best Playback Singer (Female) Award – Shreya Ghosal for "Singh Is Kinng"
- Screen Best Actor in a Comic Role (Male/Female) Award – Tusshar Kapoor for "Golmaal Returns"
- Stardust Best Actor in a Supporting Role Award – Tusshar Kapoor for "Golmaal Returns"
- Screen Best Debut (Female) – Asin Thottumkal for "Ghajini"
- Filmfare Best Debut (Female) – Asin Thottumkal for "Ghajini"
- Indian Film Festival, Los Angeles ("IFFLA"), Best Feature – "Little Zizou"
- Asia-Pacific Festival of First Films ("AFFF"), Singapore Best Producer – The Indian Film Company for "Little Zizou"
- Mahindra Indo-American Art Council Festival, New York Best Director Award – Sooni Taraporewala for "Little Zizou"
- Time Warner Best Screenplay Award – Sooni Taraporewala for "Little Zizou"
- Screen Best Special Effects Award – "Bhoothnath"

Released

Jab We Met, Welcome, Singh Is Kinng, Kidnap, Golmaal Returns, Ghajini

Halla Bol, Bhoothnath, Panduranga, Dil Kabaddi, Little Zizou

Unreleased

Luck, Shortkut – The Con Is On

Loot, Striker, King Kaun, Kaun Bola, Life Partner, Road Movie, Paanch Pandav, It's A Wonderful Afterlife, Banda Yeh Bindaas Hai, Tamil Untitled

7 Days in Paris, Italian Job, Game, Ishq Unplugged, Fruit 'N' Nut, Bombay Velvet

Untitled – David Dhawan, Anees Bazmee, Sabal S Shekhawat, Soham Shah, Amrit Sagar, Priyadarshan

Acquisitions Co-Productions Productions

Annual General Meeting ("AGM")

At the Company's AGM held on 29 August 2008, all resolutions were duly passed, including inter alia, a resolution to amend the investment policies and restrictions set out in the Admission Document by increasing the limit on the amount of a single investment in a film project from 20% of the Group's NAV at the time of the investment to 30%. This enables the Group to remain competitive in a time of increased competition and rising costs in the Indian film industry. For further details, please refer to the AGM circular, which is available on the Company's website, www.theindianfilmcompany.com.

Chairman's Statement

continued

Extraordinary General Meeting ("EGM")

On 22 December 2008, the Company received a request from a shareholder for an EGM to be held to remove two of the Board's members and appointment of individuals nominated by the shareholder. As announced on 30 January 2009, following constructive discussions, the shareholder agreed to withdraw the requisition. Conditional on the withdrawal of the EGM requisition, it was agreed to appoint two new directors to the Board who would oversee a strategic review of the Group with a view to enhancing the long-term shareholder value, a common goal of the Board. The EGM was subsequently adjourned indefinitely.

Board of Directors

On 13 February 2009 and pursuant to the withdrawal of the EGM requisition, the Board announced the appointment of two new non-executive Directors to the Company's Board, Mr Atul Setia and Mr Deepak Gupta, with the appointments effective from 30 January 2009. For the Director's biographies, please see the Directors section on pages 16 and 17. On behalf of the Board, I would like to welcome Mr Setia and Mr Gupta to the Board.

Strategic review

Following their appointment to the Board, Mr Setia and Mr Gupta, along with Mr Sanjeev Manchanda of the Investment Manager, conducted a comprehensive review of the Group's strategy and the business it is engaged in with a view to enhancing long-term shareholder value. The strategic review committee reported its findings to the Board in late May 2009, which the Board will review and, where appropriate, the Board will take follow up action imminently.

Dividend

In view of the current financial commitments of the Group, the Directors do not recommend the payment of an interim dividend at this time and will review the position on an ongoing basis.

Resolution with multiplex owners

As announced on 9 June 2009, the United Producers and Distributors Forum ("UPDF") and Multiplex owners reached a consensus on the new revenue sharing terms, and the two month long strike ended. It is expected that new films will start being released at the box office on 12 June 2009. The Group is expected to benefit from these new revenue sharing terms and as a result will receive increased revenues from the domestic box office for its upcoming releases. The Group has reviewed the release dates of its current films and has scheduled a new timetable to ensure that the Group will be able to release all its films planned for the current financial year between July 2009 and March 2010. This will start with the release of the film "Shortkut – The Con Is On" on 10 July 2009.

Outlook

The year ended 31 March 2009 was an important year for the Group with eight films being released and nine films going into production to be released in the year ending 31 March 2010. The Board is confident that the financial year 2010 will be another strong year for the Group and the Group is well placed for the future.

The Group's ability to select content that has power to entertain and is commercially viable is a key strength. The experience of the Investment Management and Investment Advisory teams and their knowledge of the industry are some of the factors that help in selecting content. Once the content has been selected, marketing and exploiting it and creating the required platform for the film are strengths that differentiate the Group in the marketplace. The Group is increasing its focus on mounting its own productions, which are in various stages of scripting, casting, shooting and post-production. The Group will be releasing some of its own productions over the next two years.

India as an economy continues to be a promising story for growth in the long-term. Favourable demographics with 70% of the population below 30 years of age present a good opportunity for marketers and enforce increased demand and consumption for various sources of entertainment[1].

On behalf of the Board, I would like to thank the entire team at The Indian Film Company Limited, the Investment Manager, the Investment Adviser, Studio 18, our stakeholders and our audiences for helping us to lay the foundation for future years of dynamic growth.

Shyam Benegal

Chairman

10 June 2009

(1) Source: "In the interval... But ready for the next act – FICCI-KPMG Media & Entertainment Industry Report 2009"

Soha Ali Khan in Dil Kabaddi

INVESTMENT
Manager's Report

I am delighted to report that the year ended 31 March 2009 has been another good year for the Group with several record breaking successes contributing towards a net profit of £3.89 million.

Strategy

We continue to focus on distribution and exploitation of quality content that entertains audiences and gives commercial returns. Through the Group's strategy of acquisition, co-production and production we continue to create and own new content and build a portfolio of successful films.

The year saw the Group release a mix of acquired and co-produced content. The Group's production and co-production projects have progressed well and some of these will be released in the current financial year. In addition, the Group has focused more on mounting its own productions in order to generate higher margins and profitability. The Group has recruited talented directors with established track records who are working on projects in various stages of production including scripting, casting, shooting and post production.

Competition

Competition continues to be high in the industry. The number of corporates continues to grow with new funds entering the industry creating larger pools of money available for talent and content acquisition. Quality content continues to be expensive. Top talent is limited and is highly sought after by numerous studios, which keeps their remuneration high.

Ajay Devgan and Kareena Kapoor in Golmaal Returns

Investment Manager's Report

continued

Minisha Lamba in Kidnap

During the year under review, Disney and Warner Brothers released two of their Bollywood ventures. Although these films performed dismally at the box office, it has not deterred the studios from entering into new ventures. In fact, Warner Brothers has entered into a three film deal, which reflects the confidence it has on the state of the Indian film industry.

We continue to live in difficult times where the competition is high, talent is scarce and creativity is selective. The Group continuously endeavours to select projects that have capacity to entertain and content that attracts audiences and is commercially viable.

Industry trends

The Indian media and entertainment ("M&E") industry has been one of the fastest growing sectors in India, backed by robust economic conditions and fuelled by favourable demographics, emerging delivery formats and an increasing share of new media in the distribution portfolio of the players.

The M&E industry grew to INR 584 billion (approximately £8 billion) in 2008 from INR 520 billion (approximately £7.2 billion) in 2007; a growth of 12.3%. The filmed entertainment sector is estimated to have grown to INR 109.3 billion (approximately £1.5 billion) in 2008 from INR 96.4 billion (approximately £1.3 billion) in 2007. The filmed entertainment sector's growth is higher than that of the M&E sector at 13.4%. The filmed entertainment sector is expected to grow at a 9.1% CAGR, while the Indian television industry is likely to grow at a 14.5% CAGR over the five year period 2009-2013. The M&E industry CAGR estimates have been lowered to 12.5% to reach INR 1,052 billion (approximately £14.5 billion) by 2013 from previous estimates.[1]

With the recent economic slowdown, the projected growth of the film industry is being forecast at more realistic levels. 2009 growth rate estimates have been lowered by 4% to a growth rate of 9.1% for the period 2009-2013, and a size of INR 168.6 billion (approximately £2.3 billion) at the end of the five year period.[1]

It is expected that the growth rate of the industry may remain flat over the next year on account of fewer releases, lower occupancy rates and lower realisations from C&S rights and ancillary revenue streams.[1]

The number of film releases is also expected to decrease in 2009 owing to the credit crunch and shortage of funds and the consequential widening of the gap between the commencement of production and the release of films, thus marginally affecting the growth projections of each individual revenue stream under the film entertainment category.

Traditionally, film revenue comprises income from domestic and international theatrical releases, sale of satellite, music, and home video rights. The scope of revenue from each of these revenue streams continues to increase in the long-term, but is likely to slow down in the short-term. In addition, new revenue streams including Blu-ray, Direct-To-Home ("DTH"), internet protocol television ("IPTV"), are emerging as a result of technological advances and changes in consumption habits.

One of the factors contributing to the growth of the M&E industry has been the increasing share of new media in the distribution portfolio of the players. One such medium has been DTH. In 2005, Dish TV was the sole pay DTH service provider with total pay DTH subscribers of 0.6 million. After the entry of Tata Sky, the number of pay DTH subscribers more than tripled to reach 2.6 million by the end of 2006. Today, with five players in this segment, the subscriber base has increased to 10 million households.[1]

Digitisation of cable was implemented along with conditional access system ("CAS") in selected zones of Delhi, Mumbai and Kolkata in 2007. By September 2008, there were 717,722 set top boxes[1] installed in the mandatory CAS regions of Delhi, Mumbai, Kolkata and Chennai. Even in areas where CAS was not mandatory, the multi-system operators had already begun to digitise their cable networks.

IPTV, another digital distribution medium, is part of the growth plans of most major Indian telecom companies. With commercial IPTV services launched in Delhi and Mumbai in 2008, IPTV is expected to take some time to catch on as infrastructure is built to support it on a wider scale. It is estimated to add 4 million subscribers by 2013.

Increasing penetration of DTH customers and growth plans of IPTV indicates the strengthening of potential revenue streams for the Group. The Group's objective to build a strong library for television syndication to be monetised across new delivery formats is being justified.

The Indian music industry has undergone a series of changes with a dynamic shift in film music revenues. With digital music becoming a more popular format, the role of the aggregator has become important. Music deals in the Indian film industry are changing and new players are emerging and adding innovation to the marketplace. The Group created history by selling "Singh Is Kinng's" soundtrack for a defined period against industry norm of music rights being sold for indefinite periods. The music industry is expected to grow at a CAGR of 8% by 2013 which is mainly a contribution of digital music downloads, television and radio playtime and public performances.[1] There has been a slowdown in the physical sale of music.

Investment Manager's Report

continued

Outlook for the Group for the next year

Whilst the Indian film industry is expected to maintain a similar level over the next year from its current size of approximately INR 109.3 billion[1] (approximately £1.5 billion), the Group is well placed to capitalise on this with its strong slate of films. The Group's film calendar includes:

"Shortkut – The Con Is On"

Expected release date – July 2009
Director – Neeraj Vohra
Cast – Akshaye Khanna, Arshad Warsi, Amrita Rao
Genre – Comedy

"Kaun Bola"

Expected release date – November 2009
Director – Kabir Kaushik
Cast – Arshad Warsi, Irfan Khan, Diya Mirza
Genre – Comedy

"Luck"

Expected release date – August 2009
Director – Soham Shah
Cast – Sanjay Dutt, Imran Khan, Danny Denzongpa
Genre – Action thriller

"Banda Yeh Bindaas Hai"

Expected release date – November 2009
Director – Ravi Chopra
Cast – Govinda
Genre – Comedy

"Life Partner"

Expected release date – September 2009
Director – Rumi Jaffery
Cast – Govinda, Tusshar Kapoor, Fardeen Khan
Genre – Comedy

"Loot"

Expected release date – March 2010
Director – Rajneesh Thakur
Cast – Suniel Shetty, Govinda and others
Genre – Action comedy

"Fruit 'N' Nut"

Expected release date – September 2009
Director – Kunal Vijaykar
Cast – Cyrus Broacha, Boman Irani, Diya Mirza
Genre – Comedy

"Striker"

Expected release date – March 2010
Director – Chandan Arora
Cast – Siddarth, Vidya Malvade
Genre – Sports drama

"Ishq Unplugged"

Expected release date – November 2009
Director – Sapna Joshi
Cast – Himesh Reshamiya
Genre – Romantic comedy

We look forward to continuing to provide quality content whilst maximising investor returns in the coming year.

Raghav Bahl
Film Investment Managers (Mauritius) Limited
10 June 2009

(1) Source: "In the interval... But ready for the next act – FICCI-KPMG Media & Entertainment Industry Report 2009"

John Abraham in Little Zizou

Directors

Shyam Benegal *(Chairman)*

Mr Benegal is one of the leading film makers in India. He has directed over 1,000 advertising commercials, 65 documentaries, 25 motion pictures and three major television series, including a 53-hour series entitled 'The History of India'. His films have won a number of national and international awards. Two of his films were nominated for Best Foreign Film Oscars. He was the chairman of Film Television Institute of India between 1980 and 1983 and between 1989 and 1992, and was part of the National Integration Council between 1986 and 1989 and the National Council of Art between 1980 and 1984. Mr Benegal was awarded the Padma Shri in 1976, and the Padma Bhushan in 1991. Both awards were bestowed by the Indian government in recognition of his contribution to Indian public life. He is currently a member of the Upper House of the Indian parliament. He was awarded the State Prize of the USSR in 1985, the Sovietland Nehru Award in 1989, the Indira Gandhi National Integration Award in 2004 and was awarded the most prestigious Dada Saheb Phalke Award by the Indian government in 2007 for his outstanding contribution to Indian cinema.

Raghav Bahl

Mr Bahl has over 24 years' experience in entertainment, media and journalism. He began his career in media in 1985 as a correspondent and anchorperson for Doordarshan, the Indian state owned national broadcaster. He was the anchorperson and production consultant for India's first monthly video news magazine, Newstrack, produced by the India Today group. From 1991 to 1993 he was executive director of Business India Television and produced the Business India Show and Business A.M. on Doordarshan. He was the winner of the Sanskriti Award for Journalism in 1994 and has written articles for The Times of India, The Statesman and The Pioneer. Mr Bahl is a member of the World Economic Forum and is the founder and majority shareholder of Network 18, a highly respected media conglomerate. Network 18 Group has strategic relationships with media giants NBC Universal, CNN, Viacom, Time Warner and Forbes and currently broadcasts four 24-hour news channels in India and employs more than 6,000 media professionals across India. In 2007, Mr Bahl was ranked by one of India's leading magazines, as the 15th most powerful man in India and more recently in 2008 as one of the top 50 influential Indians by a leading English newspaper in India. Mr Bahl was also named the Business Transformation Entrepreneur for the Year 2007 by Ernst & Young.

Lord Meghnad Desai

Lord Desai, who holds a doctorate from the University of Pennsylvania, started his professional career in the Department of Agricultural Economics, University of California, in 1963. In 1965, he was appointed as a lecturer of economics at the London School of Economics and became a professor in 1983, a post he held until 2003. During this time he founded the Centre for the Study of Global Governance. Lord Desai is a recipient of several Honorary Degrees from universities such as Kingston, Middlesex, East London, London Guildhall and Monash University, Australia. He was created Lord Desai of St Clement Danes in 1991 and was awarded the Padma Bhushan in 2007, Pravasi Bharatiya Puraskar (Distinguished Overseas Indian Award) in January 2004 and Bharat Gaurav by the Indian Merchants Chambers in 2002. Lord Desai was made an Honorary Fellow of the London School of Economics in July 2005. He has also published a book on the Bollywood film industry.

Alok Verma

Mr Verma is a Senior Partner of Sedley Richards Laurence Voulters and is a Chartered Accountant by profession. He was previously with Casson Beckman (now BakerTilly) where he worked mainly in audit and corporate finance. Mr Verma is a specialist in finance and corporate advisory work, including pre- and post-acquisition investigations, management buyouts, business start-ups, share valuation, transaction support and national and international group re-structuring. His specialist corporate finance knowledge also includes extensive experience in public company transactions on the AIM and PLUS markets, including attendance at UK publicly listed companies' audit committee meetings. These focus particularly on their accounting policies and review management procedures in order to monitor the effectiveness of accounting and internal controls. He advises on corporate governance with particular emphasis on accountability, integrity, and risk management, not only to listed companies but to many other organisations outside the corporate sector. He has assisted companies to list on AIM and PLUS in addition to being the lead partner on those clients and other listed clients. He is also a trustee of a foundation for Climate Change.

Peter Radford

Mr Radford was appointed managing director of Bordeaux Services Limited on its incorporation in 1997. Mr Radford started his career with BDO Reads in 1978 and subsequently worked for Executive Management Trust in Amsterdam between 1981 and 1983 and Fisher Hoffman Stride in Johannesburg between 1983 and 1986. From 1986 to 1991 Mr Radford was Managing Director of the Abroad Spectrum Group based in Durban, South Africa. In 1991 he returned to Guernsey to develop the fund administration and asset management business of the Havelet Trust Group. Mr Radford holds a number of directorships within a range of Guernsey-based mutual fund companies and investment companies. He is a Fellow of the Institute of Chartered Accountants in England and Wales, the South African Institute of Chartered Accountants, the Securities and Investment Institute and the Society of Trust and Estate Practitioners. He is a resident of Guernsey.

Atul Setia

Mr Setia is a partner of Altima Partners LLP, an investment manager, where over the last four years he has specialised in investing in Indian businesses. He has more than twenty years' experience in finance and senior management positions. During the 1990s, he worked for an Indian conglomerate and as an investment banker at Deutsche Bank, Mr Setia advised on various privatisations, M&A transactions, IPOs, private equity placements and other corporate transactions in many developed and emerging markets, including India.

Mr Setia is a UK qualified Chartered Accountant and holds a Masters in Business Administration from London Business School. He also holds a Bachelor of Science degree in Chemistry from the Loughborough University.

Deepak Gupta

Mr Gupta is experienced in corporate finance and investment management. He currently manages a family hedge fund, Alpine Asset Appreciation Fund Limited, and is based in Dubai. He also holds advisory board memberships of JM Financial PE Fund and Tara India PE Fund III and is a member of the investment committee of Motilal Oswal's India Business Excellence Fund. Mr Gupta is a qualified Chartered Accountant, qualified Cost and Works Accountant and a Chartered Financial Analyst from CFA Institute, USA. Mr Gupta is a director of Astaris Wealth Management Company Limited (Bahamas), Astaris Wealth Management Company Limited (B.V.I.) and Astaris Advisers Private Limited (B.V.I).

Aamir Khan in Ghajini

Investment Manager
key personnel

Raghav Bahl *(Non-executive director)*
For Mr Bahl's biography, please see the Directors section on pages 16 and 17.

Tsang Fan Hin Tsang Mang Kin *(Non-executive director)*
Mr Tsang Mang Kin is currently chairman of King Group which includes London Satellite Systems, a leading broadcaster in Mauritius which broadcasts Indian, Chinese, Pakistani, Middle Eastern and European channels. He was a member of parliament and a prominent member of the political establishment in Mauritius for ten years during which time he was a government minister of key portfolios such as Public Affairs and Arts, Culture and Leisure. He was the deputy director of the Commonwealth Foundation in London between 1983 and 1990 and has been involved with several Commonwealth initiatives. His diplomatic career spanned from 1968 to 1990, during which time he was posted in Paris and Brussels and served as the Minister-Counsellor of External Affairs. An essayist and a poet, writing in both English and French, he is also president of the Mauritius branch of CNAM in France, a UNESCO resource delegate on Multiculturalism and a member of CPTM's International Advisory Council. Mr Tsang Mang Kin has a degree from the University of London.

Vivek Chadha *(Non-executive director)*
Mr Chadha is currently managing director of Chadbro (Mauritius) Limited, a management consultancy firm, which advises media companies in Mauritius. He was formerly the chairman, managing director and chief executive of the Union International Bank Limited in Mauritius and has also served as chief executive of Fairtrade Resources in Singapore. He was previously General Manager of MRC Wire Products Limited. He has a keen interest in the Indian film industry and has good contacts with Mauritius and Indian institutions. Mr Chadha has a degree from the Sri Ram College of Commerce at Delhi University.

Bhavneet Singh *(Non-executive director)*
Mr Singh is managing director and executive vice president for emerging markets, MTV Networks International (MTVNI). Mr Singh has been instrumental in setting up the MTV brand of channels including MTV, Nickelodeon, VIVA, Comedy Central, VH1 and Colors in Poland, the Middle East, Turkey, Hungary, Ukraine, Israel and the Czech Republic. Prior to MTV, Mr Singh held senior positions at Manchester United, IMG TWI and the Discovery Channel.

Haresh Chawla *(Non-executive director)*
Mr Chawla is group CEO of the Network 18 and Viacom 18 group. Mr Chawla has been in this position since December 1999, when he joined Network 18. Under his leadership and guidance, Network 18 has been transformed from a production house to one of India's leading news networks with flagship channels being CNBC TV18, CNBC Awaaz, CNN IBN, IBN7 and IBN Lokmat. Mr Chawla led the very successful launch of Viacom 18's 24-hour general entertainment channel, 'Colors', and led the existing channels MTV, Nick and VH1 into leadership positions. The Network 18 and Viacom 18 group today reaches out to more than 300 million households across various platforms, including television, print, films, mobile and internet. Mr Chawla's previous assignments have all been with start-ups including the Times of India group where he launched their music label – Times Music, Amitabh Bachchan Corporation Limited and the HCL group. Mr Chawla is an engineer from IIT Mumbai and has an MBA from the Indian Institute of Management, Kolkata.

Sanjeev Manchanda *(Non-executive director)*
Mr Manchanda is an advisor to companies in the entertainment & media sector, providing strategic advice on business plans and strategies, corporate finance, and transition during growth cycles. Mr Manchanda is also an investment banker specialising in fundraising through private equity, arrangement of debt, IPOs and on M&As in media and other sectors. Mr Manchanda is a qualified Chartered Accountant and a graduate in Economics from St. Stephens College, University of Delhi.


Akshay Kumar in Singh Is Kinng

Investment Adviser

key personnel

Sandeep Bhargava *(Chief executive officer)*

Mr Bhargava has over eighteen years' experience in advertising and film production. Prior to joining the Investment Adviser as CEO, he was CEO of Studio 18. Before joining Studio 18 he was chief operating officer of Sahara One Motion Pictures, where he was involved in the release of over 28 films in India, with a total investment of approximately £22 million. The portfolio of movies produced under his supervision includes both commercially and critically successful movies which have won five national awards. Prior to joining Sahara One, Mr Bhargava was the chief operating officer of UTV, during which time he led multiple strategic business units such as Airtime Sales Syndication, Advertisement Film Production, Dubbing and Post Production. Mr Bhargava started his career in leading advertising agencies and handled top multinational and Indian brands such as 555, Benson & Hedges, Coca-Cola, Lafarge Cement, Lever, Hutch, Reliance Infocom and Tata Steel. Mr Bhargava has an MBA in Marketing & International Business from the University of Akron, USA.

Sanjay Ray Chaudhuri *(Non-executive director)*

Mr Chaudhuri is an executive director in Network 18. He started his career as an independent documentary film-maker for Doordarshan. He went on to direct and present India's first indigenously produced show for satellite television, The India Show. He received the Onida Pinnacle Award for Excellence in Television in 1995. Mr Chaudhuri has directed music videos, corporate films, advertising films, chat shows, game shows, business shows and an award winning documentary-drama series for television. He handles programme development and design and looks after the creative and technological aspects of production for Network 18. Mr Chaudhuri graduated in B.A. Hons (English) from St. Stephens College, University of Delhi and received a Masters Degree in Mass Communications from the Mass Communications Research Centre, Jamia University, New Delhi.

Priti Pradeep Shahani
(Senior vice president marketing, domestic distribution and syndication)

Ms Shahani has sixeen years of experience in acquisitions, syndication, sales and marketing across the film, media, entertainment and hospitality industries. Before joining the Investment Adviser, she was the Head of Marketing of Sahara One Motion Pictures, where she was instrumental in creating brand awareness of the organisation. Ms Shahani has marketed a number of commercially successful Hindi films. Prior to joining Sahara One, Ms Shahani co-founded Hungama, a leading entertainment portal, and started her career in sales and marketing at Taj Hotels, after completing a Commerce degree from Mumbai University.

Manish Thukral *(Chief financial officer)*

Mr Thukral joined as the chief financial officer of the Investment Adviser in September 2007. Mr Thukral has over seventeen years of experience in the areas of Strategic Planning, Budgeting, Forecasting, Corporate Accounting and Fundraising. Prior to joining, Mr Thukral worked with Tata Sky and Pepsi Foods. Mr Thukral is a qualified Chartered Accountant and a graduate in Commerce from Sri Ram College of Commerce, Delhi University.

Ruchi Mohan *(Senior manager – strategy)*

Ms Mohan joined the Investment Adviser as senior manager for strategy in August 2007. Prior to joining, Ms Mohan was an investment banker at Bank of America and also worked with XO Communications and UTV. Ms Mohan has an MBA with dual specialisation in Finance and Marketing and is a graduate in Journalism.

Tripur Singh *(Associate vice president – legal)*

Mr Singh joined the Investment Adviser in December 2007 as associate vice president – legal. Mr Singh has over eleven years of experience in the area of inbound and outbound foreign direct investment. Prior to joining, Mr Singh was head of the legal department with Astro Group, a Malaysian listed entity and one of Asia's leading media companies, where he was instrumental in providing legal support to the group's activities in India. He is a law graduate of the Government Law College, Mumbai and a member of the bar of the Supreme Court of India and the bar Council of Maharashtra and Goa.

Kareena Kapoor in Golmaal Returns

REPORT of the Directors

The Directors present their report and the consolidated financial statements of The Indian Film Company Limited (the "Company") and its Subsidiaries, The Indian Film Company (Cyprus) Limited and IFC Distribution Private Limited (collectively the "Group") for the year ended 31 March 2009.

Status and activities

The Company was incorporated on 4 April 2007 as a closed-ended investment company registered under the provisions of The Companies (Guernsey) Law, 2008 as amended. On 18 June 2007, the Company raised gross proceeds of £55 million (net proceeds of £52.78 million) through the issue of 55 million Ordinary Shares of no par value at 100.00 pence each, with the Company's Ordinary Shares being admitted to trading on AIM, a market operated by the London Stock Exchange. The Company received consent from the Guernsey Financial Services Commission under the Control of Borrowing (Bailiwick of Guernsey) Ordinances, 1959 to 1989 for the issue of the Admission Document and the associated raising of funds.

Following recent changes to the Guernsey regulatory fund regime, the Company has elected to be an "authorised" closed-ended investment scheme under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended. This has no impact on the operation of the Company.

John Abraham in Little Zizou

Report of the Directors

continued

The Group seeks to invest in films where the Group retains full ownership of all Intellectual Property Rights ("IPR") relating to each film, although ownership may be shared with co-producers, directors and actors where necessary. The broad objective of the Group is to build a film library of IPR. These acquired rights will be exploited worldwide and across various platforms, such as theatrical, music, home video, satellite and all other existing or yet to be invented medium, including, but not limited to, websites, publishing, gaming and merchandising. The Group may also sell rights for films prior to their release where it is in the commercial interest of the Group, although it is not the Group's intention to trade in film rights. The Directors and the Investment Manager believe that the Group is well placed to continue to take advantage of film investment opportunities and continue to capitalise on the phase of growth that the Indian film industry is currently experiencing.

Results

This was the Group's first full year of operation, with a number of blockbuster films having been released over the course of the year. Much of the revenue from these blockbuster releases has been reflected in the results for the year ended 31 March 2009, but the Group will benefit from further income from the sale of satellite and other television and ancillary rights.

Revenue

The Consolidated Income Statement on page 34 shows revenue of £40.90 million (4 April 2007 to 31 March 2008: £11.45 million) and a net profit for the year of £3.89 million (4 April 2007 to 31 March 2008: £1.96 million).

Net assets

As at 31 March 2009, the Group's consolidated net asset value was £64.53 million (2008: £54.77 million) and the net asset value per Ordinary Share was 117.32p (2008: 99.59p), an increase of 17.80% in the year.

Dividends

The Company did not pay any dividends in the year under review (period ended 31 March 2008: nil) and the Directors do not propose a final dividend (period ended 31 March 2008: nil).

In view of the current financial commitments of the Group, the Directors do not recommend the payment of an interim dividend at this time and will review the position on an ongoing basis.

Strategic review

On 30 January 2009, Mr Setia and Mr Gupta were appointed as non-executive Directors of the Company and as part of their appointment, it was agreed that the Company would undertake a comprehensive review of its strategy and the business it is engaged in with a view to enhancing long-term shareholder value. The strategic review committee reported its findings to the Board in late May 2009, which the Board will review and, where appropriate, the Board will take follow up action imminently.

Intangible assets

Film rights

The carrying value of the Group's exploitation rights and investments in films and films under production (valued at cost less accumulated amortisation and any provision for impairment) as at 31 March 2009 was £52.06 million (2008: £31.39 million) (see note 12).

Whilst the Group amortises film costs using the individual-film-forecast method where costs are amortised for each film in the ratio that current period revenue for such films bears to management's estimate of remaining unrecognised ultimate revenue as at the beginning of the current financial year, the Group has experienced, based on the operations for the last two years, that 60 – 70% of the cost of a film is written off within the first twelve months of theatrical release of the film. The Group estimates that a further 5% of the cost should be written off in each of the next four years with the balance being written off in the sixth and seventh years of the film's release.

Material contracts

In addition to acquisition, co-production, production and talent contracts, the Company's material contracts are with Film Investment Managers (Mauritius) Limited (the "Investment Manager"), which acts as Investment Manager, Elysium Fund Management Limited (the "Administrator"), which acts as Administrator and Secretary, Grant Thornton UK LLP, which acts as Nominated Adviser, Butterfield Bank (Guernsey) Limited, which acts as Custodian, Elara Capital plc and Oriel Securities Limited, as Joint Brokers, and Capita Registrars (Guernsey) Limited, which acts as Registrar.

Management

The Investment Manager has sole responsibility to manage and advise the Group as to the management and investment and re-investment of the assets of the Group and to monitor the performance and operation of the assets within the portfolio, subject always to the overall policies, direction and control of the Board and in accordance with the investment policy and investment restrictions (as amended), as disclosed in the Admission Document.

Under the provisions of the Investment Management Agreement, the Investment Manager has appointed India International Film Advisors Private Limited (the "Investment Adviser") as the Investment Adviser to provide non-binding advice on the investment opportunities in the film industry in India. The Investment Manager is responsible for ensuring that the Investment Adviser acts in accordance with the policies laid down by the Directors and in accordance with the investment restrictions referred to in the Investment Management Agreement and for the payment of fees to the Investment Adviser. Under the Investment Management Agreement, the Investment Manager is entitled to receive a quarterly management fee and an annual performance fee, details of which are disclosed in note 5.

Appointment of the Investment Manager

The Directors believe that the Investment Manager performed creditably during the year ended 31 March 2009.

In the opinion of the Directors, it is in the interests of Shareholders as a whole to retain the services of the Investment Manager.

Taxation

The Company has been granted exemption from Guernsey taxation under The Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 and is charged an annual exemption fee of £600. The Directors intend to conduct the Company's affairs such that it continues to remain eligible for exemption from Guernsey tax.

The Company's Cypriot Subsidiary is charged tax on income at the rate of 10% (4 April 2007 to 31 March 2008: 10%).

The Company's Indian Subsidiary is charged tax on income at the rate of 33.99% (4 April 2007 to 31 March 2008: 33.99%).

Revenue is recorded gross of applicable taxes but net of indirect taxes, such as VAT. Direct tax expense is recognised through the Consolidated Income Statement as incurred and indirect taxes are included in the Consolidated Balance Sheet as payable to or due from the government.

Future prospects

The Board and the Investment Manager are pleased with the rate at which film projects have been entered into over the first two years of the Company's life and the successes achieved with the Company's film releases. The Board and the Investment Manager believe that the Company will continue to meet its investment objective. Further details are given in the Chairman's Statement and the Investment Manager's Report.

Directors

The present members of the Board are listed on pages 16 and 17 and on the inside back cover.

As at 31 March 2009, the Directors' interests in the Ordinary Share capital of the Company were as follows:

	Ordinary Shares
Shyam Benegal *(Chairman)*	–
Raghav Bahl [1]	11,900,000
Lord Meghnad Desai	–
Alok Verma	–
Peter Radford	10,000
Atul Setia [2]	7,913,500
Deepak Gupta [3]	3,775,000

(1) Raghav Bahl is a Director of the Company and a director and substantial shareholder of both Network 18 Media and Investment Limited and BK Media Mauritius Private Limited, which hold 10,000,000 Ordinary Shares and 1,900,000 Ordinary Shares in the Company respectively.

(2) Atul Setia is a Director of the Company and a partner at Altima Partners LLP ("Altima"). The Altima India Master Fund Limited (the "Fund") holds 7,913,500 Ordinary Shares in the Company. The investment adviser to the Fund is India Fund Advisors Limited (a Mauritian company), which in turn has delegated investment advisory services to Altima.

(3) Deepak Gupta is a Director of the Company and has discretion over 3,775,000 Ordinary Shares in the Company. 375,000 Ordinary Shares are held in Mr Gupta's own name and 3,400,000 Ordinary Shares are held by Alpine Assets Appreciation Fund Limited. Mr Gupta is a director and shareholder of Astaris Wealth Management Company Limited, which is a manager of Alpine Assets Appreciation Fund Limited and Mr Gupta has 6.47% of the issued share capital of Alpine Appreciation Fund Limited.

A condition of Mr Gupta's appointment as a Director of the Company is that if he and his associates cease to have an interest in 10% or more of the Company's issued share capital, he would resign as a Director. For this purpose, Mr Ajay Bikram Singh is an associate of Mr Gupta.

Report of the Directors

continued

There were no changes in the interests of the Directors between 31 March 2009 and the date of signing this report.

There are no service contracts in place between the Company and the Directors.

Significant Shareholders

As at 8 June 2009, the Company had been notified of the following significant Shareholders:

Shareholder	*Number of Ordinary Shares*	*Percentage of Share capital*
Raghav Bahl (see note 1 on page 25)	11,900,000	21.64%
Atul Setia (see note 2 on page 25)	7,913,500	14.39%
HSBC Global Asset Management (Singapore)	5,080,000	9.24%
Dundee Leeds Management	5,000,000	9.09%
Deepak Gupta (see note 3 on page 25)	3,775,000	6.86%
Kelusa Master Fund	3,500,000	6.36%
Mr Ajay Bikram Singh (see note 3 on page 25)	3,000,000	5.45%
Viacom Brand Solutions	2,500,000	4.55%

Authority to buy back Ordinary Shares

Pursuant to the authority granted at the Company's Annual General Meeting held on 29 August 2008, the Company has authority to make market purchases of up to 14.99% of its issued Ordinary Share capital. The Board will seek to renew such authority at the forthcoming Annual General Meeting of the Company. By renewing this authority, your Board is seeking to retain the ability to exert a positive influence, as and when deemed appropriate, over the level of discount to net asset value, at which the Ordinary Shares trade.

Purchases of Ordinary Shares will be made within guidelines established from time to time by the Board. Ordinary Shares repurchased may be held in Treasury.

No shares were purchased for cancellation or to be held in Treasury during the year ended 31 March 2009.

Corporate Governance

As a Guernsey incorporated company and under the AIM Rules for companies, the Company is not required to comply with the Combined Code published by the Financial Reporting Council (the "2006 FRC Code"). The Board has however put in place a framework for corporate governance which it believes is suitable for the Company and which enables the Company to voluntarily comply with the main requirements of the 2006 FRC Code, which sets out principles of good governance and a code of best practice.

The Board considers that the Company has complied with the provisions contained within the 2006 FRC Code throughout the year, except where indicated below.

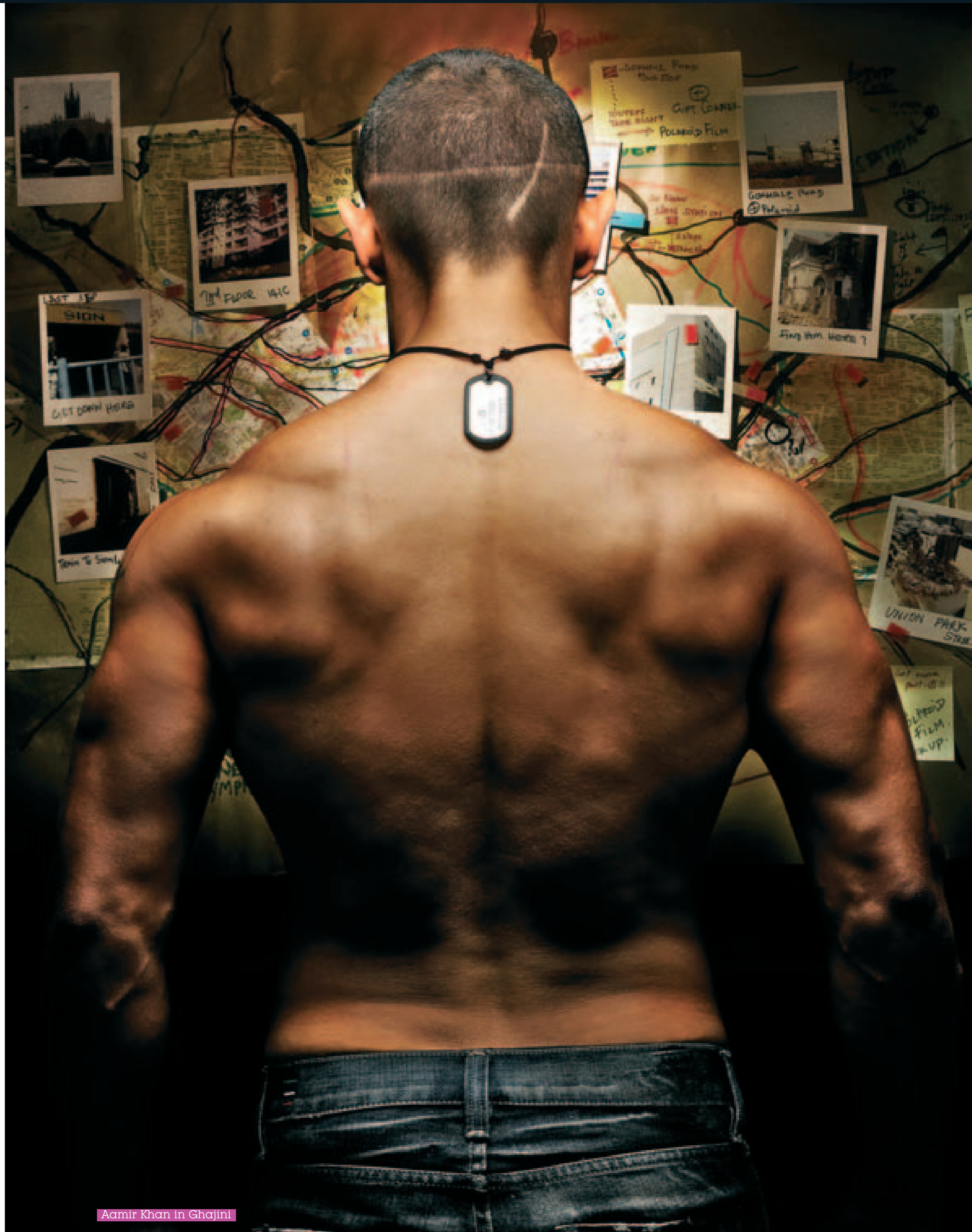
The Board

With the exception of Atul Setia and Deepak Gupta, who were appointed as Directors of the Company on 30 January 2009, all of the Directors served throughout the year.

The Board currently consists of seven non-executive Directors, six of whom are independent. Raghav Bahl is not considered to be independent due to his significant shareholding and his position as a director of the Investment Manager. As the Chairman of the Board is an independent non-executive Director, the Board does not consider it necessary to appoint a senior independent director.

The Company has no executive directors and no employees. However, the Board has engaged external companies to undertake the management, advisory, administrative and custodial activities of the Company and the production of the annual report and financial statements which are independently audited. Clear documented contractual arrangements are in place between these firms that define the areas where the Board has delegated responsibility to them. Whilst the Board delegates responsibility, it retains accountability for the functions it delegates and is responsible for the systems of internal control.

The Board meets at least four times a year and between these formal meetings there is regular contact with the Investment Manager, Investment Adviser, Nominated Adviser and the Administrator. The Directors are kept fully informed of investment and financial controls, and other matters that are relevant to the business of the Company and that should be brought to the attention of the Directors. The Directors also have access to the Secretary and, where necessary in the furtherance of their duties, to independent professional advice at the expense of the Company.



Aamir Khan in Ghajini

Report of the Directors

continued

The Board has a breadth of experience relevant to the Company, and the Directors believe that any changes to the Board's composition can be managed without undue disruption. With any new appointment of a director to the Board, consideration will be given as to whether a formal induction process is appropriate.

The Board considers agenda items laid out in the notice and agenda which are formally circulated to the Board in advance of a meeting as part of the Board papers and, therefore, Directors may request any agenda items to be added that they consider appropriate for Board discussion. Additionally, each Director is required to inform the Board of any potential or actual conflicts of interest prior to Board discussion.

The Board evaluates its own performance and considers the tenure of each Director on an annual basis and believes that the mix of skills, experience, ages and length of service are appropriate to the requirements of the Company.

All members of the Board are expected to attend each Board meeting and to arrange their schedules accordingly, although non-attendance is unavoidable in certain circumstances. The table below details the number of formal meetings attended by each Director in the year.

	Board meetings	*Audit Committee meetings*
Shyam Benegal *(Chairman)*	3/6	n/a
Raghav Bahl	5/6	n/a
Lord Meghnad Desai	5/6	n/a
Alok Verma	6/6	2/2
Peter Radford	6/6	2/2
Atul Setia *(appointed 30 January 2009)*	1/1	n/a
Deepak Gupta *(appointed 30 January 2009)*	1/1	n/a

Committees of the Board

The Board has not deemed it necessary to appoint a nomination or remuneration committee as, being comprised wholly of non-executive Directors, the whole Board considers these matters.

Kareena Kapoor in Golmaal Returns

Audit Committee

The Audit Committee comprises of Alok Verma, as its Chairman, and Peter Radford. The Audit Committee examines the effectiveness of the Group's internal control systems, the annual report and accounts, the half-yearly report and accounts, the auditors' remuneration and engagement, as well as the auditors' independence and any non-audit services provided by them. The Audit Committee receives information from the Investment Manager, Investment Adviser, Administrator and the external Auditors. The Audit Committee meets at least twice a year to review the annual accounts, half-yearly accounts and audit timetable and other risk management and governance matters. A copy of the Audit Committee Terms of Reference is available to Shareholders upon request from the Administrator.

Internal controls

The Board is ultimately responsible for the Group's system of internal control and for reviewing its effectiveness. The Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group. This process has been in place for the year under review and up to the date of approval of this annual report and consolidated financial statements. In line with general market practice for investment companies, the Directors do not conduct a formal annual review of internal controls. However, the Board does conduct an annual review of the financial reporting procedures and corporate governance controls and feels that the procedures employed by the service providers adequately mitigate the risks to which the Group is exposed.

The key procedures which have been established to provide effective internal controls are as follows:

- The Administrator is responsible for the provision of administration and company secretarial duties
- The duties of the Investment Manager, the Investment Adviser and the custody of assets are segregated. The procedures are designed to complement one another
- The Directors of the Company clearly define the duties and responsibilities of their agents and advisers in the terms of their contracts
- The Board reviews financial information produced by the Investment Manager and the Administrator on a regular basis
- The Group does not have an internal audit department. All of the Group's management functions are delegated to independent third parties and it is therefore felt that there is no need for the Group to have an internal audit facility
- On an ongoing basis, compliance reports are provided at each Board meeting from the Administrator.

The internal control systems are designed to meet the Group's particular needs and the risks to which it is exposed. Accordingly, the internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and by their nature can only provide reasonable and not absolute assurance against misstatement and loss.

Dialogue with Shareholders

The Directors are always available to enter into dialogue with Shareholders. All Ordinary Shareholders will have the opportunity, and indeed are encouraged, to attend and vote at the Annual General Meeting during which the Board and the Investment Manager will be available to discuss issues affecting the Company. The Board stays abreast of Shareholders' views via regular updates from the Investment Manager and Joint Brokers as to meetings they have held with Shareholders.

Report of the Directors

continued

Imran Khan in Kidnap

Soha Ali Khan and Irrfan Khan in Dil Kabaddi

Litigation

The Group is not engaged in any litigation or claim of material importance, except in one matter where the Company has invoked arbitration proceedings for recovery of its moneys due under the agreement, nor, so far as the Directors are aware, is any litigation or claim of material importance pending or threatened against the Group.

Going concern

After making appropriate enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and do not consider there to be any threat to the going concern status of the Group, notwithstanding the current economic climate. For this reason, they continue to adopt the going concern basis in preparing the consolidated financial statements.

Payment to creditors

Amounts due to suppliers and service providers are settled promptly within the terms of the contract, except in cases of dispute.

Financial risk profile

The Group's assets comprise investments, cash, loans and various items such as receivables and payables that arise directly from the Group's operations. The main purpose of these assets is the investment of Shareholders' funds.

The main risks are market, liquidity, foreign exchange, interest rate and credit risks. Further details are given in note 22 to the consolidated financial statements.

Auditors

Ernst & Young LLP has expressed its willingness to continue to act as Auditors. A resolution for its re-appointment will be proposed at the Company's forthcoming Annual General Meeting.

Directors' responsibilities

The Directors are responsible for preparing consolidated financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the returns achieved by the Group for that year and are in accordance with applicable laws and regulations. In preparing those financial statements the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors confirm that the financial statements comply with the above requirements.

Report of the Directors

continued

The Directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and of the Group and to enable them to ensure that the financial statements comply with the requirements of The Companies (Guernsey) Law, 2008 as amended. They are also responsible for safeguarding the assets of the Company and of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for the maintenance and integrity of the website on which these consolidated financial statements can be published.

Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. To the best of our knowledge and belief:

- the financial statements have been prepared in accordance with International Financial Reporting Standards and give a true and fair view of the financial position and results of the Group;
- the Investment Manager's Report includes a fair view of the development, performance and position of the Group during the year; and
- the financial statements include an analysis of the principal risks and uncertainties faced by the Group.

Disclosure of Information to Auditors

The Directors who held office at the date of approval of this Report of the Directors confirm that, so far as they are aware, there is no relevant audit information of which the Company's Auditors are unaware and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

Signed on behalf of the Board.

Shyam Benegal
Director
10 June 2009

Alok Verma
Director
10 June 2009

Independent Auditor's Report

To the Members of The Indian Film Company Limited

We have audited the consolidated financial statements (the "financial statements") of The Indian Film Company Limited (the "Company") for the year ended 31 March 2009 which comprise the Consolidated Income Statement, Consolidated Statement of Changes in Equity, Consolidated Balance Sheet, Consolidated Statement of Cash Flows and the related notes 1 to 29. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's Members, as a body, in accordance with section 262 of The Companies (Guernsey) Law, 2008 as amended. Our audit work has been undertaken so that we might state to the Company's Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

The Directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable Guernsey Law and International Financial Reporting Standards as set out in the Statement of Directors' Responsibilities on page 31.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with The Companies (Guernsey) Law, 2008 as amended. We also report to you if, in our opinion, the Company has not kept proper accounting records, if the Company's financial statements are not in agreement with accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the Investment Objective, Operational Strategy, Chairman's Statement, Investment Manager's Report, Directors, Investment Manager – key personnel, Investment Adviser – key personnel, the Report of the Directors and the Directors and Advisers. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company and the Group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with International Financial Reporting Standards, of the state of affairs of the Group as at 31 March 2009 and of the profit of the Group for the year then ended, and have been properly prepared in accordance with The Companies (Guernsey) Law, 2008 as amended.

Ernst & Young LLP
Guernsey
10 June 2009

The maintenance and integrity of The Indian Film Company Limited website is the responsibility of the Directors; the work carried out by the Auditors does not involve consideration of these matters and, accordingly, the Auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Consolidated Income Statement

for the year ended 31 March 2009

	Note	1 April 2008 to 31 March 2009 £'000	4 April 2007 to 31 March 2008 £'000
Income			
Revenue	*3*	40,896	11,447
Cost of sales	*4*	(34,454)	(9,177)
Gross profit		**6,442**	**2,270**
Expenses and net foreign exchange gains/(losses)			
Management fees	*5*	(1,095)	(829)
Other expenses	*7*	(1,179)	(536)
Net foreign exchange gains/(losses)		200	(296)
Operating profit before interest and tax		**4,368**	**609**
Finance costs	*8*	(224)	(48)
Finance income	*9*	445	1,622
Operating profit before tax		**4,589**	**2,183**
Corporate income tax expense	*10*	**(700)**	**(224)**
Net profit for the year/period		**3,889**	**1,959**
Earnings per Ordinary Share:			
basic and fully diluted	*11*	**7.07p**	**3.56p**

All the items in the above statement are derived from continuing operations.

The accompanying notes on pages 38 to 64 form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 March 2009

	Share capital £'000	Share premium £'000	Distributable reserve £'000	Foreign exchange translation reserve £'000	Total £'000
At 1 April 2008	–	–	54,742	30	54,772
Net profit for the year	–	–	3,889	–	3,889
Foreign exchange movement	–	–	–	5,867	5,867
At 31 March 2009	**–**	**–**	**58,631**	**5,897**	**64,528**

Consolidated Statement of Changes in Equity

for the period from 4 April 2007 to 31 March 2008

	Note	Share capital £'000	Share premium £'000	Distributable reserve £'000	Foreign exchange translation reserve £'000	Total £'000
At 4 April 2007		–	–	–	–	–
Gross proceeds of Placing	*18*	–	55,000	–	–	55,000
Issue costs		–	(2,217)	–	–	(2,217)
Cancellation of share premium		–	(52,783)	52,783	–	–
Net profit for the period		–	–	1,959	–	1,959
Foreign exchange movement		–	–	–	30	30
At 31 March 2008		**–**	**–**	**54,742**	**30**	**54,772**

The accompanying notes on pages 38 to 64 form an integral part of these consolidated financial statements.

Consolidated Balance Sheet

as at 31 March 2009

	Note	31 March 2009 £'000	31 March 2008 £'000
Non-current assets			
Exploitation rights	*12*	25,294	5,254
Investments in films and films under production	*12*	26,769	26,133
Term deposit	*13*	2,350	2,270
		54,413	33,657
Current assets			
Trade and other receivables	*14*	15,746	3,287
Prepayments		84	145
Cash and cash equivalents	*15*	937	19,349
		16,767	22,781
Total assets		**71,180**	**56,438**
Current liabilities			
Trade and other payables	*16*	(5,095)	(557)
Secured loan	*17*	(1,557)	(1,109)
Total liabilities		**(6,652)**	**(1,666)**
Net assets		**64,528**	**54,772**
Capital and reserves			
Called-up share capital (no par value)	*18*	–	–
Distributable reserve		58,631	54,742
Foreign exchange translation reserve		5,897	30
Total equity Shareholders' funds		**64,528**	**54,772**
Net asset value per Ordinary Share:			
basic and fully diluted	*19*	**117.32p**	**99.59p**

The financial statements on pages 34 to 64 were approved by the Board of Directors on 10 June 2009 and were signed on its behalf by:

Shyam Benegal
Director
10 June 2009

Alok Verma
Director
10 June 2009

The accompanying notes on pages 38 to 64 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

for the year ended 31 March 2009

	Note	1 April 2008 to 31 March 2009 £'000	4 April 2007 to 31 March 2008 £'000
Operating activities			
Net profit for the year/period		3,889	1,959
Adjustments for:			
Finance costs		224	48
Finance income		(445)	(1,622)
Corporate income tax expense		700	224
Net cash inflow from operating activities before non-cash items and working capital changes		**4,368**	**609**
Increase in trade and other receivables		(9,580)	(3,263)
Decrease/(increase) in prepayments		78	(145)
Increase in trade and other payables		5,088	333
Amortisation of intangible assets		26,124	5,112
Amortisation of print costs		265	–
Provision for bad debts		43	6
Transfer of investment projects to costs of traded rights		1,008	–
Net cash inflow from operating activities before tax		**27,394**	**2,652**
Corporate income tax paid		(3,156)	(234)
Net cash inflow from operating activities		**24,238**	**2,418**
Investing activities			
Payments for film projects and films under production		(49,651)	(25,908)
Refund of advances		551	–
Payments for exploitation rights		–	(10,366)
Interest received		399	1,601
Net cash outflow from investing activities		**(48,701)**	**(34,673)**
Financing activities			
Proceeds from Placing	*18*	–	55,000
Formation expenses paid		–	(2,217)
Proceeds from borrowings	*17*	448	2,180
Repayment of loans		–	(1,071)
Interest and bank charges paid		(183)	(48)
Payment for term deposit	*13*	(82)	(2,270)
Net cash inflow from financing activities		**183**	**51,574**
(Decrease)/increase in cash and cash equivalents		**(24,280)**	**19,319**
Cash and cash equivalents at beginning of year/period		19,349	–
(Decrease)/increase in cash and cash equivalents		(24,280)	19,319
Effect of exchange rates on cash and cash equivalents		5,868	30
Cash and cash equivalents at end of year/period	*15*	**937**	**19,349**

The accompanying notes on pages 38 to 64 form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2009

1. General information

The Indian Film Company Limited (the "Company") is a closed-ended investment company domiciled and incorporated as a limited liability company under Guernsey law. The Company's Ordinary Shares are traded on AIM, a market operated by the London Stock Exchange. The Company received consent from the Guernsey Financial Services Commission under the Control of Borrowing (Bailiwick of Guernsey) Ordinances, 1959 to 1989 for the issue of the Admission Document and the associated raising of funds.

Following recent changes to the Guernsey regulatory fund regime, the Company has elected to be an "authorised" closed-ended investment scheme under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended. This has no impact on the operation of the Company.

The Group (The Indian Film Company Limited and its Subsidiaries) seeks to invest in films where the Group retains full ownership of all Intellectual Property Rights ("IPR") relating to each film, although ownership may be shared with co-producers, directors and actors where necessary. The broad objective of the Group is to build a film library of IPR. These acquired rights will be exploited worldwide and across various platforms, such as theatrical, music, home video, satellite and all other existing or yet to be created media including, but not limited to, websites, publishing, gaming and merchandising. The Group may also sell rights for films prior to their release where it is in the commercial interest of the Group, although it is not the Group's intention to trade in film rights. The Directors and the Investment Manager believe that the Group is well placed to take advantage of film investment opportunities and to capitalise on the growth that the Indian film industry is currently experiencing.

The consolidated financial statements of the Group for the year ended 31 March 2009 comprise the results of the Company and its Subsidiaries and are available at www.theindianfilmcompany.com.

2. Significant accounting policies

a) Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB and applicable requirements of Guernsey Law and reflect the following accounting policies, which have been adopted and applied consistently by the Group throughout the year.

The consolidated financial statements have been prepared on a historical cost basis. The presentational currency of these consolidated financial statements is Pounds Sterling ("Pounds", "Sterling" or "GBP"). The consolidated financial statements are rounded to the nearest thousand Pounds.

Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Details of accounting estimates and judgments that have the most significant effect on the amounts recognised in the financial statements have been disclosed under the relevant note or accounting policy for each area where disclosure is required.

Judgments made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2 (k) and note 22.

b) New standards and interpretations

The IASB and IFRIC have issued the following standards and interpretations with an effective date after the date of these financial statements:

International Accounting Standards/International Financial Reporting Standards (IAS/IFRS)		*Effective date*
IAS 1	Presentation of Financial Statements (revised 2007, 2008 and April 2009)	1 January 2009 and 1 January 2010
IAS 7	Statement of Cash Flows (revised April 2009)	1 January 2010
IAS 16	Property, Plant and Equipment (revised May 2008)	1 January 2009
IAS 17	Leases (revised April 2009)	1 January 2010
IAS 19	Employee Benefits (revised May 2008)	1 January 2009
IAS 20	Government Grants and Disclosures of Government Assistance (revised May 2008)	1 January 2009
IAS 23	Borrowing Costs (revised 2007 and May 2008)	1 January 2009
IAS 27	Consolidated and Separate Financial Statements (revised 2008)	1 January 2009 and 1 July 2009
IAS 28	Investments in Associates (revised 2008)	1 January 2009 and 1 July 2009
IAS 29	Financial Reporting in Hyperinflationary Economies (revised May 2008)	1 January 2009
IAS 31	Interests in Joint Ventures (revised 2008)	1 January 2009 and 1 July 2009
IAS 32	Financial Instruments: Presentation (revised 2008)	1 January 2009
IAS 36	Impairment of Assets (revised May 2008 and April 2009)	1 January 2009 and 1 January 2010
IAS 38	Intangible Assets (revised May 2008 and April 2009)	1 January 2009 and 1 July 2009
IAS 39	Financial Instruments: Recognition and Measurement (revised 2008, March 2009 and April 2009)	1 January 2009 and 30 June 2009 and 1 July 2009 and 1 January 2010
IAS 40	Investment Property (revised May 2008)	1 January 2009
IAS 41	Agriculture (revised May 2008)	1 January 2009
IFRS 1	First time Adoption of International Financial Reporting Standards (revised May 2008)	1 January 2009
IFRS 2	Share-based Payment (revised 2008 and April 2009)	1 January 2009 and 1 July 2009
IFRS 3	Business Combinations (revised 2008)	1 July 2009
IFRS 5	Non current Assets Held for Sale and Discontinued Operations (revised May 2008 and April 2009)	1 July 2009 and 1 January 2010
IFRS 7	Financial Instruments: Disclosures (revised March 2009)	1 January 2009
IFRS 8	Operating Segments (original issuance and revised April 2009)	1 January 2009 and 1 January 2010

2. Significant accounting policies (continued)

b) New standards and interpretations (continued)

International Financial Interpretations Committee (IFRIC)

IFRIC 13	Customer Loyalty Programmes	1 July 2008
IFRIC 15	Agreements for the Construction of Real Estate	1 January 2009
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	1 October 2008
IFRIC 17	Distributions of Non-cash Assets to Owners	1 July 2009
IFRIC 18	Transfers of Assets from Customers	1 July 2009

The Directors have chosen not to early adopt the above standards and interpretations as it is anticipated that these will not have any impact on the financial position or the financial performance of the Group.

c) Basis of consolidation

The Group consolidates the financial statements of the Company and its Subsidiary undertakings drawn up to 31 March 2009. The results of the Subsidiary undertakings are accounted for in the Consolidated Income Statement from the effective date of acquisition.

Subsidiaries are those entities, including special purpose vehicles, controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable are taken into account.

The cost of investment in a subsidiary is eliminated against the Company's share in net assets at the date of acquisition. All intercompany receivables, payables, income and expenses are eliminated. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.

The consolidated financial statements incorporate the net assets and liabilities of the Company and its Subsidiaries as at the Balance Sheet date and their results for the year then ended. All intercompany balances and transactions are eliminated.

d) Foreign currency translations

The Company's functional currency is deemed to be Sterling as the funds were raised in Sterling and the Ordinary Shares are denominated in Sterling. Sterling is also the presentational currency of these consolidated financial statements.

Transactions involving currencies other than Sterling are recorded at the exchange rate ruling on the transaction date. At each Balance Sheet date, monetary items and non-monetary assets and liabilities, which are denominated in foreign currencies, are retranslated at the closing rates of exchange to Sterling.

Exchange differences arising on settlement of monetary and non-monetary items are included in the Consolidated Income Statement.

e) Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill arising on consolidation, are translated to Sterling at the foreign exchange rates ruling at the Balance Sheet date. The income and expenses of foreign operations are translated into Sterling at rates approximating to the foreign exchange rates ruling at the date of the transaction. Foreign exchange differences arising on retranslation are recognised as a separate component of equity.

f) Revenue recognition

The Company recognises revenues from the licensing of film rights. Revenues are recognised, net of all indirect taxes, when it is probable that future economic benefits will be obtained by the Group, when these revenues can be reliably measured and once all of the following criteria are met:

- on delivery of the film;
- on the agreement for sale or licensing of the film;
- on commencement of the license to exploit;
- on an agreed consideration; and
- where collection of income is assured.

The following additional criteria apply in respect of these revenue streams:

- Theatrical – revenue is recognised in accordance with the licensing agreement as the films are screened and is stated at the minimum guarantee due, where applicable, plus the Group's share of box office receipts in excess of the minimum guarantee;
- Music and home video – in the case of the sale of rights, revenue is stated at the minimum guaranteed revenue due, plus the Group's share in any overflow. Home video product revenues, less a provision for estimated returns and rebates, are recognised upon shipment. In the case of the in-house distribution of DVDs/VCDs, revenue is recognised on delivery;
- Satellite/television broadcasting – revenue is recognised in accordance with the licensing arrangements when the Group has no remaining obligations to perform and all other conditions for sale have been met and is recognised on the first day of commencement of the license period for the exploitation of such right;
- Sale of film rights – where film rights are sold prior to film release, revenue is recognised on the execution of the agreement for the transfer of such rights.

g) Expenses

All expenses are accounted for on an accruals basis. The Group's investment management and administration fees, and all other expenses (with the exception of share issue costs, which were charged directly to the share premium account) are charged through the Consolidated Income Statement in the period in which they are incurred.

h) Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash in hand and deposits at banks and the Custodian.

i) Intangible assets

Investment in films and associated rights, including acquired rights in respect of released films are stated at cost less accumulated amortisation and any provision for impairment. All intangible assets are deemed to have finite useful lives.

j) Investment in films and films under production

Amounts are paid to producers for the acquisition of rights in film projects. The Company also makes payments to hire key talent for the production of its own films, with such payments reflected as non-current assets. Amounts due to these producers or key talents in accordance with their contracts but that are not due for payment as at the Balance Sheet date are disclosed as outstanding capital commitments.

2. Significant accounting policies (continued)

j) Investment in films and films under production (continued)

Work in progress in relation to films under production is carried at cost including appropriate labour costs and other overheads. Where applicable, directly attributable financial costs are also included.

k) Amortisation of film costs and impairment of intangible assets

The Company amortises film costs using the individual-film-forecast method. Under the individual-film-forecast method, such costs are amortised for each film in the ratio that current period revenue for such films bears to management's estimate of remaining unrecognised ultimate revenue as at the beginning of the current fiscal year. Management regularly reviews and revises, where necessary, its total estimates on a film-by-film basis, which may result in a change in the rate of amortisation and/or a write down of the intangible asset to recoverable amount. The amortisation charge is included under cost of sales in the Consolidated Income Statement.

The assets are assessed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If any such indication of impairment exists, the Group makes an estimate of its recoverable amount.

l) Trade and other receivables

Trade and other receivables are carried at the lower of their original invoiced amount and recoverable amount, after adjusting for doubtful receivables. Provision is made when there is objective evidence that the Group will be unable to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

m) Trade payables and accruals

Trade and other payables are carried at payment or settlement amounts.

n) Non-current liabilities

All loans and borrowings are recognised at cost, being the fair value of the consideration received. After initial recognition, all floating-rate interest-bearing loans and borrowings are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on settlement.

o) Taxation

Revenue is recorded gross of applicable taxes but net of indirect taxes, such as VAT. Direct tax expense is recognised through the Consolidated Income Statement as incurred and indirect taxes are included in the Consolidated Balance Sheet as payable to or due from the government.

p) Deferred taxation

Deferred income tax is provided, using the liability method, on all temporary differences at the Balance Sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences and unused tax losses, to the extent that it is probable that taxable profit will be available in the foreseeable future against which the deductible temporary differences and unused tax losses can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the relevant tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply when the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the Balance Sheet date.

q) Reserves

The net profit of the Group is allocated to the distributable reserve. Foreign exchange gains and losses arising on the translation and consolidation of foreign companies' financial statements are allocated to the foreign exchange translation reserve.

r) Share capital

Funds received from the issue of Ordinary Shares are allocated to share capital, to the extent that they relate to the par value of the Ordinary Shares, with any excess being allocated to distributable reserves.

s) Post Balance Sheet events

Post Balance Sheet events that provide additional information about the Group's position at the Balance Sheet date (adjusting events) are reflected in the financial statements. Post Balance Sheet events that are not adjusting events are disclosed in the notes to the financial statements when material.

t) Net asset value per share and earnings per share

The net asset value per share disclosed on the face of the Consolidated Balance Sheet is calculated by dividing the net assets by the number of Ordinary Shares in issue at the year end.

Earnings per share is calculated by dividing the net profit for the year by the weighted average number of Ordinary Shares in issue during the year.

3. Revenue

	1 April 2008 to 31 March 2009 £'000	4 April 2007 to 31 March 2008 £'000
Licensing and sale of film rights	40,896	11,447

4. Cost of sales

	1 April 2008 to 31 March 2009 £'000	4 April 2007 to 31 March 2008 £'000
Amortisation	26,124	4,488
Advertising	2,916	909
Print and processing costs	2,152	624
Costs of traded rights	1,008	2,629
Commissions and fees	988	227
Distribution, freight and similar costs	705	135
DVD manufacturing and other costs	561	165
	34,454	**9,177**

Notes to the Consolidated Financial Statements

continued

5. Management and administration fees

In consideration for its services under the Investment Management Agreement, the Company shall pay to Film Investment Managers (Mauritius) Limited (the "Investment Manager") a management fee of 2.00% per annum of the opening net asset value ("NAV") for the relevant year, payable quarterly in advance in Sterling. In respect of the first financial period of the Company, the opening NAV is defined as the net proceeds raised by the Company from the Placing.

In addition to the management fee described above, the Investment Manager is also entitled to receive from the Company a performance fee, calculated and payable after the end of each performance fee period, equal to 20.00% of any excess of the net profit after tax (after adding back (i) any liability to the Company or the Group in respect of such performance fee for that period and (ii) any amounts paid or payable to Shareholders (in their capacities as such) in respect of that period where the effect of such payment would reduce the Company's net profit after tax for that period) as at the end of each performance fee period over the benchmark (as defined below). Any performance fee shall be payable within 14 days of the end of the relevant performance fee period in Sterling.

The benchmark shall be an amount equal to the opening NAV for that period multiplied by 10.00% per annum provided always that no performance fee shall be payable to the Investment Manager in respect of a performance fee period unless at the end of that period the excess of the net profit after tax after adding back the items referred to above, over the benchmark is sufficiently great so as to ensure that any previous deficits (as defined below) have been eliminated. For these purposes a deficit shall be an amount, on a pound for pound basis, by which the net profit after tax (after adding back the items referred to above) for a particular period fails to exceed the benchmark for that period and has not been subsequently eliminated.

Each performance fee period commences on 1 April and terminates on 31 March in the following year.

No performance fee was payable to the Investment Manager in respect of the year ended 31 March 2009 (period ended 31 March 2008: nil).

Under the provisions of the Investment Management Agreement, the Investment Manager has appointed India International Film Advisors Private Limited as the Investment Adviser to provide non-binding advice on the investment opportunities in the film industry in India. The Investment Manager is responsible for ensuring that the Investment Adviser acts in accordance with the policies laid down by the Directors and in accordance with the investment restrictions referred to in the Investment Management Agreement and for the payment of fees to the Investment Adviser.

In its capacity as Administrator, Elysium Fund Management Limited was entitled to an annual fee in the first year from Admission on 18 June 2007 of £80,000 payable quarterly in arrears. This fee was increased to £140,000 per annum with effect from 1 July 2008, rising to £150,000 with effect from 1 July 2009.

During the year a total of £1,220,708 (period ended 31 March 2008: £892,190) was incurred in respect of management and administration fees split into £1,095,439 and £125,269 respectively (period ended 31 March 2008: £829,341 and £62,849).

A total of £35,000 was payable at the year end (2008: £20,000) in respect of administration fees. No management fee was payable at the year end (2008: nil).

6. Directors' fees

	1 April 2008 to 31 March 2009 £'000	4 April 2007 to 31 March 2008 £'000
Shyam Benegal (Chairman)	20	20
Lord Meghnad Desai	15	15
Alok Verma	15	15
Peter Radford	15	14
Raghav Bahl [1]	–	–
Atul Setia [2]	–	–
Deepak Gupta [2]	–	–
	65	**64**

No bonuses or pension contributions were paid or were payable on behalf of the Directors. All Directors were appointed as Directors of the Company on 4 April 2007, with the exception of Peter Radford who was appointed on 19 April 2007, and Atul Setia and Deepak Gupta who were appointed on 30 January 2009.

[1] Raghav Bahl has agreed to waive any entitlement to a director's fee from the Company as he is a director of Film Investment Managers (Mauritius) Limited, the Company's Investment Manager.

[2] Atul Setia and Deepak Gupta were appointed to the Board on 30 January 2009 and have both agreed to waive any entitlement to a director's fee from the Company.

Details of the Directors' interests in the Ordinary Share capital are set out in the Report of the Directors on page 25.

7. Other expenses

	1 April 2008 to 31 March 2009 £'000	4 April 2007 to 31 March 2008 £'000
Professional fees	285	151
Administration fee (note 5)	125	63
Audit fees	123	63
Directors' fees (note 6)	65	64
EGM related expenses	60	–
Broker fees	40	32
Nominated Adviser fees	25	20
Other [1]	456	143
	1,179	**536**

[1] Individual items that make up this figure are of an insignificant size and nature.

Notes to the Consolidated Financial Statements

continued

8. Finance costs

	1 April 2008 to 31 March 2009 £'000	4 April 2007 to 31 March 2008 £'000
Interest on loans	169	41
Other	55	7
	224	**48**

Finance costs primarily comprise of interest paid/payable on loans drawn down by the Indian Subsidiary (see note 17) and are charged to the Consolidated Income Statement in the period in which they are incurred.

9. Finance income

	1 April 2008 to 31 March 2009 £'000	4 April 2007 to 31 March 2008 £'000
Interest income	445	1,616
Other	–	6
	445	**1,622**

Interest income primarily comprises of interest received/receivable on surplus funds held as short-term deposits with banks and is accounted for on an accruals basis.

10. Taxation

The Company has been granted exemption from Guernsey taxation under The Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 and is charged an annual exemption fee of £600. The Directors intend to conduct the Company's affairs such that it continues to remain eligible for exemption from Guernsey tax. The Company's Cypriot Subsidiary is charged tax on income at the rate of 10%. The Company's Indian Subsidiary is charged tax on income at the rate of 33.99%.

Revenue is recorded gross of applicable taxes but net of indirect taxes, such as VAT. Direct tax expense is recognised through the Consolidated Income Statement as incurred and indirect taxes are included in the Balance Sheet as payable to or due from the government.

Reconciliation of income tax charge:	1 April 2008 to 31 March 2009 £'000	4 April 2007 to 31 March 2008 £'000
Profit before tax for the year/period	4,589	2,183
Adjustments for:		
Loss/(profit) at Guernsey Company level (as exempt from Guernsey taxation)	1,234	(469)
Effect of tax in other jurisdictions	–	–
Expenses not deductible for tax purposes	7	3
Tax losses carried forward for which no deferred tax asset has been recognised	148	46
Utilisation of current tax losses	–	–
Other differences	41	(14)
Total taxable income	**6,019**	**1,749**
Cyprus taxation	602	188
India taxation	98	36
Total corporate income tax	**700**	**224**

The following table provides a reconciliation of the Guernsey statutory tax rate to the effective rate on profit from operating activities:

	1 April 2008 to 31 March 2009 £'000	4 April 2007 to 31 March 2008 £'000
Net profit from operating activities	4,589	2,183
Company's Guernsey taxation (as exempt from Guernsey tax)	–	–
Taxation (payable in India and Cyprus)	700	224
Effective tax rate	15.26%	10.28%
Company's Guernsey rate (as exempt from Guernsey tax)	0%	0%
Supplementary overseas taxes at higher rates: India	33.99%	33.99%
Cyprus	10%	10%
Effective tax rate	15.26%	10.28%

11. Earnings per Ordinary Share – basic and fully diluted

The basic and fully diluted return per Ordinary Share is based on net profit for the year of £3.89 million (period ended 31 March 2008: £1.96 million) and on a weighted average number of 55 million Ordinary Shares in issue throughout the year (period ended 31 March 2008: 55 million).

Notes to the Consolidated Financial Statements

continued

12. Intangible assets

	Total £'000	Exploitation rights £'000	Investments in films and films under production £'000
Cost			
Balance brought forward as at 1 April 2008	36,309	10,176	26,133
Additions	43,287	–	43,287
Transfers	–	42,020	(42,020)
Total investment	**79,596**	**52,196**	**27,400**
Refund of advances	(1,521)	–	(1,521)
Sale of traded rights	(1,008)	–	(1,008)
Projects cancelled	(58)	–	(58)
Other costs written off	(265)	(265)	–
Balance carried forward as at 31 March 2009	**76,744**	**51,931**	**24,813**
Amortisation			
Balance brought forward as at 1 April 2008	(5,112)	(5,112)	–
Charge for the year	(26,124)	(26,124)	–
Cumulative amortisation as at 31 March 2009	**(31,236)**	**(31,236)**	**–**
Net book amount before foreign exchange adjustment as at 31 March 2009	**45,508**	**20,695**	**24,813**
Foreign exchange adjustment	6,555	4,599	1,956
Net book amount as at 31 March 2009	**52,063**	**25,294**	**26,769**

13. Term deposit

In December 2007, the Company placed a term deposit with a weekly rollover option of £2.25 million with ING Singapore on which the Company receives interest at a floating rate, which stood at 0.50% as at 31 March 2009 (2008: 5.255%). Interest on the deposit is re-invested at the time of each rollover. As at 31 March 2009, the term deposit plus accrued interest amounted to £2.34 million (31 March 2008: £2.27 million).

On 17 February 2009, the Company was charged a renewal fee of £6,750 for the Standby Letter of Credit from ING Singapore, which was deducted from the term deposit. The renewal fee is being amortised over the term of the renewal period to which it relates. The unamortised portion of the renewal fee, £5,918 at the year end, has been added to the term deposit.

ING Singapore has a lien on the term deposit (see note 17).

14. Trade and other receivables

	31 March 2009 £'000	31 March 2008 £'000
Trade receivables	6,643	1,090
Tax deducted at source in India	3,153	234
Advance corporate income tax – Cyprus	236	–
Other receivables [1]	5,714	1,963
	15,746	**3,287**

[1] Other receivables relates to balances held by agents which had not been remitted to the Group as at 31 March 2009.

15. Cash and cash equivalents

	31 March 2009 £'000	31 March 2008 £'000
Cash at bank		
Placed with Custodian	852	19,325
Others	85	24
	937	**19,349**

16. Trade and other payables

	31 March 2009 £'000	31 March 2008 £'000
Deferred income	1,598	–
Current corporate income tax payable	946	224
Professional fees	–	111
Other payables and accruals	2,551	222
	5,095	**557**

17. Secured loan

	31 March 2009 £'000	31 March 2008 £'000
Secured loan	1,557	1,109

The secured loan was entered into by IFC Distribution Private Limited, the Indian Subsidiary, at a floating interest rate from ING Vysya Bank Limited against a primary security of first charge on all current assets of the Company and also collateral security in the form of a Standby Letter of Credit from ING Singapore which has been issued against a term deposit of £2.34 million held by the Company (see note 13).

There are no set repayment terms and the floating interest rate payable at the year end was 13.25% per annum (2008: 10% per annum).

18. Share capital

	31 March 2009 £'000	31 March 2008 £'000
Authorised:		
Unlimited Ordinary Shares of no par value each	–	–
Allotted, called-up and fully paid:		
55 million Ordinary Shares of no par value each	–	–

On 18 June 2007, the Company was admitted to trading on AIM, a market operated by the London Stock Exchange, following the issue of 55 million Ordinary Shares of no par value.

As stated in the Company's Admission Document, a written special resolution dated 6 June 2007 was submitted to the Royal Court in Guernsey (the "Court") seeking approval to cancel the Company's share premium account and to credit the amount so cancelled as a distributable reserve. The cancellation of the share premium account was approved by the Court on 22 June 2007 and the amount standing to the credit of the share premium account was credited as a distributable reserve.

From 1 July 2008, following the issuance of The Companies (Guernsey) Law, 2008 as amended, it is no longer necessary for a company to maintain a share premium account as all reserves can be designated as distributable.

19. Net asset value per Ordinary Share

The net asset value per Ordinary Share as at 31 March 2009 is based on the net assets attributable to equity Shareholders of £64.53 million (2008: £54.77 million) and on 55 million Ordinary Shares in issue at the end of the year (2008: 55 million).

20. Investment in Subsidiaries

The Company held interests in the following Subsidiaries at 31 March 2009, which remain unchanged from the previous year:

Name	Country of incorporation	Principal activities	Holding
The Indian Film Company (Cyprus) Limited	Cyprus	Production, acquisition, sale and distribution of Indian films worldwide.	100%
IFC Distribution Private Limited	India	Sale/license of domestic theatrical rights	100%

21. Segmental analysis

Business segments

The Directors are of the opinion that the Group is engaged in two identifiable business segments, being the acquisition of and the production of Indian films and related content. There are no other significant classes of business. Where items are not relevant to any of the defined segments, the amount is included as "unallocated". There were no inter-segment transfers.

Income Statement for the year from 1 April 2008 to 31 March 2009	Total £'000	Acquisition £'000	Production £'000	Unallocated £'000
Income				
Revenue	40,896	40,896	–	–
Cost of sales	(34,454)	(34,454)	–	–
Gross profit	**6,442**	**6,442**	**–**	**–**
Expenses and net foreign exchange gains				
Management fees	(1,095)	–	–	(1,095)
Other expenses	(1,179)	–	–	(1,179)
Net foreign exchange gains	200	–	–	200
Operating profit/(loss) before interest and tax	**4,368**	**6,442**	**–**	**(2,074)**
Finance cost	(224)	(224)	–	–
Finance income	445	75	–	370
Operating profit/(loss) before tax	**4,589**	**6,293**	**–**	**(1,704)**
Corporate income tax expense	(700)	(700)	–	–
Net profit/(loss) for the year	**3,889**	**5,593**	**–**	**(1,704)**

Balance Sheet As at 31 March 2009	Total £'000	Acquisition £'000	Production £'000	Unallocated £'000
Assets				
Exploitation rights, investments in films and films under production	52,063	47,308	4,755	–
Term deposit	2,350	2,350	–	–
Trade and other receivables	15,746	15,729	–	17
Prepayments	84	–	–	84
Cash and cash equivalents	937	–	–	937
Total assets	**71,180**	**65,387**	**4,755**	**1,038**
Liabilities				
Trade and other payables	(5,095)	(3,664)	–	(1,431)
Secured loan	(1,557)	(1,557)	–	–
Total liabilities	**(6,652)**	**(5,221)**	**–**	**(1,431)**
Net assets/(liabilities)	**64,528**	**60,166**	**4,755**	**(393)**

21. Segmental analysis (continued)

Business segments (continued)

Income Statement for the period from 4 April 2007 to 31 March 2008	Total £'000	Acquisition £'000	Production £'000	Unallocated £'000
Income				
Revenue	11,447	11,447	–	–
Cost of sales	(9,177)	(9,177)	–	–
Gross profit	**2,270**	**2,270**	**–**	**–**
Expenses and net foreign exchange losses				
Management fees	(829)	–	–	(829)
Other expenses	(536)	–	–	(536)
Net foreign exchange losses	(296)	–	–	(296)
Operating profit/(loss) before interest and tax	**609**	**2,270**	**–**	**(1,661)**
Finance cost	(48)	(48)	–	–
Finance income	1,622	20	–	1,602
Operating profit/(loss) before tax	**2,183**	**2,242**	**–**	**(59)**
Corporate income tax expense	(224)	(224)	–	–
Net profit/(loss) for the period	**1,959**	**2,018**	**–**	**(59)**

Balance Sheet As at 31 March 2008	Total £'000	Acquisition £'000	Production £'000	Unallocated £'000
Assets				
Exploitation rights, investments in films and films under production	31,387	28,858	2,529	–
Term deposit	2,270	2,270	–	–
Trade and other receivables	3,287	3,021	–	266
Prepayments	145	–	–	145
Cash and cash equivalents	19,349	–	–	19,349
Total assets	**56,438**	**34,149**	**2,529**	**19,760**
Liabilities				
Trade and other payables	(557)	–	–	(557)
Secured loan	(1,109)	(1,109)	–	–
Total liabilities	**(1,666)**	**(1,109)**	**–**	**(557)**
Net assets	**54,772**	**33,040**	**2,529**	**19,203**

Geographical segments

The Directors are of the opinion that the Group operates primarily in two economic environments, as defined below, as they are subject to risks and returns that are specific to each such environment. The revenue information is based on the location of the customer. Where items are not relevant to any of the defined segments, the amount is included as "unallocated". There were no inter-segment transfers.

Income Statement for the year from 1 April 2008 to 31 March 2009	Total £'000	India £'000	Rest of the world £'000	Unallocated £'000
Income				
Revenue	40,896	35,623	5,273	–
Cost of sales	(34,454)	(29,976)	(4,478)	–
Gross profit	**6,442**	**5,647**	**795**	**–**
Expenses and net foreign exchange gains				
Management fees	(1,095)	(954)	(141)	–
Other expenses	(1,179)	(908)	(271)	–
Net foreign exchange gains	200	174	26	–
Operating profit before interest and tax	**4,368**	**3,959**	**409**	**–**
Finance cost	(224)	(176)	(48)	–
Finance income	445	70	375	–
Operating profit before tax	**4,589**	**3,853**	**736**	**–**
Corporate income tax expense	(700)	(98)	(602)	–
Net profit for the year	**3,889**	**3,755**	**134**	**–**

Balance Sheet As at 31 March 2009	Total £'000	India £'000	Rest of the world £'000	Unallocated £'000
Assets				
Exploitation rights, investments in films and films under production	52,063	46,348	5,715	–
Term deposit	2,350	2,350	–	–
Trade and other receivables	15,746	15,183	563	–
Prepayments	84	–	84	–
Cash and cash equivalents	937	13	924	–
Total assets	**71,180**	**63,894**	**7,286**	**–**
Liabilities				
Trade and other payables	(5,095)	(4,173)	(922)	–
Secured loan	(1,557)	(1,557)	–	–
Total liabilities	**(6,652)**	**(5,730)**	**(922)**	**–**
Net assets	**64,528**	**58,164**	**6,364**	**–**

Notes to the Consolidated Financial Statements

continued

21. Segmental analysis (continued)

Geographical segments (continued)

Income Statement for the period from 4 April 2007 to 31 March 2008	Total £'000	India £'000	Rest of the world £'000	Unallocated £'000
Income				
Revenue	11,447	9,536	1,911	–
Cost of sales	(9,177)	(7,972)	(1,154)	(51)
Gross profit/(loss)	**2,270**	**1,564**	**757**	**(51)**
Expenses and net foreign exchange losses				
Management fees	(829)	(730)	(99)	–
Other expenses	(536)	(189)	(347)	–
Net foreign exchange losses	(296)	(260)	(36)	–
Operating profit/(loss) before interest and tax	**609**	**385**	**275**	**(51)**
Finance cost	(48)	(48)	–	–
Finance income	1,622	33	1,589	–
Operating profit/(loss) before tax	**2,183**	**370**	**1,864**	**(51)**
Corporate income tax expense	(224)	(36)	(188)	–
Net profit/(loss) for the period	**1,959**	**334**	**1,676**	**(51)**

Balance Sheet As at 31 March 2008	Total £'000	India £'000	Rest of the world £'000	Unallocated £'000
Assets				
Exploitation rights, investments in films and films under production	31,387	27,878	3,509	–
Term deposit	2,270	2,270	–	–
Trade and other receivables	3,287	2,485	802	–
Prepayments	145	145	–	–
Cash and cash equivalents	19,349	6	19,343	–
Total assets	**56,438**	**32,784**	**23,654**	**–**
Liabilities				
Trade and other payables	(557)	(41)	(516)	–
Secured loan	(1,109)	(1,109)	–	–
Total liabilities	**(1,666)**	**(1,150)**	**(516)**	**–**
Net assets	**54,772**	**31,634**	**23,138**	**–**

22. Risk profile

The principal investment objective of the Group is to achieve total return for Shareholders through investment in a diverse portfolio of Indian films and films primarily targeted at the Indian audience across different genres, languages and budgets. Consistent with that objective, the Group's assets largely comprise investments in films and associated rights. In addition, the Group holds cash and liquid resources as well as having receivables and payables that arise directly from its operations.

The main risks arising from the Group's assets are market price risk, foreign exchange risk, liquidity risk, interest rate risk and credit risk.

The Board reviews and agrees policies for managing the Group's risk exposure and monitors the Group's overall market position on a regular basis. The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The policies adopted to deal with these risks and the strategies utilised to manage these risks are set out below.

Market price risk

The Group's exposure to market price risk will mainly arise as a result of fluctuations of the revenues generated from the film projects entered into by the Group, which are dependent, amongst other things, on the success of each individual film project and the Indian film industry as a whole. The Board has contracted with Film Investment Managers (Mauritius) Limited to provide up-to-date information regarding the Indian film industry and to source film projects it believes will be successful and favourably received by the audience.

At the Company's AGM held on 29 August 2008, a resolution was passed to amend the investment policies and restrictions set out in the Admission Document by increasing the limit on the amount of a single investment in a film project from 20% of the Group's NAV at the time of the investment to 30%. This enables the Group to remain competitive in a time of increased competition and rising costs in the Indian film industry. There is an increased risk arising from the significant financial commitment required to run these cornerstone film projects and, as a result, the Group has an increased reliance on the success of these film projects. In the event that a cornerstone project did not meet expectations, there is a risk that such a project could incur a material loss.

The Group manages this risk by appropriately sourcing and selecting film projects it believes are correctly priced, forecast demand is realistic and achievable and therefore has a greater chance of success. In addition, cornerstone films are easier to distribute and pre-sell because of the high demand for the high profile talent involved. This results in a high proportion of associated rights being sold before the cornerstone film is released. It is the Group's policy not to invest in more than two to four cornerstone film projects in any one year.

Revenue sharing discussions with multiplex owners

During the year under review, the Group, as part of the United Producers and Distributors Forum ("UPDF"), was subjected to what it viewed as unfavourable revenue sharing terms between Bollywood film producers and the owners of national multiplex cinema chains in India ("Multiplexes"). As announced on 14 May 2009, it was advised that a decision had been agreed by the UPDF to postpone the release of films in the Multiplexes until an agreement had been reached and that the Group had revised its film release schedule.

An announcement was released on 9 June 2009 advising that the UPDF and the Multiplexes reached a consensus on the new revenue sharing terms, which brought an end to the two month long film release strike. It is expected that new films will start being released at the box office on 12 June 2009. The Group is expected to benefit from these new revenue sharing terms and as a result will receive increased revenues from the domestic box office for its upcoming releases. The Group has reviewed the release dates of its current films and has scheduled a new timetable to ensure that the Group will be able to release all its films planned for the financial year ending 31 March 2010.

22. Risk profile (continued)

Foreign exchange risk

The Group has exposure to Sterling (GBP), Indian Rupee (INR) and US Dollar (USD) denominated assets and liabilities. Consequently, the Group is exposed to risks that the exchange rate of other foreign currencies relative to Sterling may change in a manner that has an adverse effect on the value of that portion of the Group's assets and liabilities denominated in currencies other than Sterling.

As a result, the Group faces both translation and transaction currency risk. Exposure to foreign exchange rate movements is reduced by matching foreign currency revenues and costs. The Group's major revenues are denominated in Indian Rupees, which are matched to its costs, to act as an automatic hedge against foreign currency movements.

As stated in the Admission Document, the Group may enter into currency hedging transactions in order to further mitigate the foreign exchange risks, but is not required or expected to do so.

The Group's total exposure to fluctuations in foreign currency exchange rates at the Balance Sheet date was as follows:

Currency split as at 31 March 2009	Total £'000	GBP £'000	INR £'000	USD £'000
Financial assets:				
Trade and other receivables	15,746	236	15,183	327
Cash and cash equivalents	937	912	13	12
Term deposit	2,350	2,350	–	–
Total financial assets	**19,033**	**3,498**	**15,196**	**339**
Non-financial assets:				
Exploitation rights, investments in films and films under production	52,063	1,067	50,996	–
Prepayments	84	84	–	–
Total non-financial assets	**52,147**	**1,151**	**50,996**	**–**
Total assets	**71,180**	**4,649**	**66,192**	**339**
Financial liabilities:				
Trade and other payables	(3,497)	(922)	(2,575)	–
Secured loan	(1,557)	–	(1,557)	–
Total financial liabilities	**(5,054)**	**(922)**	**(4,132)**	**–**
Non-financial liabilities:				
Trade and other payables	(1,598)	–	(1,598)	–
Total non-financial liabilities	**(1,598)**	**–**	**(1,598)**	**–**
Total liabilities	**(6,652)**	**(922)**	**(5,730)**	**–**
Net assets	**64,528**	**3,727**	**60,462**	**339**
Net exposure to currency	**100.00%**	**5.78%**	**93.70%**	**0.52%**

Currency split as at 31 March 2008	Total £'000	GBP £'000	INR £'000	USD £'000
Financial assets:				
Cash and cash equivalents	19,349	19,303	41	5
Trade and other receivables	3,287	386	2,435	466
Term deposit	2,270	2,270	–	–
Total financial assets	**24,906**	**21,959**	**2,476**	**471**
Non-financial assets:				
Exploitation rights, investments in films and films under production	31,387	–	31,387	–
Prepayments	145	145	–	–
Total non-financial assets	**31,532**	**145**	**31,387**	**–**
Total assets	**56,438**	**22,104**	**33,863**	**471**
Financial liabilities:				
Secured loan	(1,109)	–	(1,109)	–
Trade and other payables	(557)	(286)	(271)	–
Total financial liabilities	**(1,666)**	**(286)**	**(1,380)**	**–**
Net assets	**54,772**	**21,818**	**32,483**	**471**
Net exposure to currency	**100.00%**	**39.83%**	**59.31%**	**0.86%**

22. Risk profile (continued)

Sensitivity analysis

A 5% weakening/strengthening of Sterling against each currency at the year end would have increased/(decreased) the net assets attributable to holders of Ordinary Shares and the profit for the year per the Consolidated Income Statement by the amounts shown below. This analysis assumes that all other variables remain constant and is performed on the same basis as for the comparative period.

The effect on equity of a weakening of Sterling by 5% against each currency:

	31 March 2009 £'000	31 March 2008 £'000
Indian Rupee	3,321	1,710
US Dollar	18	25
Total	**3,339**	**1,735**

The effect on equity of a strengthening of Sterling by 5% against each currency:

	31 March 2009 £'000	31 March 2008 £'000
Indian Rupee	(2,616)	(1,547)
US Dollar	(15)	(22)
Total	**(2,631)**	**(1,569)**

The higher foreign currency exchange rate sensitivity in net assets at 31 March 2009 compared to 31 March 2008 is ultimately due to the Group being fully invested at 31 March 2009. At 31 March 2008, the Group had not fully invested the £55 million raised in the placing, but during the year under review, the Group had fully invested the proceeds raised, with a significant proportion having been invested in INR denominated assets.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's objective of ensuring that adequate funding is in place is achieved by management of its capital raised to ensure that the Company and its Subsidiaries have sufficient cash on demand to meet expected operational expenses. The management of capital takes account of film release dates and payment terms agreed with customers and vendors and encompasses the review of cash flows to ensure that the Group has sufficient funding to meet its commitments as they fall due.

The Group had undrawn committed facilities at 31 March 2009 of £1.88 million (2008: £2.03 million). There are no restrictions imposed on the undrawn committed facilities provided by ING Vysya Bank Limited (note 17).

Maturity analysis for financial liabilities as at 31 March 2009	Total £'000	Not later than one month £'000	Later than one month and not later than three months £'000	Later than three months and not later than one year £'000
Trade and other payables	5,095	204	4,891	–
Secured loan	1,557	1,557	–	–
Total	**6,652**	**1,761**	**4,891**	**–**

Maturity analysis for financial liabilities as at 31 March 2008	Total £'000	Not later than one month £'000	Later than one month and not later than three months £'000	Later than three months and not later than one year £'000
Trade and other payables	557	253	257	47
Secured loan	1,109	1,109	–	–
Total	**1,666**	**1,362**	**257**	**47**

Interest rate risk

The Group's working capital borrowings are provided at floating interest rates. The interest rates on the working capital are based on inter-bank rates.

The Group's surplus funds are placed on deposit with banks. The Group has cash pooling arrangements in place to ensure that it minimises the interest paid on borrowings, whilst allowing net surplus funds to be invested in interest bearing deposits.

Since the Company's Subsidiaries operate in different economic environments, there is a risk that interest rates will change by different amounts and at different times in each environment, thereby impacting the Group's results.

22. Risk profile (continued)

Interest rate risk profile of assets and liabilities – 2009

Assets as at 31 March 2009	Total as per Consolidated Balance Sheet £'000	Fixed rate £'000	Floating rate £'000	Non-interest bearing assets £'000
Financial assets:				
Trade and other receivables	15,746	–	–	15,746
Cash and cash equivalents	937	–	924	13
Term deposit	2,350	–	2,350	–
Total financial assets	**19,033**	**–**	**3,274**	**15,759**
Non-financial assets:				
Exploitation rights, investments in films and films under production	52,063	–	–	52,063
Prepayments	84	–	–	84
Total non-financial assets	**52,147**	**–**	**–**	**52,147**
Total assets	**71,180**	**–**	**3,274**	**67,906**

Liabilities as at 31 March 2009	Total as per Consolidated Balance Sheet £'000	Fixed rate £'000	Floating rate £'000	Non-interest bearing liabilities £'000
Financial liabilities:				
Trade and other payables	(3,497)	–	–	(3,497)
Secured loan	(1,557)	–	(1,557)	–
Total financial liabilities	**(5,054)**	**–**	**(1,557)**	**(3,497)**
Non-financial liabilities:				
Trade and other payables	(1,598)	–	–	(1,598)
Total non-financial liabilities	**(1,598)**	**–**	**–**	**(1,598)**
Total liabilities	**(6,652)**	**–**	**(1,557)**	**(5,095)**

Interest rate risk profile of assets and liabilities – 2008

Assets as at 31 March 2008	Total as per Consolidated Balance Sheet £'000	Fixed rate £'000	Floating rate £'000	Non-interest bearing assets £'000
Financial assets:				
Cash and cash equivalents	19,349	–	19,309	40
Trade and other receivables	3,287	–	–	3,287
Term deposit	2,270	–	2,270	–
Total financial assets	**24,906**	**–**	**21,579**	**3,327**
Non-financial assets:				
Exploitation rights, investments in films and films under production	31,387	–	–	31,387
Prepayments	145	–	–	145
Total non-financial assets	**31,532**	**–**	**–**	**31,532**
Total assets	**56,438**	**–**	**21,579**	**34,859**

Liabilities as at 31 March 2008	Total as per Consolidated Balance Sheet £'000	Fixed rate £'000	Floating rate £'000	Non-interest bearing liabilities £'000
Financial liabilities:				
Secured loan	(1,109)	–	(1,109)	–
Trade and other payables	(557)	–	–	(557)
Total financial liabilities	**(1,666)**	**–**	**(1,109)**	**(557)**

A one percentage point increase in the rate of interest receivable/payable on floating rate balances as at the year end would have had the following effect:

	31 March 2009 £'000	31 March 2008 £'000
Finance cost	+ 16	+ 11
Finance income	+ 33	+ 216

A one percentage point decrease in the rate of interest receivable/payable on floating rate balances as at the year end would have had an equal but opposite effect.

22. Risk profile (continued)

Credit risk

The risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Group. The carrying amounts of financial assets best represent the maximum credit risk exposure as at the Balance Sheet date.

As at 31 March 2009, the following assets were exposed to credit risk:

- Investments in films and films under production – the Group has appointed Studio 18 as production supervisors who closely review the progress of films and based on the updates received from Studio 18, the Group is of the opinion that no provision for doubtful debts is required;
- Term deposit and cash and cash equivalents – funds are placed with reputable banks/institutions and the Group is of the opinion that no provision for loss of funds held by those banks/institutions is required;
- Trade and other receivables – provision for trade receivables is made at the rate of 50% in respect of amounts outstanding for more than 120 days; and
- Prepayments – the Group is of the opinion that no provision for doubtful debts is required.

The Group's credit risk is principally attributable to amounts paid to producers for the acquisition of rights in film projects and trade and other receivables. The amounts shown in the Consolidated Balance Sheet in respect of receivables are net of allowances for doubtful debts based on management's expectations, known commercial issues and the assessment of the local economic environment and practises. Credit risk is managed by the use of credit checks on new clients and individual credit limits, where appropriate, together with regular updates on any changes in a third party's situation to ensure that the Group's exposure to bad debts remains insignificant. In a number of cases, third parties will be required to make advance payments or minimum guarantee payments before the delivery of any goods or services. There is no significant concentration of credit risk with exposure spread over a large number of customers and counterparties. The maximum exposure to credit risk is indicated as follows:

Exposure to credit risk	31 March 2009 £'000	31 March 2008 £'000
Trade receivables	6,643	1,090
Other receivables	5,714	1,963
	12,357	**3,053**

23. Capital management policy and procedures

The Group's capital management objectives are to ensure that the Group will be able to continue as a going concern in order to maximise total return for Shareholders and to maintain an optimal capital structure to minimise the cost of capital.

The Group's borrowing policy, for investment or short-term funding purposes, is that it should borrow no more than 50% of net asset value, calculated at the time of borrowing.

The Board, with the assistance of the Investment Manager, monitors and reviews the structure of the Group's capital on an ad hoc basis. This review includes:

- the current and future levels of gearing;
- the need to buy back Ordinary Shares for cancellation or to be held in Treasury, which takes account of the difference between the net asset value per Ordinary Share and the Ordinary Share price; and
- the current and future dividend policy.

Neither the Company nor any of its Subsidiaries are subject to any externally imposed capital requirements.

As at 31 March 2009, the Group held a secured loan of £1.56 million (2008: £1.11 million). As disclosed in the Consolidated Balance Sheet, total equity Shareholders' funds as at 31 March 2009 was £64.53 million (2008: £54.77 million).

24. Contingent liabilities

The secured loan, detailed in note 17, has certain guarantees made to the lender, ING Vysya Bank Limited, being a first charge on all current assets of the Company and also a collateral security as a Standby Letter of Credit from ING Singapore issued against the term deposit, detailed in note 13.

The Group had no other contingent liabilities as at 31 March 2009 (2008: nil).

25. Capital commitments

Capital commitments not provided for as at 31 March 2009 amounted to £20.63 million (2008: £39.28 million). These are outstanding commitments towards contracts entered into with producers and key talents. Based on the Group's detailed cash flow forecasts, which take into account all forecast revenue and expenses, the Board believes that the Group has sufficient funds available to meet these commitments as they fall due.

26. Duration of the Company

The Company does not have a fixed life.

27. Post Balance Sheet events

There were no material post Balance Sheet events.

28. Related parties

The relationships between the Group and Film Investment Managers (Mauritius) Limited and Elysium Fund Management Limited are disclosed in note 5.

Raghav Bahl, a Director of the Company, holds 53.28% of the shares (directly and indirectly) of Network 18 Media and Investment Limited. Network 18 Media and Investment Limited subscribed to 10,000,000 Ordinary Shares in the Company as part of the Placing.

The Investment Manager, Film Investment Managers (Mauritius) Limited, of which Raghav Bahl is also a Director, is owned 50% by BK Media Mauritius Private Limited and 50% by Viacom Inc. BK Media Mauritius Private Limited subscribed to 1,900,000 Ordinary Shares in the Company as part of the Placing.

Viacom 18 Media Private Limited is a 50:50 joint venture between Network 18 Group and Viacom Inc. Studio 18 was a division of Network 18 Media and Investment Limited until 5 November 2007. After this date, Studio 18 was transferred to Viacom 18 Media Private Limited. The Group benefits from a relationship with Studio 18, whereby the Group has first right of refusal on any film project originated by Studio 18. Studio 18 also has a team who has experience in the areas of marketing, distribution and the production of films. The Group has entered into contractual arrangements with Studio 18 for the use of such services.

28. Related parties (continued)

TV 18 UK Limited, of which Raghav Bahl is a director, is a 100% subsidiary of TV 18 Mauritius Limited.

TV 18 Senior Professional Trust is an independent trust and Raghav Bahl is one of the trustees.

The Directors are not aware of any ultimate controlling party of the Company.

Related party	Details of transactions	Charges/(income) 1 April 2008 to 31 March 2009 £'000	Amounts owed by/(to) related parties 31 March 2009 £'000
Network 18 Media and Investments Limited	Purchase of film rights, distribution commission and interest	–	64
Film Investment Managers (Mauritius) Limited	Management fees	1,095	–
Viacom 18 Media Private Limited	Distribution commission, supervision fees and legal services	1,280	3,675
Viacom 18 Media Private Limited	Licensing of film rights	(3,203)	468
Viacom 18 Media Private Limited	Advertisement expenses	103	50

Related party	Details of transactions	4 April 2007 to 31 March 2008 £'000	Amounts owed by/(to) related parties 31 March 2008 £'000
Network 18 Media and Investments Limited	Purchase of film rights, distribution commission and interest	3,928	57
Film Investment Managers (Mauritius) Limited	Management fees	829	–
Viacom 18 Media Private Limited	Distribution commission and supervision fees	467	1,634
TV 18 UK Limited	Distribution commission	–	115
TV 18 Mauritius Limited	Distribution commission	–	(11)
TV 18 Senior Professional Trust	Interest paid	28	–

29. Fair value of financial instruments

The Directors do not consider the fair values of the financial instruments (cash and cash equivalents, term deposit and secured loan) to be materially different from their carrying values.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the second ANNUAL GENERAL MEETING of THE INDIAN FILM COMPANY LIMITED will be held at No. 1, Le Truchot, St Peter Port, Guernsey GY1 3JX on 29 September 2009 at 10:30am for the following purposes:

Resolution on form of proxy

As ordinary business:

Ordinary Resolution 1
To receive and, if thought fit, to accept the reports of the Directors and Auditors and the audited financial statements for the year ended 31 March 2009.

Ordinary Resolution 2
To re-appoint Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix the remuneration of the Auditors.

Ordinary Resolution 3
To re-elect Shyam Benegal who offers himself for re-election, as a Director.

Ordinary Resolution 4
To elect Atul Setia who offers himself for election, as a Director, in accordance with the Articles of Incorporation.

Ordinary Resolution 5
To elect Deepak Gupta who offers himself for election, as a Director, in accordance with the Articles of Incorporation.

As special business:

Ordinary Resolution 6
That the Company renew its authority and is hereby generally and unconditionally authorised in accordance with section 315 of The Companies (Guernsey) Law, 2008 as amended, to make market purchases, as defined in that Law, of and cancel its Ordinary Shares of no par value, provided that:

(i) the maximum number of Ordinary Shares hereby authorised to be purchased shall be 8,244,500;

(ii) the minimum price which may be paid for an Ordinary Share shall be £0.01;

(iii) the maximum price which may be paid for an Ordinary Share shall be an amount equal to 105% of the average of the middle market quotations for an Ordinary Share taken from and calculated by reference to the London Stock Exchange Alternative Investment Market Daily Official List for the five business days immediately preceding the date on which the Ordinary Share is purchased;

(iv) the price paid per Ordinary Share shall be less than the net asset value per Ordinary Share;

(v) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company in 2010, unless the authority is renewed prior to such time; and

(vi) the Company may make a contract to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to any such contract.

Notice of Annual General Meeting

continued

By order of the Board

Registered office:
No. 1 Le Truchot
St Peter Port
Guernsey
GY1 3JX

Elysium Fund Management Limited, *Secretary*

10 June 2009

A Shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his or her stead provided that each proxy is appointed to exercise the rights attached to different share or shares held by him or her. A proxy need not also be a Shareholder of the Company. To be effective, forms of proxy must be lodged with the Company Secretary, Elysium Fund Management Limited, not less than 48 hours before the time appointed for holding the meeting. Lodgement of the form of proxy will not preclude a Shareholder from attending the meeting and voting in person.

Note:

The following documents will be available for inspection at the registered office of the Company during usual business hours on any weekday (except Saturdays, Sundays and public holidays) until the date of the meeting and at the place of the meeting for a period of 15 minutes prior to and during the meeting:

a) A statement of Directors' interests in the Ordinary Share capital of the Company; and

b) The Articles of Incorporation.

Form of Proxy

For use at the ANNUAL GENERAL MEETING (Block capitals please)

I/We, the undersigned ....

of ....

being a Shareholder/Shareholders of The Indian Film Company Limited, hereby appoint the Chairman of the meeting/

....

as my/our proxy to vote for me/us on my/our behalf at No. 1, Le Truchot, St Peter Port, Guernsey, GY1 3JX on 29 September 2009 at 10:30am and at any adjournment thereof and at his discretion on any other matter arising at such meeting.

Signature .... Dated ....

Please indicate with an X in the spaces below how you wish your votes to be cast.

Ordinary business:		**For**	**Against**	**Abstain**
Ordinary Resolution 1	To receive and, if thought fit, to adopt the reports of the Directors and Auditors and the audited financial statements for the year ended 31 March 2009.			
Ordinary Resolution 2	To re-appoint Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix the remuneration of the Auditors.			
Ordinary Resolution 3	To re-elect Shyam Benegal who offers himself for re-election, as a Director.			
Ordinary Resolution 4	To elect Atul Setia who offers himself for election, as a Director.			
Ordinary Resolution 5	To elect Deepak Gupta who offers himself for election, as a Director.			
Special business:		**For**	**Against**	**Abstain**
Ordinary Resolution 6	The Company be authorised to renew its authority to buy back its own Ordinary Shares for cancellation.			

Notes

1. A Shareholder may appoint a proxy of his or her own choice. If such an appointment is made, delete the words 'the Chairman of the meeting' and insert the name of the person appointed proxy in the space provided.
2. If the appointor is a corporation, this form must be under its common seal or under the hand of some officer or attorney duly authorised in that behalf.
3. In the case of joint holders, the signature of any one holder will be sufficient, but the names of all joint holders should be stated.
4. If this form is returned without any indication as to how the person appointed proxy shall vote, he or she will exercise his or her discretion as to how he or she votes or whether he or she abstains from voting.

To be valid, this form must be completed and deposited with the Company Secretary, Elysium Fund Management Limited, not less than 48 hours before the time fixed for holding the meeting or adjourned meeting.

Third fold and tuck in

Affix
stamp
here

Elysium Fund Management Limited
PO Box 650
No. 1 Le Truchot
St Peter Port
Guernsey, GY1 3JX

First Fold

Second fold

Directors

Shyam Benegal *(non-executive Chairman)*
Raghav Bahl *(non-executive Director)*
Lord Meghnad Desai *(non-executive Director)*
Alok Verma *(non-executive Director)*
Peter Radford *(non-executive Director)*
Atul Setia *(non-executive Director)*
Deepak Gupta *(non-executive Director)*

Advisers

Registered Office
2nd Floor
No. 1 Le Truchot
St Peter Port
Guernsey
GY1 3JX

Investment Manager
Film Investment Managers
(Mauritius) Limited
608 St James Court
St Denis Street
Port Louis
Republic of Mauritius

Investment Adviser
India International Film Advisors
Private Limited
507 Prabhat Kiran
17 Rajendra Place
New Delhi 110 008
India

Nominated Adviser
Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU
United Kingdom

Joint Broker
Elara Capital plc
29 Marylebone Road
London
NW1 5JX
United Kingdom

Joint Broker
Oriel Securities Limited
125 Wood Street
London
EC2V 7AN
United Kingdom

Administrator and Secretary
Elysium Fund Management Limited
PO Box 650
2nd Floor
No. 1 Le Truchot
St Peter Port
Guernsey
GY1 3JX

Auditors
Ernst & Young LLP
14 New Street
St Peter Port
Guernsey
GY1 4AF

Tax Adviser – India
BMR & Associates
3F Contractor Building
41 R Kamani Marg
Ballard Estate
Mumbai 400 001
India

Advocates
as to Guernsey Law:
Carey Olsen
Carey House
Les Banques
St Peter Port
Guernsey
GY1 4BZ

Solicitors
as to English Law:
Stephenson Harwood
One St Paul's Churchyard
London
EC4M 8SH
United Kingdom

Registrar
Capita Registrars (Guernsey) Limited
Longue Hougue House
St Sampsons
Guernsey
GY2 4JN

Custodian
Butterfield Bank (Guernsey) Limited
Regency Court
Glategny Esplanade
St Peter Port
Guernsey
GY1 3AP

www.theindianfilmcompany.com

1382/06/09. Designed and produced by studio401