

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, or the contents of this document, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant, fund manager or other independent financial adviser who, if you are taking advice in the United Kingdom, is duly authorised under the Financial Services and Markets Act 2000 and specialises in advising on the acquisition of shares and other securities or, if you are taking advice outside the United Kingdom, is an appropriately authorised independent financial adviser with such a specialism.

If you have sold or otherwise transferred all your Indian Film Company Shares (otherwise than pursuant to the Offer), please send this document and the enclosed reply-paid envelope (but not the personalised Form of Acceptance) as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer is or was effected for delivery to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding of Indian Film Company Shares, you should retain these documents. This document and the Form of Acceptance should not, however, be mailed or otherwise distributed into the United States, Canada, Australia, Japan or any other Restricted Jurisdiction if to do so would constitute, or cause the Offer to constitute, a violation of the laws of such jurisdiction.

You should read this document carefully, together (if your Indian Film Company Shares are held in certificated form) with the accompanying Form of Acceptance, the terms of which are deemed to form part of the Offer. Appendix VI contains the definitions of terms used in this document.

Mandatory Cash Offer

for

The Indian Film Company Limited

by

Network 18 Holdings Limited

(a subsidiary of Network 18 Media and Investments Limited)

advised by PKF (UK) LLP

The procedure for acceptance of the Offer is set out on pages 13 to 16 of this document and (in the case of certificated Indian Film Company Shares) in the accompanying Form of Acceptance. A reply-paid envelope for use within the United Kingdom is enclosed for your convenience. To accept the Offer, if you hold your Indian Film Company Shares in certificated form (that is, not in CREST), the accompanying Form of Acceptance should be completed and returned as soon as possible and, in any event, so as to be received by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal business hours) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 8AE no later than 1.00 p.m. (London time) on 24 August 2009. If you hold your Indian Film Company Shares in uncertificated form (that is, in CREST), you should read paragraph 13(b) of the letter from Network 18 Holdings in Part II of this document and Part D of Appendix I to this document and follow the procedure for electronic acceptance through CREST so that the TTE Instruction settles no later than 1.00 p.m. (London time) on 24 August 2009. If you are a CREST sponsored member, you should refer to your CREST sponsor as only your CREST sponsor will be able to send the necessary TTE Instruction to Euroclear.

PKF (UK) LLP, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Network 18 Holdings and no-one else in connection with the Offer and will not be responsible to anyone other than Network 18 Holdings for providing the protections afforded to clients of PKF (UK) LLP or for giving advice in relation to the Offer or the content of, or any matter or arrangement referred to in, this document.

IMPORTANT NOTICE

The Offer is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means or instrumentality (including, without limitation, electronically or by facsimile transmission, internet, email, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, the United States, Canada, Japan or any Restricted Jurisdiction and, subject to certain exceptions, the Offer cannot be accepted by any such use, means, instrumentality or facility or from within the United States, Canada, Japan or any Restricted Jurisdiction. Accordingly, copies of this document, the Form of Acceptance and any related or accompanying document are not being, and must not be, directly or indirectly, mailed, distributed, transmitted, forwarded or otherwise sent, in whole or in part, in, into or from the United States, Canada, Japan or any Restricted Jurisdiction. Doing so may render invalid any purported acceptance of the Offer. Persons receiving this document, the Form of Acceptance or any related or accompanying document (including, without limitation, custodians, nominees and trustees) should not distribute, mail, transmit, forward or send them or any of them in, into or from the United States, Canada, Japan or any Restricted Jurisdiction or use such mails or any such means, instrumentality or facility for any purpose related to the Offer.

Any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable legal or regulatory requirements. Further details in relation to Overseas Indian Film Company Shareholders are contained in paragraph 12 of Part II and paragraph 7 of Part B of Appendix I to this document.

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves about, and observe such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer or an invitation to purchase or subscribe for any securities or a solicitation of an offer to buy or sell any securities pursuant to this document or otherwise in any jurisdiction in which such offer or solicitation is unlawful.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document contains certain forward-looking statements with respect to the financial condition, results of operations and business of Network 18 Media, the other Network 18 Parties and The Indian Film Company and certain plans and objectives of the boards of directors of Network 18 Holdings, and Network 18 Media. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “goal”, “continue”, “believe”, “will”, “may”, “should”, “would”, “could” or other words of similar meaning. These statements are based on assumptions and assessments made by the boards of directors of Network 18 Holdings, and Network 18 Media in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, and the factors described in the context of such forward-looking statements in this document could cause actual results and developments to differ materially from those expressed in, or implied by, such forward-looking statements.

Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this document. No Network 18 Holdings Director, Network 18 Media Director, and neither Network 18 Holdings nor, Network 18 Media assume any obligation to update or correct the information contained in this document.

The statements contained in this document are made as at the date of this document, unless some other time is specified in relation to them, and publication of this document shall not give rise to any implication that there has been no change in the facts set out in this document since such date. Nothing contained in this document shall be deemed to be a forecast, projection or estimate of the future financial performance of The Indian Film Company, Network 18 Holdings, Network 18 Media or the Enlarged Group except where otherwise stated.

DEALING DISCLOSURE REQUIREMENTS

Under the provisions of Rule 8.3 of the Code, if any person is, or becomes, “interested” (directly or indirectly) in 1 per cent., or more of any class of “relevant securities” of The Indian Film Company, all “dealings” in any “relevant securities” of The Indian Film Company (including by means of an option in respect of, or a derivative referenced to, any such “relevant securities”) must be publicly disclosed by no later than 3.30 p.m. (London time) on the London business day following the date of the relevant transaction. This requirement will continue until the date on which the Offer becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the “Offer Period” otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an “interest” in “relevant securities” of The Indian Film Company, they will be deemed to be a single person for the purpose of Rule 8.3 of the Code.

Under the provisions of Rule 8.1 of the Code, all “dealings” in “relevant securities” of The Indian Film Company by Network 18 Holdings, Network 18 Media or The Indian Film Company, or by any of their respective “associates”, must be disclosed by no later than 12.00 noon (London time) on the London business day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose “relevant securities” “dealings” should be disclosed, and the number of such securities in issue, can be found on the Panel’s website at www.thetakeoverpanel.org.uk.

“Interests in securities” arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an “interest” by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms appearing in the previous four paragraphs in quotation marks are defined in the Code, which can also be found on the Panel’s website at www.thetakeoverpanel.org.uk. If you are in any doubt as to whether or not you are required to disclose a “dealing” under Rule 8 of the Code, you should consult the Panel.

HOW TO ACCEPT THE OFFER

If you hold Indian Film Company Shares in certificated form (that is, not in CREST):

- (1) complete the Form of Acceptance in accordance with the instructions printed thereon and paragraph 13 of the letter from Network 18 Holdings set out in Part II of this document; and
- (2) return the completed Form of Acceptance (along with any appropriate documents of title), by hand (during normal business hours) or by post using the enclosed reply-paid envelope, as soon as possible and, in any event, so as to be received by Computershare not later than 1.00 p.m. (London time) on 24 August 2009.

If you hold Indian Film Company Shares in uncertificated form (that is, in CREST): acceptances should be made electronically through CREST so that the TTE Instruction settles no later than 1.00 p.m. (London time) on 24 August 2009.

<p>If you are in any doubt as to the action you should take to accept the Offer, please contact Computershare by telephone on 0870 707 1809 (or +44 870 707 1809) if telephoning from outside the UK).</p>

THE CLOSING DATE OF THE OFFER IS 1.00 p.m. on 24 August 2009.

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PART I

LETTER FROM MR. RAGHAV BAHL, MANAGING DIRECTOR OF NETWORK 18 MEDIA

3 August 2009

To Indian Film Company Shareholders

Dear Indian Film Company Shareholder,

On 30 July 2009, Network 18 Holdings Limited, which is a subsidiary of Network 18 Media, announced the terms of its offer for all of the Indian Film Company Shares not already owned by Network 18 Holdings Limited and the Network 18 Parties.

The Network 18 Parties have been significant shareholders in The Indian Film Company since its AIM listing and I have been a non executive director of The Indian Film Company since 4 April 2007. Whilst this document contains details of the formal Offer, I wanted to outline personally to each Indian Film Company Shareholder the reasons for Network 18 Holdings making the Offer.

The film industry in India has become highly competitive, with many large Indian and International companies having entered the fray. Network 18 Holdings believes that without exception, all of the major players substantially own and control their film entities, which the Network 18 Holdings Directors believe enables them to leverage fully their respective strengths and optimize benefits. The Network 18 Holdings Directors believe that, increasingly, this is becoming critical to their long-term success in this competitive industry.

The Indian Film Company is (to Network 18 Holding's knowledge) the only notable exception where an entity exclusively focused on the Indian film industry is backed by a relatively passive minority stake of the sponsor, Network 18 Media. Network 18 Holdings believes this puts The Indian Film Company at a significant competitive disadvantage. The proposed Offer, if successful, would result in The Indian Film Company becoming a Network 18 Group company, allowing The Indian Film Company the full benefits of directly and openly leveraging the Network 18 Group's strengths and enabling it to compete better with the other big names of the industry.

The Network 18 Group is a leading diversified conglomerate in the media sector in India. It has an established presence, dedicated audiences, a top branding in India's media industry, with a top of the line management and operations team. Its audience franchise and operations span all genres of media – television, consumer internet, home shopping, specialized print/publishing and films. It has partnerships with some of the best media brands of the world i.e. CNN, CNBC, Viacom, and Forbes.

Network 18 Holdings anticipates that if it, along with its concert parties, owned a controlling interest in The Indian Film Company, this would lead to greater traction with all film industry participants such as producers, directors, artists, distributors and exhibitors and would allow a more direct association with the branding that the Network 18 Group enjoys in the media industry, and would also result in better access to capital on the strength of Network 18 Group's track record with the financial community.

At this stage, the priority of the Network 18 Parties is to obtain a controlling interest in The Indian Film Company rather than to own it in its entirety. It is our hope that following the Offer, The Indian Film Company will remain eligible for listing on the AIM. However, we appreciate that some Indian Film Company Shareholders may prefer to sell their shares at this juncture and accordingly a cash exit route has been provided for those that wish to take it.

Yours faithfully

Raghav Bahl

PART II

LETTER FROM NETWORK 18 HOLDINGS

(Incorporated in Cayman Islands with registered no MC-165051)

Directors:

Raghav Bahl
Haresh Chawla

Registered Office:

Citco Trustees (Cayman) Limited, Regatta
Office Park, West Bay Road, PO Box 31106,
Grand Cayman KY1 – 1205,
Cayman Islands

3 August 2009

To Indian Film Company Shareholders

Dear Indian Film Company Shareholder,

Offer by Network 18 Holdings for The Indian Film Company Limited

1. Introduction

On 30 July 2009, Network 18 Holdings acquired 7,913,500 Indian Film Company Shares at a price of 39.75 pence per share. Network 18 Holdings is owned as to 99.99 per cent. by Network 18 Media and as a result of this acquisition, the Network 18 Parties now own in aggregate 19,813,500 Indian Film Company Shares, equating to approximately 36 per cent. of the issued Indian Film Company Shares.

Accordingly, under Rule 9 of the Code, Network 18 Holdings is required to make a mandatory cash offer for all Indian Film Company Shares (other than those already owned by the Network 18 Parties). The Offer is being made at 40 pence per share (being not lower than the highest price paid by Network 18 Holdings or any person acting in concert with Network 18 Holdings for any Indian Film Company Shares acquired during the 12 months ended 30 July 2009).

On 30 July 2009, the Board of Network 18 Holdings therefore announced the terms of its cash offer for the entire issued and to be issued share capital of The Indian Film Company not already owned by the Network 18 Parties. This letter, Appendix I to this document, and, if you hold Indian Film Company Shares in certificated form, the accompanying Form of Acceptance, contain the formal Offer for your Indian Film Company Shares (including its terms and conditions). The procedures for acceptance of the Offer and settlement of the consideration due under the Offer are set out in paragraphs 13 and 14 of this letter and (if you hold your shares in certificated form) in the Form of Acceptance.

2. The Offer

Network 18 Holdings hereby offers to acquire, on the terms and subject to the conditions set out or referred to in this document and in the Form of Acceptance, all of the Indian Film Company Shares not already owned by Network 18 Holdings and the Network 18 Parties on the following basis:

For each Indian Film Company Share 40 pence in cash

The Offer values The Indian Film Company's entire issued ordinary share capital at £22 million.

The Offer of 40 pence in cash for each Indian Film Company Share represents a premium of approximately 1.2 per cent. to the closing mid-market price of 39.5 pence per Indian Film Company Share on 29 July 2009, being the last business day prior to the commencement of the Offer Period.

The Indian Film Company Shares that are subject to the Offer will be acquired by Network 18 Holdings fully paid with full title guarantee and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and any other third party rights or interests of any nature whatsoever and together with all rights now or hereafter attaching thereto, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after 30 July 2009.

The full conditions and further terms of the Offer are set out in Appendix I to this document and in the accompanying Form of Acceptance.

For details of the tax effects of accepting the Offer for Indian Film Company Shareholders resident in the UK for tax purposes, please refer to paragraph 11 of this letter.

Your attention is drawn to the procedures for acceptance of the Offer set out in paragraph 13 of this letter.

3. Irrevocable undertakings

Network 18 Holdings has not sought, nor obtained, irrevocable undertakings to accept the Offer from any Indian Film Company Shareholder.

4. Information on the Network 18 Parties

Network 18 Holdings

Network 18 Holdings is an existing subsidiary of Network 18 Media. Network 18 Holdings is owned as to 99.99 per cent. by Network 18 Media and as to 0.01 per cent. by Television Eighteen Mauritius Limited, another Network 18 Group company. Network 18 Holdings is the holding company of TV18 HSN Holdings Limited, Cyprus which in turn owns 100 per cent. of the issued equity share capital of TV18 Home Shopping Network Limited, which operates a home shopping service under the brand “Homeshop 18”.

Further information in relation to Network 18 Holdings, including details of its directors, shareholders and registered office, is set out in Appendix II to this document.

Network 18 Media

Network 18 Media is one of India’s leading full play media conglomerates with interests in television, print, internet, filmed entertainment, mobile content and allied businesses. Its shares are listed on the Bombay Stock Exchange and the National Stock Exchange of India and over 51 per cent. of the issued share capital of Network 18 Media is controlled by Raghav Bahl and his relatives. Through its holding in Television 18, Network18 Media operates India’s leading business news television channels, CNBC-TV18 and CNBC Awaaz. Television 18 also has its shares traded on the Bombay Stock Exchange and the National Stock Exchange of India, and is owned as to approximately 51 per cent. by the promoter group of Network 18 Media, Raghav Bahl, his wife and others.

Through its holding in Television 18 and ibn 18 Broadcast Ltd (formerly Global Broadcast Network Ltd) (“ibn 18”), Network 18 Media runs one of India’s largest Internet players – Web18. Through its holding in Television 18, Network 18 Media also runs one of India’s leading real time financial information and news terminals – Newswire18. Through its holding in ibn18, which is also listed on the Bombay Stock Exchange and the National Stock Exchange of India, Network 18 Media operates in the general news and entertainment space with leading general news channels CNN-IBN and IBN7 and has launched IBN Lokmat, a Marathi news channel in partnership with the Lokmat group. ibn18 also operates a joint venture with Viacom, called Viacom18 Media Private Limited (“Viacom 18”) which houses the MTV, VH1 and Nickelodeon channels and the recently launched Hindi general entertainment channel ‘Colors’ in India. This channel recently gained the top slot in viewership ratings for general entertainment channels (for the weeks beginning 17 May 2009 and 24 May 2009, according to the TAM ratings chart). Additionally, through its holding in Network 18 Holdings, Network 18 Media holds the Network 18 Group’s online & on-air home shopping venture, Homeshop 18. It also owns a full spectrum events management venture, E18.

For the year ended 31 March 2009, Network 18 Media reported consolidated turnover of Rs. 7,655 million (£105 million) and consolidated operating loss of Rs. 2,672 million (£37 million). The sterling amounts are calculated based on an exchange rate of Rs. 72.861/£1 being the rate of exchange on 31 March 2009 from the official website of the Reserve Bank of India, India’s central bank, www.rbi.org.in.

For the year ended 31 March 2008, Network 18 Media reported consolidated turnover of Rs. 6,477 million (£81 million) and consolidated operating profit of Rs. 793 million (£10 million). As at 31 March 2008, consolidated net assets of Network 18 Media were Rs. 3,613 million (£45 million). The sterling amounts referred to above are on the basis of an exchange rate of Rs. 79.53/£1, being the rate of exchange on 31 March 2008 from the official website of the Reserve Bank of India, India's central bank, www.rbi.org.in.

On 16 July 2009, Network 18 Media announced its Consolidated Unaudited Financial Performance update for the quarter ended 30 June 2009 in which Network 18 Media reported a consolidated turnover of Rs. 2,265 million (£28 million) and consolidated operating loss of Rs. 348 million (£4 million) for the quarter ended 30 June 2009. The sterling amounts referred to above are on the basis of an exchange rate of Rs. 80.0841/£1, being the rate of exchange on 30 June 2009 from the official website of the Reserve Bank of India, India's central bank, www.rbi.org.in. Further financial information on Network 18 Media is set out in Appendix IV to this document.

Raghav Bahl

Raghav Bahl has over 22 years of 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, Mr. Bahl 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 Media. In 2007, Mr. Bahl was ranked by one of India's leading magazines, India Today, as the 15th most powerful man in India. Mr. Bahl was also named the Business Transformation Entrepreneur for the year 2007 by Ernst & Young. He has been married to his wife, Ritu Kapur since 18 December 1993.

BK Media

BK Media is a company owned by BK Media Private Limited (India) which is held 100 per cent. by Mr. Raghav Bahl and his wife, Ms. Ritu Kapur.

5. Interests of the Network 18 Parties in The Indian Film Company

As at the date of this document, Network 18 Holdings owns 7,913,500 Indian Film Company Shares, Network 18 Media owns 10,000,000 Indian Film Company Shares and BK Media owns 1,900,000 Indian Film Company Shares. With the exception of the Indian Film Company Shares held by Network 18 Holdings which were acquired on 30 July 2009, all of these Indian Film Company Shares were subscribed at the time of The Indian Film Company's admission to trading on AIM. No other Network 18 Party currently owns any Indian Film Company Shares.

6. Information on The Indian Film Company

The Indian Film Company was incorporated in 2007 and established as a registered closed ended investment fund to make investments in both Indian films and films primarily targeted at the Indian audience. The shares of The Indian Film Company were admitted to trading on the AIM market of the London Stock Exchange on 18 June 2007. The Indian Film Company operates as an externally managed India-focused motion picture company with outsourced production and distribution functions. The Indian Film Company was specifically created to invest in a portfolio of Indian films and films primarily targeted at the Indian audience of varying genre, language and budget. The Indian Film Company benefits from a special relationship with Studio 18, a division of Viacom 18. Studio 18 was launched in June 2006 as a full production, co-production, marketing and global distribution platform. The Indian Film Company has first right of refusal on any Film Project originated by Studio 18, although The Indian Film Company also retains the flexibility to explore and invest in Film Projects generated by other production companies.

As at 31 March 2009, the Indian Film Company Group held investments with a carrying value of £52.06 million (at 31 March 2008: £31.39 million). The Indian Film Company Group recorded a net profit for the year ended 31 March 2009 of £3.89 million (period to 31 March 2008: £1.96 million) giving earnings per share of 7.07 pence (2008: 3.56 pence). The Indian Film Company Group's net asset value ("NAV") as at 31 March 2009 was 117.32 pence per Indian Film Company Share (2008: 99.59 pence).

Further financial information on The Indian Film Company is set out in Appendix III to this document.

7. Background to and reasons for the Offer

The film industry in India has become highly competitive, with many large Indian and International companies having entered the fray. Network 18 Holdings believes that without exception, all of the major players substantially own and control their film entities, enabling them to leverage fully their respective strengths and optimize benefits. These include Reliance, UTV, Eros, Mahindra & Mahindra, PVR, Inox, Sony, Warner Bros and Fox. Increasingly, this is becoming critical to their long-term success in this competitive industry.

The Indian Film Company is (to Network 18 Holding's knowledge) the only notable exception where an entity exclusively focused on the Indian film industry is backed by a relatively passive minority stake of the sponsor, Network 18 Media. Network 18 Holdings believes this puts The Indian Film Company at a significant competitive disadvantage. The proposed Offer, if successful, would result in The Indian Film Company being consolidated as a Network 18 Group company, allowing The Indian Film Company the full benefits of directly and openly leveraging Network 18 Group's strengths, such as its branding, its association with best media brands of the world i.e. CNN, CNBC, Viacom, and Forbes, its track record in the media sector in India, and will enable it to compete better with the other big names of the industry.

Network 18 Holdings anticipates that if it and its associated companies owned a controlling interest in The Indian Film Company, this would lead to greater traction with all film industry participants such as Producers, Directors, Artists, Distributors and Exhibitors and would allow a more direct association with the branding that the Network 18 Group enjoys in the media industry, and would also result in better access to capital on the strength of Network 18 Group's track record with the financial community.

Indian Film Company Shares have witnessed a lot of pressure on prices in recent times. Although the share price saw an increase recently following publication of The Indian Film Company's results for the year ended 31 March 2009, it subsequently fell back. Whilst there has since been a further increase, this has been on the back of very thin volumes and Network 18 Holdings believes that this is a strong indication of the regular downward pressures on the value of Indian Film Company Shares. Whilst one reason for this is certainly the current unfavourable market conditions and the current global situation, Network 18 Holdings understands that some investors are concerned at the share prices being consistently lower than the net asset value of The Indian Film Company. While share prices directly do not affect The Indian Film Company's operations, they do affect the liquidity, market capitalization and future capital raising plans.

Network 18 Holdings believes that the Offer, provides an opportunity for some short-term investors, who are under pressure, to exit at a reasonable price. Simultaneously, Network 18 Holdings believes that such a clear manifestation of its long-term commitment to The Indian Film Company will be welcomed by longer-term investors.

As a consequence, Network 18 Holdings envisages that if it acquires a controlling interest, The Indian Film Company will continue with its listing on AIM such that those Indian Film Company Shareholders who wish to retain their interests in The Indian Film Company can continue to enjoy all the benefits associated with a listed entity, but with a stronger ownership structure. Network 18 Holdings believes that this will lead to enhanced liquidity, capital appreciation and scale.

8. Financing of the Offer

The Offer is being financed through existing financial resources available to Network 18 Holdings. PKF, as financial adviser to Network 18 Holdings, is satisfied that sufficient resources are available to Network 18 Holdings to satisfy in full the cash consideration payable to Indian Film Company Shareholders assuming full acceptance of the Offer.

9. Management and employees

Network 18 Holdings attaches great importance to the skills and experience of the existing management and employees of The Indian Film Company and its subsidiaries. Accordingly, assuming Network 18 Holdings acquires sufficient Indian Film Company Shares so that the Network 18 Parties have a controlling interest, Network 18 Holdings will ensure the existing contractual employment and pension rights of all employees and management of the Indian Film Company Group will be fully safeguarded. It is Network 18 Holding's current intention that key members of the management team should remain with The Indian Film Company.

Network 18 Holdings has no current plans to change the current strategy of The Indian Film Company or the location of The Indian Film Company's operational places of business, although this will be kept under review with a view to maximizing value for shareholders.

10. Listing

In the event that the Network 18 Parties obtain a controlling interest, Network 18 Holdings currently intends that the listing of The Indian Film Company Shares on AIM should be maintained.

Should the Offer become unconditional and Network 18 Holdings acquires such number of Indian Film Company Shares that the Network 18 Parties own more than 75 per cent. of The Indian Film Company's issued share capital however, then Network 18 Holdings reserves the right to consider all of the options available to it, which may include the cancellation of The Indian Film Company's listing on AIM. Such cancellation (which would only be effected in accordance with the AIM Rules) would significantly reduce the liquidity and marketability of Indian Film Company Shares in respect of which acceptances of the Offer are not submitted and the value of any such Indian Film Company Shares may be affected as a consequence.

If Network 18 Holdings receives valid acceptances under the Offer in respect of, and/or otherwise acquires, 90 per cent., or more of the Indian Film Company Shares to which the Offer relates, it may seek to exercise its rights under sections 336 to 338 (inclusive) of the Companies (Guernsey) Law 2008 (as amended) to acquire compulsorily the remaining Indian Film Company Shares.

11. United Kingdom taxation

Information regarding certain aspects of United Kingdom taxation is set out in this paragraph below. This information is intended as a general guide only for shareholders who are resident and, in the case of individuals, ordinarily resident and domiciled in the United Kingdom for tax purposes, holding shares as investments (other than under an individual savings account) and not as securities to be realised in the course of a trade. This is based on current UK legislation and published H M Revenue & Customs practice currently in force. The guidance applies only to shareholders who are absolute beneficial owners of Indian Film Company Shares and does not deal with certain types of shareholder, such as brokers, dealers in securities and persons holding shares by reason of their, or another person's employment, or collective investment schemes and insurance companies. The comments provided in this section are of a general nature only and do not constitute professional advice and Network 18 Holdings does not assume liability to shareholders on these matters under contract law.

Indian Film Company Shareholders who are in any doubt about their taxation position, or who are resident or otherwise subject to taxation in a jurisdiction outside the UK, should consult their own professional advisers immediately.

(a) ***UK Taxation of Chargeable Gains***

An Indian Film Company Shareholder who accepts the Offer will make a disposal of Indian Film Company Shares for the purposes of UK taxation of chargeable gains. Such disposal may, depending on the Indian Film Company Shareholder's individual circumstances (including the availability of exemptions, reliefs and allowable losses), give rise to a liability to UK taxation of chargeable gains.

(i) *Corporate shareholders*

On a disposal of its Indian Film Company Shares for cash, such corporate Indian Film Company Shareholder may be entitled to an indexation allowance which increases the acquisition cost of share in accordance with the rise in the Retail Prices Index.

A different tax treatment applies to companies which trade in securities.

(ii) *Individual UK taxpayers*

A UK resident individual Indian Film Company Shareholder will be liable to income and capital gains tax on any gain at the tax rate of 18 per cent. irrespective of the length of time he has held the shares.

(b) ***Non-UK resident nor ordinarily resident Indian Film Company Shareholders***

Indian Film Company Shareholders who are neither resident nor ordinarily resident in the UK for UK tax purposes are not subject to UK tax on chargeable gains unless, at the time of disposal, they carry on a trade, profession or vocation in the UK through a branch or agency and the Indian Film Company Shares disposed of are used in or for the purposes of the trade, profession or vocation at or before the time when the chargeable gain accrued.

(c) ***Stamp Duty and Stamp Duty Reserve Tax ("SDRT")***

No stamp duty or SDRT will be payable by Indian Film Company Shareholders as a result of accepting the Offer.

12. Overseas Indian Film Company Shareholders

The attention of Overseas Indian Film Company Shareholders and any person (including, without limitation, any custodian, nominee or trustee) who may have an obligation to forward any document in connection with the Offer outside the United Kingdom is drawn to paragraph 7 of Part B of Appendix I to this document and paragraphs (b) of Part C (in respect of Indian Film Company Shares held in certificated form) and (b) of Part D (in respect of Indian Film Company Shares held in uncertificated form) of Appendix I to this document and to the relevant provisions of the Form of Acceptance.

The availability of the Offer to persons not resident in the United Kingdom or who are subject to the laws of any jurisdiction other than the United Kingdom may be affected by the laws of the relevant jurisdictions. Such persons should inform themselves about and observe any applicable legal or regulatory requirements. Further details in relation to Overseas Indian Film Company Shareholders are contained in paragraph 7 of Part B of Appendix I to this document.

It is the responsibility of any Overseas Indian Film Company Shareholders wishing to accept the Offer to satisfy themselves as to the full observance of the laws and regulatory requirements of the relevant territory in connection therewith, including the obtaining of any government, exchange control or other consents which may be required or the compliance with other necessary formalities needing to be observed and the payment of any issue, transfer or other taxes or duties due in such jurisdiction.

Any persons (including, without limitation, nominees, trustees or custodians) who are overseas persons or who would, or otherwise intend to, forward this document, the Form of Acceptance or any related document to any jurisdiction outside the United Kingdom or to overseas persons, should read the further details in this regard which are set out in paragraph 7 of Part B of Appendix I and the representations and warranties set out in paragraphs (b) of Part C (in respect of Indian Film Company Shares held in certificated form) and

(b) of Part D (in respect of Indian Film Company Shares held in uncertificated form) of Appendix I to this document before taking any action.

The Offer is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means or instrumentality (including, without limitation, electronically or by facsimile transmission, internet, email, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, the United States, Canada, Japan or any Restricted Jurisdiction and, subject to certain exceptions, the Offer cannot be accepted by any such use, means, instrumentality or facility or from within the United States, Canada, Japan or any Restricted Jurisdiction. Accordingly, copies of this document, the Form of Acceptance and any related or accompanying document are not being, and must not be, directly or indirectly, mailed, distributed, transmitted, forwarded or otherwise sent, in whole or in part, in, into or from the United States, Canada, Japan or any Restricted Jurisdiction. Doing so may render invalid any purported acceptance of the Offer. Persons receiving this document, the Form of Acceptance or any related or accompanying document (including, without limitation, custodians, nominees and trustees) should not distribute, mail, transmit, forward or send them or any of them in, into or from the United States, Canada, Japan or any Restricted Jurisdiction or use such mails or any such means, instrumentality or facility for any purpose.

13. Procedure for acceptance of the Offer

This paragraph 13 should be read together with Appendix I to this document and, in respect of Indian Film Company Shares held in certificated form, the Form of Acceptance (which is deemed to be incorporated in, and form part of, the terms of the Offer).

If you hold Indian Film Company Shares in certificated form (that is, not in CREST), you may only accept the Offer in respect of such Indian Film Company Shares by completing, signing and returning the enclosed Form of Acceptance in accordance with the procedure set out in paragraph 13(a) below. If you hold Indian Film Company Shares in certificated form, but under different designations, you should complete a separate Form of Acceptance in respect of each designation.

Additional Forms of Acceptance are available from Computershare by telephone on 0870 707 1809 (or + 44 870 707 1809 if telephoning from outside the UK) or at the address referred to in paragraph 13(a) (iii) below.

If you hold your Indian Film Company Shares in uncertificated form (that is, in CREST), you may only accept the Offer in respect of such Indian Film Company Shares by TTE Instruction in accordance with the procedure set out in paragraph 13(b) below and Part D of Appendix I to this document and, if those shares are held under different member account IDs, you should send a separate TTE Instruction for each member account ID.

(a) *To accept the Offer in relation to Indian Film Company Shares held in certificated form (that is, not in CREST)*

(i) *Completion of the Form of Acceptance (in respect of all of your Indian Film Company Shares)*

To accept the Offer in respect of all of your Indian Film Company Shares, you must complete box 3 and, if appropriate, boxes 2, 5 and/or 6, and sign box 4A, 4B or 4C (as appropriate), of the Form of Acceptance in the presence of a witness, who should also sign in accordance with the instructions printed thereon.

(ii) *Completion of Form of Acceptance (in respect of less than all of your Indian Film Company Shares)*

To accept the Offer in respect of less than all of your Indian Film Company Shares held in certificated form, you must insert in box 3 of the enclosed Form of Acceptance such lesser number of Indian Film Company Shares in respect of which you wish to accept the Offer in accordance with the instructions printed thereon. You should then follow the procedure set out in paragraph 13(a)(i) above in respect of such lesser number of Indian Film Company Shares.

If you do not insert a number in box 3 of the Form of Acceptance, or if you insert in box 3 a number which is greater than the number of the Indian Film Company Shares that you hold and you have signed box 4A, 4B or 4C (as appropriate), your acceptance will be deemed to be in respect of all of the Indian Film Company Shares held by you.

(iii) *Return of the Form of Acceptance*

You must then return the Form of Acceptance duly completed, signed and witnessed. The completed, signed and witnessed Form of Acceptance, together (subject to paragraph 13(a)(iv) below) with the share certificate(s) for your Indian Film Company Shares and/or other document(s) of title, should be returned by post to Computershare Services PLC, Corporate Actions Projects, Bristol BS99 6AH or by hand (during normal business hours) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 8AE as soon as possible and, in any event, so as to be received no later than 1.00 p.m. (London time) on 24 August 2009. A reply-paid envelope for use in the UK only is enclosed for your convenience. No acknowledgement of receipt of documents will be given.

The Form of Acceptance is issued only to the addressee(s) with the unique designated account printed on it. The Form of Acceptance is a personalised form and is not transferable between different accounts or uniquely designated accounts. Network 18 Holdings and Computershare accept no liability for any instructions that do not comply with the conditions set out in this document, the Form of Acceptance and enclosed materials.

Any Form of Acceptance received in an envelope post-marked in the United States, Canada, Japan or any Restricted Jurisdiction or otherwise appearing to Network 18 Holdings or its agents to have been sent from any of those jurisdictions may be rejected as an invalid acceptance of the Offer. For further information for Overseas Indian Film Company Shareholders, see paragraph 12 of this letter.

(iv) *Share certificates not readily available or lost*

If your share certificate(s) and/or other document(s) of title is/are not readily available or is/are lost, the Form of Acceptance should nevertheless be completed, signed and returned as stated in paragraphs 13(a)(i), (ii) and (iii) above so as to be received by Computershare no later than 1.00 p.m. on 24 August 2009, together with any share certificate(s) and/or other document(s) of title that you do have available, accompanied by a letter stating that the remaining document(s) will follow as soon as possible or that you have lost one or more of your relevant share certificate(s) and/or other document(s) of title. You should then arrange for the relevant share certificate(s) and/or other document(s) of title to be forwarded as soon as possible thereafter. In the case of loss, you should then write as soon as possible to Capita Registrars Limited, the UK transfer agent of The Indian Film Company's registrars Capita Registrars (Guernsey) Limited, at 34 Beckenham Road, Beckenham, Kent BR3 4TU, requesting a letter of indemnity for lost share certificate(s) and/or other document(s) of title which, when completed in accordance with the instructions given, should be returned to Computershare as stated in paragraph 13(a)(iii) above.

(v) *Validity of acceptances*

Without prejudice to Parts B and C of Appendix I to this document and subject to the terms of the Offer and the provisions of the Code, Network 18 Holdings reserves the right to treat as valid, in whole or in part, any acceptance of the Offer in relation to Indian Film Company Shares held in certificated form which are not entirely in order or which are not accompanied by the relevant share certificate(s) and/or other document(s) of title. In that event, no payment of cash under the Offer will be made until after the relevant share certificate(s) and/or other document(s) of title or indemnities satisfactory to Network 18 Holdings have been received.

(b) ***To accept the Offer in relation to Indian Film Company Shares held in uncertificated form (that is, in CREST)***

If your Indian Film Company Shares are held in uncertificated form (that is in CREST), to accept the Offer, you should take (or procure to be taken) the action set out below to transfer the Indian Film Company Shares in respect of which you wish to accept the Offer to an appropriate escrow balance, specifying Computershare (in its capacity as a CREST participant under the Escrow Agent's participant ID referred to below) as the Escrow Agent, as soon as possible and, in any event, so that the TTE Instruction settles no later than 1.00 p.m. (London time) on 24 August 2009. Please note that settlement cannot take place at weekends or bank holidays (or other times at which the CREST system is non-operational). You should therefore ensure that you time the input of any TTE Instruction(s) accordingly.

The input and settlement of a TTE Instruction in accordance with this paragraph 13(b) will (subject to satisfying the requirements set out in Parts B and D of Appendix I to this document) constitute an acceptance of the Offer in respect of the number of Indian Film Company Shares so transferred to escrow.

If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action. Only your CREST sponsor will be able to confirm details of your participant ID and the member account ID under which your Indian Film Company Shares are held. In addition, only your CREST sponsor will be able to send the TTE Instruction(s) to Euroclear in relation to your Indian Film Company Shares.

After settlement of a TTE Instruction, you will not be able to access the Indian Film Company Shares concerned in CREST for any transaction or charging purposes. If the Offer becomes or is declared unconditional in all respects, the Escrow Agent will transfer the Indian Film Company Shares concerned to Network 18 Holdings in accordance with paragraph (d)(i) of Part D of Appendix I to this document.

You are recommended to consult the CREST Manual for further information on the CREST procedures outlined below.

You should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE Instruction relating to your Indian Film Company Shares to settle prior to 1.00 p.m. (London time) on 24 August 2009. In this regard, you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(i) ***To accept the Offer***

To accept the Offer in respect of your Indian Film Company Shares held in uncertificated form, you should send (or, if you are a CREST sponsored member, procure that your CREST sponsor sends) to Euroclear a TTE Instruction which must be properly authenticated in accordance with Euroclear's specifications and which must contain, in addition to the other information that is required for a TTE Instruction to settle in CREST, the following details:

- (a) the number of Indian Film Company Shares in respect of which you wish to accept the Offer (i.e. the number of Indian Film Company Shares to be transferred to an escrow balance);
- (b) your member account ID;
- (c) your participant ID;
- (d) the participant ID of the Escrow Agent, Computershare, in its capacity as a CREST receiving agent, which is 3RA17;

- (e) the member account ID of the Escrow Agent for the Offer, which is IFCNHL01;
 - (f) the corporate action ISIN number for the Indian Film Company Shares, which is GG00B1VX1S93;
 - (g) the intended settlement date, which should be as soon as possible and, in any event, no later than 1.00 p.m. (London time) on 24 August 2009;
 - (h) the corporate action number of the Offer, which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
 - (i) input with standard delivery instruction priority of 80; and
 - (j) contact name and telephone number inserted in the shared note field.
- (ii) *Validity of acceptances*

A Form of Acceptance which is received in respect of Indian Film Company Shares held in uncertificated form (that is, in CREST) will not constitute a valid acceptance of the Offer and will be disregarded. Holders of Indian Film Company Shares in uncertificated form (that is, in CREST) who wish to accept the Offer should note that a TTE Instruction will only be a valid acceptance of the Offer as at the relevant closing date if it has settled on or before that date. Network 18 Holdings reserves the right, subject to the terms of the Offer and the provisions of the Code and without prejudice to Parts B and D of Appendix I to this document, to treat as valid a TTE Instruction that settles after 1.00 p.m. (London time) on 24 August 2009 (or such later date to which the Offer may be extended) but before the relevant closing date of the Offer.

(c) **General**

Network 18 Holdings will make an appropriate announcement if any of the details contained in paragraphs 13(a), and 13(b) above alter for any reason.

Normal CREST procedures (including timings) apply in relation to any Indian Film Company Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of the Offer (whether any such conversion arises as a result of a transfer of Indian Film Company Shares or otherwise). Indian Film Company Shareholders who are proposing to convert any such Indian Film Company Shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Indian Film Company Shares as a result of the conversion to take all necessary steps in connection with an acceptance of the Offer (in particular, as regards delivery of share certificate(s) or other document(s) of title or transfers to an escrow balance in the manner referred to in paragraphs 13(a) and (c) above) prior to 1.00 p.m. (London time) on 24 August 2009.

If you are in any doubt as to the procedure for acceptance of the Offer, please contact Computershare Services by telephone on 0870 707 1809 (or +44 870 707 1809 if telephoning from outside the UK) or at the address referred to above.

14. Settlement

Subject to the Offer becoming or being declared unconditional in all respects (and except as provided in paragraph 7 of Part B of Appendix I to this document in the case of certain Overseas Indian Film Company Shareholders), settlement of the consideration to which any Indian Film Company Shareholder (or the first-named Indian Film Company Shareholder in the case of joint holders) is entitled under the terms of the Offer will be effected by the dispatch of cheques or crediting of CREST accounts as applicable (i) in the case of acceptances of the Offer received, complete in all respects, by the date on which the Offer becomes or is declared unconditional in all respects, within 14 days of such date or (ii) in the case of acceptances of the Offer received, complete in all respects, after such date but while the Offer remains open for acceptance, within 14 days of such receipt, and, in either case, in the manner described in paragraphs 14(a) and (b) below.

(a) ***Indian Film Company Shares held in certificated form (that is, not in CREST)***

Where an acceptance relates to Indian Film Company Shares held in certificated form, the settlement of any cash consideration due and the return of any balancing share certificate (to the extent that a Indian Film Company Shareholder accepts the Offer in respect of some only of the Indian Film Company Shares represented by any share certificate that is lodged on acceptance of the Offer) will be dispatched (but not in or into the United States, Canada, Japan or any Restricted Jurisdiction) by first class post (or by such other method as the Panel may approve). All cash payments will be made in pounds sterling by cheque drawn on a branch of a UK clearing bank.

(b) ***Indian Film Company Shares held in uncertificated form (that is, in CREST)***

Where an acceptance relates to Indian Film Company Shares held in uncertificated form, the cash consideration to which the accepting Indian Film Company Shareholder is entitled will be paid in pounds sterling by means of CREST by Network 18 Holdings procuring the creation of a payment obligation in favour of the accepting Indian Film Company Shareholder's payment bank in respect of the cash consideration due, in accordance with the CREST payment arrangements.

Network 18 Holdings reserves the right to settle all or any part of the consideration referred to in this paragraph 14(b) for all or any accepting Indian Film Company Shareholder(s) in the manner referred to in paragraph 14(a) above if, for any reason, it wishes to do so.

(c) ***General***

If the Offer does not become and/or is not declared unconditional in all respects, (i) in the case of Indian Film Company Shares held in certificated form, share certificate(s) and/or other document(s) of title will be returned by post (or by such other method as may be approved by the Panel), within 14 days of the Offer lapsing or being withdrawn, to the person or agent whose name and address (outside the United States, Canada, Japan and all Restricted Jurisdictions) is set out in Box 1 of the Form of Acceptance or, if appropriate, in box 6 of the Form of Acceptance or, if none is set out, to the first-named holder at his registered address (outside the United States, Canada, Japan and all Restricted Jurisdictions) and (ii) in the case of Indian Film Company Shares held in uncertificated form, the Escrow Agent will, immediately after the lapsing or withdrawal of the Offer (or within such longer period, not exceeding 14 days after the lapsing or withdrawal of the Offer, as the Panel may approve), give the TFE Instructions to Euroclear to transfer all Indian Film Company Shares held in escrow balances in relation to which it is the Escrow Agent for the purposes of the Offer to the original available balances of the Indian Film Company Shareholders concerned.

All communications, notices, certificates, documents of title and remittances sent by, to or from or on behalf of Indian Film Company Shareholders or their appointed agents will be sent at their own risk and may be sent by post.

Except with the consent of the Panel, settlement of the consideration to which any Indian Film Company Shareholder is entitled under the Offer will be settled in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which Network 18 Holdings may otherwise be, or claim to be, entitled as against such Indian Film Company Shareholder.

15. Further information

Your attention is drawn to the Appendices to this document, which contain further information in relation to the Offer, and (in the case of Indian Film Company Shares held in certificated form) to the accompanying Form of Acceptance. The Appendices and the Form of Acceptance contain material information which may not be summarised elsewhere in this document.

16. Action to be taken to accept the Offer

To accept the Offer in respect of any or all of your Indian Film Company Shares, if you hold Indian Film Company Shares in certificated form (that is, not in CREST), the Form of Acceptance must be completed, signed and returned in accordance with the instructions printed thereon, as soon as possible and, in any event, so as to be received by post or (during normal business hours) by hand by Computershare no later than 1.00 p.m. (London time) on 24 August 2009. If you hold your Indian Film Company Shares in uncertificated form (that is, in CREST), you should take the action set out in paragraph 13(b) of this letter and ensure that an Electronic Acceptance is made by you or on your behalf and is settled no later than 1.00 p.m. (London time) on 24 August 2009.

Yours faithfully

Raghav Bahl
Director
Network 18 Holdings Limited

APPENDIX I

CONDITION AND FURTHER TERMS OF THE OFFER

PART A: CONDITION OF THE OFFER

The Offer is conditional on valid acceptances being received (and not, where permitted, withdrawn) by 1.00 p.m. on 24 August 2009 (or such later time(s) and/or date(s) as Network 18 Holdings may, subject to the Code, decide) in respect of such number of Indian Film Company Shares which, together with the Indian Film Company Shares owned or acquired or agreed to be acquired by Network 18 Holdings or parties acting in concert with it before or during the Offer Period, will result in Network 18 Holdings and any person acting or deemed to be acting in concert with Network 18 Holdings holding Indian Film Company Shares which together carry more than 50 per cent. of the voting rights normally exercisable at general meetings of Indian Film Company, including for this purpose, to the extent (if any) required by the Panel, any voting rights attaching to Indian Film Company Shares which are unconditionally allotted or issued before the Offer becomes unconditional whether pursuant to the exercise of conversion or subscription rights or otherwise.

PART B: FURTHER TERMS OF THE OFFER

Unless the context requires otherwise, any reference in Parts B, C or D of this Appendix I and in the Form of Acceptance:

- (i) to the “Offer” includes any revision, variation, renewal or extension of the Offer (as the case may be);
- (ii) to the “acceptance condition” means the condition set out in Part A of this Appendix I;
- (iii) to “acceptances of the Offer” includes deemed acceptances of the Offer; and
- (iv) to the “Offer Document” shall mean this document and any other document containing the Offer.

1. Acceptance Period

- (a) The Offer will initially be open for acceptance until 1.00 p.m. (London time) on 24 August 2009. Although no revision is envisaged, if the Offer is revised, it will remain open for acceptance for a period of at least 14 days (or such other period as the Panel may permit) from the date on which written notification of the revision is posted to Indian Film Company Shareholders. Except with the Panel’s consent, no revision of the Offer may be made or posted after 18 September 2009 or, if later, the date falling 14 days before the last date on which the Offer can become unconditional.
- (b) The Offer, whether revised or not, shall not (except with the Panel’s consent) be capable of becoming unconditional after midnight (London time) on 2 October 2009 (or any earlier time and/or date beyond which Network 18 Holdings has stated that the Offer will not be extended, unless Network 18 Holdings has, where permitted, withdrawn that statement or extended the Offer beyond the stated earlier date), nor of being kept open for acceptance after that time and date unless it has then or has previously become unconditional. However, Network 18 Holdings reserves the right, with the Panel’s consent, to extend the Offer to (a) later time(s) and/or date(s). Except with the Panel’s consent, Network 18 Holdings may not, for the purpose of determining whether the acceptance condition has been satisfied, take into account acceptances received or purchases of Indian Film Company Shares made after 1.00 p.m. (London time) on 2 October 2009 (or any earlier time and/or date beyond which Network 18 Holdings has stated that the Offer will not be extended unless, where permitted, it has withdrawn that statement or extended the Offer beyond the stated earlier date) or, if the Offer is so extended, any such later time(s) and/or date(s) as may be agreed with the Panel. If the latest time at which the Offer may become unconditional is extended beyond midnight on 2 October 2009, acceptances received and purchases of Indian Film Company Shares made in respect of which relevant documents are received by Computershare after 1.00 p.m. (London time) on 2 October 2009 may (except where the Code otherwise permits) only be taken into account with the Panel’s agreement.
- (c) If the Offer becomes unconditional, it will remain open for acceptance for not less than 14 days from the date on which it would otherwise have expired. If the Offer has become unconditional and it is been stated by or on behalf of Network 18 Holdings that the Offer will remain open until further notice, then not less than 14 days’ notice in writing will be given, before closing the Offer, to those Indian Film Company Shareholders who have not accepted the Offer.
- (d) If a competitive situation arises after Network 18 Holdings has made a “no extension” statement and/or a “no increase” statement (as determined by the Panel) in relation to the Offer, Network 18 Holdings may, if it specifically reserved the right to do so at the time such statement was made, or otherwise with the Panel’s consent, withdraw that statement and extend and/or revise the Offer (as appropriate) provided that it complies with the requirements of the Code and, in particular, that:
 - (i) it announces such withdrawal and that it is free to extend and/or revise the Offer (as appropriate) as soon as possible (and in any event within four business days of the announcement of the competing offer or other competitive situation) and Indian Film Company Shareholders are informed in writing at the earliest practicable opportunity or, in the case of Indian Film Company Shareholders with no registered address inside the UK or whom

Network 18 Holdings knows to be a nominee, trustee or custodian holding Indian Film Company Shares for such persons, by announcement in the UK; and

- (ii) any Indian Film Company Shareholders who accepted the Offer after the date of the “no extension” or “no increase” statement are given a right of withdrawal in accordance with paragraph 3(c) of this Part B.

Network 18 Holdings may, if it has reserved the right to do so, choose not to be bound by a “no increase” or a “no extension” statement if it would otherwise prevent the posting of an increased or improved Offer (either as to the value or nature of the consideration offered or otherwise) which is recommended for acceptance by the Indian Film Company board or in other circumstances permitted by the Panel.

- (e) If The Indian Film Company makes an announcement of the kind referred to in Rule 31.9 of the Code after 9 September 2009 (or such other date as the Panel may determine shall be relevant for the purpose of Rule 31.9) after a ‘no extension’ and/or ‘no increase’ statement has been made by Network 18 Holdings in respect of the Offer, Network 18 Holdings may, with the consent of the Panel and if it reserved the right to do so in such circumstances at the time such statement was made, choose not to be bound by that statement and so be free to extend and/or revise the Offer, provided that an announcement of that fact is made as soon as possible and in any event within four business days after such announcement by Indian Film Company and, at the earliest opportunity thereafter, Indian Film Company Shareholders are informed of that fact in writing or, in the case of Indian Film Company Shareholders with registered addresses outside the United Kingdom, or whom Network 18 Holdings knows to be a trustee, nominee or custodian holding Indian Film Company Shares for such persons, by announcement in the United Kingdom.
- (f) Unless otherwise determined by the Panel, for the purpose of determining at any particular time whether the acceptance condition has been satisfied, Network 18 Holdings shall be entitled to take account of only those Indian Film Company Shares carrying voting rights which have been unconditionally allotted or issued before that time and written notice of allotment or issue of which, containing all the relevant details, has been received before that time by Computershare from Indian Film Company or its agents at the address specified in paragraph 3(a) of this Part B. Notification by telex, e-mail, facsimile or other electronic transmission will not be sufficient.

2. Announcements

- (a) By 8.00 a.m. (London time) on the business day (the “relevant day”) following the day on which the Offer is due to expire or becomes unconditional or is revised or extended, as the case may be (or such later time(s) and/or date(s) as the Panel may agree), Network 18 Holdings will make an appropriate announcement and simultaneously inform a Regulatory Information Service of the status of the Offer. Such announcement will also state (unless otherwise permitted by the Panel):
 - (i) the total number of Indian Film Company Shares (as nearly as practicable) for which acceptances of the Offer have been received;
 - (ii) the total number of Indian Film Company Shares (as nearly as practicable) for which acceptances of the Offer have been received from persons acting or deemed to be acting in concert with Network 18 Holdings;
 - (iii) the total number of Indian Film Company Shares (as nearly as practicable) for which acceptances of the Offer have been received in respect of Indian Film Company Shares which were subject to an irrevocable commitment or a letter of intent procured by Network 18 Holdings or any of its associates (within the meaning of the Code);
 - (iv) details of any Indian Film Company Shares in which Network 18 Holdings or any person acting or deemed to be acting in concert with it has an interest or in respect of which it has a right to subscribe (specifying the nature of the interests or rights concerned);

- (v) details of any short positions (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, held in relation to Indian Film Company Shares by Network 18 Holdings or any person acting or deemed to be acting in concert with Network 18 Holdings;
- (vi) details of any Indian Film Company Shares in respect of which Network 18 Holdings or any of its associates (within the meaning of the Code) has an outstanding irrevocable commitment or letter of intent; and
- (vii) details of any Indian Film Company Shares which Network 18 Holdings or any person acting in concert with it has borrowed or lent, save for any borrowed shares which have been either on-lent or sold,

and such announcement will specify the percentage of the Indian Film Company Shares represented by each of these figures. In computing the number of Indian Film Company Shares represented by acceptances and/or purchases, there may be included or excluded for announcement purposes acceptances and/or purchases which are not complete in all respects or which are subject to verification, save that acceptances or purchases will not be included in the totals of such an announcement (unless the Panel otherwise agrees) unless they could be counted, in accordance with paragraph 5(a) or 5(b) below and the provisions of the Code, towards satisfying the acceptance condition. Any decision to extend the time and/or date by which the acceptance condition has to be fulfilled or to which the Offer is extended may be made at any time up to, and will be announced not later than, 8.00 a.m. (London time) on the relevant day or such later time(s) and/or date(s) as the Panel may agree. The announcement will state the next expiry time and/or date unless the Offer is then unconditional, in which case a statement may instead be made that the Offer will remain open until further notice.

- (b) In this Appendix I, references to the making of an announcement or the giving of notice by or on behalf of Network 18 Holdings include the release of an announcement by public relations consultants or by PKF on behalf of Network 18 Holdings to the press and the delivery by hand or telephone or telex or facsimile or other electronic transmission of an announcement to a Regulatory Information Service. An announcement made otherwise than to a Regulatory Information Service shall be notified simultaneously to a Regulatory Information Service (unless otherwise agreed by the Panel).

3. Rights of Withdrawal

- (a) If Network 18 Holdings, having announced the Offer to be unconditional, fails to comply by 3.30 p.m. (London time) on the relevant day (as defined in paragraph 2(a) of this Part B) (or such later time(s) and/or date(s) as the Panel may agree) with any of the other requirements specified in paragraph 2(a) of this Part B, an accepting Indian Film Company Shareholder may (unless the Panel agrees otherwise) immediately thereafter withdraw his acceptance of the Offer by written notice signed by such Indian Film Company Shareholder (or by his agent duly appointed in writing and evidence of whose appointment, reasonably satisfactory to Network 18 Holdings, is produced with the notice) received by Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH on behalf of Network 18 Holdings. This right of withdrawal may be terminated not less than eight days after the relevant day by Network 18 Holdings confirming, if it is the case, that the Offer is still unconditional, and complying with the other requirements specified in paragraph 2(a) of this Part B. If any such confirmation is given, the first period of 14 days referred to in paragraph 1(c) of this Part B will run from the date of such confirmation and compliance.
- (b) If, by 1.00 p.m. (London time) on 14 September 2009 (or such later time(s) and/or date(s) as the Panel may agree), the Offer has not become unconditional, an accepting Indian Film Company Shareholder may withdraw his acceptance at any time thereafter by written notice in the manner referred to in paragraph 3(a) of this Part B before the earlier of (i) the time when the Offer becomes unconditional and (ii) the final time for lodgement of acceptances of the Offer which can be taken into account in accordance with paragraph 1(b) of this Part B.

- (c) If a “no extension” statement and/or a “no increase” statement has been withdrawn in accordance with paragraph 1(d) or 1(e) of this Part B, any Indian Film Company Shareholder who accepted the Offer after the date of the statement may withdraw his acceptance in the manner referred to in paragraph 3(a) of this Part B not later than the eighth day after the date on which written notice of withdrawal of the statement is posted to Indian Film Company Shareholders.
- (d) Except as provided by this paragraph 3 and paragraph 4 below or as otherwise permitted by Network 18 Holdings (either generally or for any particular Indian Film Company Shareholder), acceptances under the Offer shall be irrevocable.
- (e) In this paragraph 3, “written notice” (including any letter of appointment, direction or authority) means notice in writing bearing the original signature(s) of the relevant accepting Indian Film Company Shareholder(s) or his/their agent(s) duly appointed in writing (evidence of whose appointment is produced with the notice in a form reasonably satisfactory to Network 18 Holdings). Notification by telex, email or facsimile transmissions or copies will not be sufficient to constitute written notice. No notice which is postmarked in, or otherwise appears to Network 18 Holdings or its agents to have been sent from, the United States, Canada, Japan or any Restricted Jurisdiction will be treated as valid.
- (f) All questions of validity (including time of receipt) of any notice of withdrawal will be determined by Network 18 Holdings, whose determination (save as the Panel otherwise determines) will be final and binding. Neither Network 18 Holdings nor Computershare will be under any duty to give notification of any defects in any notice of withdrawal or will incur any liability for failure to do so.
- (g) In the case of Indian Film Company Shares held in uncertificated form, if withdrawals of acceptances are permitted pursuant to paragraphs 3(a), (b) and/or (c) above, a previously accepting Indian Film Company Shareholder may withdraw his acceptance through CREST by sending (or if such Indian Film Company Shareholder is a CREST sponsored member, by procuring that his CREST sponsor sends) an ESA Instruction to settle in CREST in relation to each Electronic Acceptance to be withdrawn. Each ESA Instruction must, in order for it to be valid and settle, include the following details:
 - (i) the number of Indian Film Company Shares in respect of which the acceptance is to be withdrawn;
 - (ii) the member account ID of the previously accepting Indian Film Company Shareholder;
 - (iii) the participant ID of the previously accepting Indian Film Company Shareholder;
 - (iv) the participant ID of the of the Escrow Agent, Computershare Services. This is 3RA17;
 - (v) the member account ID of the Escrow Agent included in the relevant Electronic Acceptance. This is IFCNHL01;
 - (vi) the corporate action ISIN number of Indian Film Company Shares, which is GG00B1VX1S93;
 - (vii) the CREST transaction ID of the Electronic Acceptance to be withdrawn, to be inserted at the beginning of the shared note field;
 - (viii) the intended settlement date for the withdrawal;
 - (ix) the corporate action number for the Offer which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST; and
 - (x) input with standard delivery instruction priority of 80.

Any such withdrawal will be conditional upon Computershare verifying that the withdrawal request is validly made. Accordingly, Computershare will, on behalf of Network 18 Holdings, reject or accept a withdrawal by transmitting in CREST a receiving agent reject (AEAD) or receiving agent accept (AEAN) message.

- (h) Immediately (or within such longer period, not exceeding 14 days, as the Panel may permit) upon a Indian Film Company Shareholder validly withdrawing his acceptance in respect of Indian Film Company Shares held in uncertificated form, Computershare will give the TTE Instruction to Euroclear to transfer all relevant Indian Film Company Shares held in escrow balances to original available balances of the Indian Film Company Shareholder concerned and, in respect of Indian Film Company Shares held in certificated form, Computershare will return all share certificates and/or other documents of title to the Indian Film Company Shareholders concerned.

4. Revised Offer

- (a) No revision of the Offer is envisaged. However, if the Offer (in its original or any previously revised form(s)) is revised (either in its terms and conditions or in the value or nature of the consideration offered or otherwise), which Network 18 Holdings reserves the right to do, and such revision represents on the date on which it is announced (on such basis as Network 18 Holdings may consider appropriate) an improvement or no diminution in the value of the revised Offer compared with the consideration or terms previously offered, or in the overall value received and/or retained by a Indian Film Company Shareholder (under or in consequence of the Offer or otherwise), the benefit of the revised Offer will, subject to paragraphs 4(c), 4(e) and 7 of this Part B, be made available to any Indian Film Company Shareholder who has validly accepted the Offer in its original or any previously revised form(s) and who has not validly withdrawn such acceptance (a “previous acceptor”). The acceptance of the Offer by or on behalf of a previous acceptor in its original or any previously revised form(s) shall, subject as provided in paragraphs 4(c), 4(e) and 7 of this Part B, be treated as an acceptance of the Offer as so revised and shall also constitute the separate appointment of Network 18 Holdings and each of its directors as his attorney and/or agent with authority (i) to accept any such revised Offer on behalf of such previous acceptor, (ii) if such revised Offer includes alternative forms of consideration, to make such elections for and/or accept such alternative forms of consideration in the proportions which such attorney and/or agent acting reasonably thinks fit and (iii) to execute on behalf of and in the name of such previous acceptor all such further documents (if any) as may be required to give effect to such acceptances and/or elections.

In making any such election and/or acceptance, such attorney and/or agent shall take into account the nature of any previous acceptances made by or on behalf of the previous acceptor and such other facts or matters as he may reasonably consider relevant. For the avoidance of doubt, in this paragraph, “Offer” shall, and shall be deemed to, mean and include the Offer and/or all or any alternative form(s) of consideration to be given under or in consequence of the Offer and any combination or choice of the Offer and/or all or any alternative form(s) of consideration.

- (b) Subject as provided in this paragraph 4 of this Part B, the powers of attorney and authorities conferred by this paragraph 4 and any acceptance of a revised Offer and/or any election(s) pursuant thereto shall be irrevocable unless and until the previous acceptor becomes entitled to withdraw his acceptance under paragraph 3 of this Part B and duly and validly does so.
- (c) Any deemed acceptance referred to in paragraph 4(a) of this Part B shall not apply, and the authorities conferred by that paragraph shall not be exercised, if, as a result thereof, the previous acceptor would (on such basis as Network 18 Holdings may consider appropriate) thereby receive and/or retain less in aggregate in consideration or overall value under the revised Offer than he would have received and/or retained in aggregate as a result of acceptance of the Offer in the form in which it was previously accepted by him or on his behalf (unless such previous acceptor shall have previously agreed in writing to receive less in aggregate consideration or overall value). The authorities conferred by paragraph 4(a) of this Part B shall not be exercised in respect of any election available under the revised Offer save in accordance with this paragraph 4.
- (d) Network 18 Holdings reserves the right to treat a Form of Acceptance (in respect of the Offer in its original or any previously revised form(s)) which is received (or dated) on or after the announcement of any revised Offer as a valid acceptance of the revised Offer and/or, where applicable, a valid election for or acceptance of any of the alternative forms of consideration. Such acceptances shall

constitute an authority in the terms of paragraph 4(a) of this Part B, *mutatis mutandis*, on behalf of the relevant Indian Film Company Shareholder.

- (e) Any deemed acceptance referred to in this paragraph 4 shall not apply, and the authorities conferred by this paragraph 4 shall not be exercised, to the extent that a previous acceptor of the Offer (i) in respect of Indian Film Company Shares in certificated form, lodges with Computershare, within 14 days of the posting of the document pursuant to which the revision of the Offer referred to in paragraph 4(a) of this Part B is made available to Indian Film Company Shareholders (or such later date as Network 18 Holdings may determine) (“relevant period”), a Form of Acceptance or some other form issued for such purpose by or on behalf of Network 18 Holdings in which he validly elects to receive the consideration receivable by him under such revised Offer in some manner other than that set out in the original acceptance or (ii) in respect of Indian Film Company Shares in uncertificated form, sends (or, if such previous acceptor is a CREST sponsored member, procures that his CREST sponsor sends), within the relevant period, an ESA Instruction to settle in CREST in relation to each Electronic Acceptance in respect of which an election is to be varied. Each such ESA Instruction must, in order for it to be valid and settle, include the following details:

- (i) the number of Indian Film Company Shares in respect of which the changed election is made;
- (ii) the member account ID of the previously accepting Indian Film Company Shareholder;
- (iii) the participant ID of the previously accepting Indian Film Company Shareholder;
- (iv) the participant ID of the Escrow Agent, Computershare Services. This is 3RA17;
- (v) the member account ID of the Escrow Agent included in the relevant Electronic Acceptance. This is IFCNHL01;
- (vi) the corporate action ISIN number of Indian Film Company Shares, which is GG00B1VX1S93;
- (vii) the CREST transaction ID of the Electronic Acceptance in respect of which an election is to be changed to be inserted at the beginning of the shared note field;
- (viii) the corporate action number of the Offer which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- (ix) the intended settlement date for the changed election; and
- (x) input with standard delivery instruction priority of 80;

and, in order that the desired change of election can be effected, must include:

- (xi) the member account ID of the Escrow Agent relevant to the new election.

Any such change of election will be conditional upon Computershare verifying that the request is validly made. Accordingly, Computershare will, on behalf of Network 18 Holdings, reject or accept the requested change of election by transmitting in CREST a receiving agent reject (AEAD) or receiving agent accept (AEAN) message.

5. Acceptances and Purchases

Notwithstanding, but without prejudice to, the right reserved by Network 18 Holdings to treat a Form of Acceptance as valid even though not entirely in order or, in the case of Indian Film Company Shares held in certificated form, not accompanied by the relevant share certificate(s) and/or other documents of title, or, in the case of Indian Film Company Shares held in uncertificated form, not accompanied by the relevant TTE Instruction, except as otherwise agreed by the Panel:

- (a) an acceptance of the Offer shall not be treated as valid for the purposes of the acceptance condition unless the requirements of Note 4 and, if applicable, Note 6 on Rule 10 of the Code are satisfied in respect of it;

- (b) a purchase of Indian Film Company Shares by Network 18 Holdings or its nominee(s) or by any person acting in concert with Network 18 Holdings or its nominee(s) will only be treated as valid for the purposes of the acceptance condition if the requirements of Note 5 and, if applicable, Note 6 on Rule 10 of the Code are satisfied in respect of it; and
- (c) before the Offer may become unconditional, Computershare must have issued a certificate to Network 18 Holdings which states the number of Indian Film Company Shares in respect of which acceptances have been received and which comply with paragraph 5(a) of this Part B and the number of Indian Film Company Shares otherwise acquired, whether before or during the Offer Period, which comply with paragraph 5(b) of this Part B. Copies of the certificate will be sent to the Panel and to the financial advisers to The Indian Film Company as soon as possible after issue by Computershare.

6. General

- (a) The Offer extends to all Indian Film Company Shares other than those Indian Film Company Shares already held by the Network 18 Parties. If the Offer lapses for any reason, it shall then cease to be capable of further acceptance and Network 18 Holdings and Indian Film Company Shareholders shall thereupon cease to be bound by Forms of Acceptance submitted before the time the Offer lapses.
- (b) The Offer will lapse if, in respect of the Acquisition, there is a reference to the Competition Commission before 1.00 p.m. on 24 August 2009 or the time and date on which the Offer becomes or is declared unconditional as to acceptances, whichever is the later.
- (c) Except with the Panel's consent, settlement of the consideration to which any Indian Film Company Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which Network 18 Holdings may otherwise be, or claim to be, entitled as against such Indian Film Company Shareholder and will be effected in the manner described in the letter from Network 18 Holdings contained in this document.
- (d) The Offer is made on 3 August 2009 to all Indian Film Company Shareholders including those to whom this document may not be dispatched and is capable of acceptance from that date. The Offer is being made by means of this document. Copies of this document, the Form of Acceptance and any related documents are available from Computershare at the address set out in paragraph 3(a) of this Part B.
- (e) The terms, provisions, instructions and authorities contained in or deemed to be incorporated in the Form of Acceptance constitute part of the terms of the Offer. Words and expressions defined in this document have the same meanings when used in the Form of Acceptance, unless the context otherwise requires. The provisions of this Appendix I shall be deemed to be incorporated in the Form of Acceptance, which shall be construed accordingly.
- (f)
 - (i) The Offer, all acceptances of it, the Form of Acceptance, all Electronic Acceptances, all contracts made pursuant to the Offer, all action taken or made or deemed to be taken or made pursuant to any of these terms and the relationship between any Indian Film Company Shareholder and Network 18 Holdings, PKF or Computershare shall be governed by and interpreted in accordance with English law.
 - (ii) Execution of a Form of Acceptance, and the effecting of an Electronic Acceptance, by or on behalf of an Indian Film Company Shareholder will constitute his agreement that the courts of England and Wales are (subject to paragraph 6(f)(iii) of this Part B) to have exclusive jurisdiction to settle any dispute which may arise in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by, the Offer, the Form of Acceptance, the Electronic Acceptance or otherwise arising in connection with the Offer, the Form of Acceptance or the Electronic Acceptance and, for such purposes, that he irrevocably submits to the jurisdiction of such courts.

- (iii) Execution of a Form of Acceptance, and the effecting of an Electronic Acceptance, by or on behalf of an accepting Indian Film Company Shareholder will constitute his agreement that the agreement in paragraph 6(f)(ii) of this Part B is included for the benefit of Network 18 Holdings and Computershare Services and, accordingly, notwithstanding the exclusive agreement in paragraph 6(f)(ii) of this Part B, Network 18 Holdings and Computershare shall each retain the right to, and may in its absolute discretion, bring proceedings in the courts of any other country which may have jurisdiction and that the accepting Indian Film Company Shareholder irrevocably submits to the jurisdiction of the courts of any such country.
- (g) If the expiry date of the Offer is extended, any reference in this document and in the Form of Acceptance to 24 August 2009 shall, except in Part A of this Appendix I, in the definition of “Offer Period” and in paragraphs 6(b) of this Part B and where the context otherwise requires, be deemed to refer to the expiry date of the Offer as so extended.
- (h) Any omission or failure, or decision not, to dispatch this document or the Form of Acceptance or any other document relating to the Offer to, or any failure to receive the same by, any person to whom the Offer is made, or should be made, shall not invalidate the Offer in any way or create any implication that the Offer has not been made to any such person. Subject to paragraph 7 of this Part B, the Offer extends to any such person and to all Indian Film Company Shareholders to whom this document, the Form of Acceptance or any related documents may not be dispatched or who may not receive any such documents, and such persons may collect copies of those documents from Computershare at the address set out in paragraph 3(a) of this Part B.
- (i) If the Offer lapses:
 - (i) in respect of Indian Film Company Shares held in certificated form, share certificate(s) and/or other document(s) of title will be returned by post (or by such other method as the Panel may approve) within 14 days of the Offer lapsing, at the risk of the Indian Film Company Shareholder concerned, to the person or agent whose name and address is set out in the relevant box of the Form of Acceptance or, if none is set out, to the first-named holder at his registered address. No such document will be sent to an address in the United States, Canada, Japan or a Restricted Jurisdiction; and
 - (ii) in respect of Indian Film Company Shares held in uncertificated form, Computershare will, immediately after the Offer lapses (or within such longer period as the Panel may permit), give TTE Instructions to Euroclear to transfer all Indian Film Company Shares held in escrow balances and in relation to which it is the Escrow Agent for the purposes of the Offer to the original available balances of the Indian Film Company Shareholders concerned, and the giving of such instructions will constitute a full discharge of the obligations of Network 18 Holdings to return such Indian Film Company Shares.
- (j) All powers of attorney, appointments as agent and authorities on the terms conferred by or referred to in this Appendix I or in the Form of Acceptance are given by way of security for the performance of the obligations of the Indian Film Company Shareholder concerned and are irrevocable (in respect of powers of attorney in accordance with Section 4 of the Powers of Attorney Act 1971), except in the circumstances where the donor of such power of attorney, appointment or authority is entitled to withdraw his acceptance in accordance with paragraph 3 of this Part B and duly does so.
- (k) If a TTE Instruction is settled which contains an incorrect Form of Acceptance reference number, or no Form of Acceptance reference number, the right is reserved for the Escrow Agent to apply the TTE Instruction to any Form of Acceptance on which the same member account ID and participant ID is specified.
- (l) Without prejudice to any other provision of this Part B, Network 18 Holdings reserves the right to treat acceptances of the Offer and/or any elections pursuant thereto as valid if not entirely in order or not accompanied by the relevant share certificate(s) and/or other relevant document(s) of title or not accompanied by the relevant TTE Instructions or if received, by or on behalf of it, at any place or

places, or in any manner, otherwise than as specified in this document or in the Form of Acceptance. In that event, no payment of cash or settlement of consideration will be made under the Offer until the relevant TTE Instruction has settled or (as applicable) the relevant share certificate(s) and/or other document(s) of title or indemnities satisfactory to Network 18 Holdings have been received.

- (m) All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from any Indian Film Company Shareholders will be delivered by or sent to or from them (or their designated agents) at their risk. No acknowledgement of receipt of any Form of Acceptance, transfer by means of CREST, communication, notice, share certificate(s) and/or other document(s) of title will be given by or on behalf of Network 18 Holdings.
- (n) Network 18 Holdings reserves the right to notify any matter (including the making of the Offer) to all or any Indian Film Company Shareholder(s) with (i) no registered address inside the United Kingdom or (ii) whom Network 18 Holdings knows to be nominees, trustees or custodians for Indian Film Company Shareholder(s) with no registered address inside the United Kingdom by announcement or paid advertisement in any daily newspaper published and circulated in the United Kingdom or any part thereof, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any such shareholders to receive or see such notice. All references in this document to notice in writing shall be construed accordingly.
- (o) All references in this Appendix I to any statute or statutory provision shall include a statute or statutory provision which amends, consolidates or replaces the same (whether before or after the date of this document).
- (p) In relation to any acceptance of the Offer in respect of a holding of Indian Film Company Shares which are in uncertificated form, Network 18 Holdings reserves the right to make such alterations, additions or modifications as may be necessary to give effect to any purported acceptance of the Offer, whether in order to comply with the facilities or requirements of CREST or otherwise, provided that such alterations, additions or modifications are consistent with the requirements of the Code or are otherwise made with the Panel's consent.
- (q) The provisions of the Contracts (Rights of Third Parties) Act 1999 shall not apply to this document, the Form of Acceptance or any contract made pursuant to the Offer.

7. Overseas Indian Film Company Shareholders

- (a) The making of the Offer in any jurisdiction outside the United Kingdom or to any overseas person may be affected by the laws of the relevant jurisdictions. Overseas Indian Film Company Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of any Overseas Indian Film Company Shareholder wishing to accept the Offer to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the Offer, including obtaining any governmental, exchange control or other consents which may be required, or compliance with other necessary formalities needing to be observed and payment of any issue, transfer or other taxes or duties due in such jurisdiction. Any such Overseas Indian Film Company Shareholder will be responsible for any such issue, transfer or other taxes or other payments by whomsoever payable and Network 18 Holdings (and any person acting on its behalf) shall be fully indemnified and held harmless by such Overseas Indian Film Company Shareholder for any such issue, transfer or other taxes or duties as Network 18 Holdings (and any person acting on its behalf) may be required to pay.

If you are an Overseas Indian Film Company Shareholder and you are in doubt about your position, you should consult your independent professional adviser in the relevant jurisdiction immediately.

- (b) In particular, the Offer is not being and will not be made, directly or indirectly, in or into or by use of the mails of, or by any means or instrumentality (including, without limitation, telephone, facsimile, telex, internet, email or other form of electronic communication) of interstate or foreign commerce of, or by any facility of a national, state or other securities exchange of, the United States, Canada, Japan

or any Restricted Jurisdiction, and the Offer will not be capable of acceptance by any such use, means, instrumentality or facility or from within those jurisdictions. Accordingly, copies of this document, the Form of Acceptance and any related documents are not being, and must not be, mailed, transmitted or otherwise forwarded, distributed or sent, in whole or in part, in, into or from the United States, Canada, Japan or any Restricted Jurisdiction or to any US Person or resident of Canada, Japan or a Restricted Jurisdiction or to persons who Network 18 Holdings knows to be nominees, trustees or custodians holding Indian Film Company Shares for persons with addresses in the United States, Canada, Japan or any Restricted Jurisdiction.

Persons receiving such documents (including, without limitation, custodians, trustees and nominees) must not mail, transmit, forward, distribute or send them or any of them, directly or indirectly, in, into or from the United States, Canada, Japan or any Restricted Jurisdiction or to any US Person or resident of Canada, Japan or a Restricted Jurisdiction or use the mails or any such means or instrumentality or facility of the United States, Canada, Japan or any Restricted Jurisdiction for any purpose, directly or indirectly, in connection with the Offer. Doing so may invalidate any purported acceptance of the Offer. Persons wishing to accept the Offer must not use such mails or any such means or instrumentality or facility directly or indirectly for any purpose directly or indirectly related to acceptance of the Offer.

Envelopes containing a Form of Acceptance should not be postmarked in the United States, Canada, Japan or a Restricted Jurisdiction or otherwise dispatched from the United States, Canada, Japan or a Restricted Jurisdiction or to any US Person or resident of Canada, Japan or a Restricted Jurisdiction, and all accepting Indian Film Company Shareholders must provide addresses outside the United States, Canada, Japan and Restricted Jurisdictions for the remittance of cash or for the return of the Form of Acceptance, share certificates and/or other document(s) of title.

- (c) A Indian Film Company Shareholder will be deemed not to have validly accepted the Offer if:
- (i) he puts "NO" in Box 5 of the Form of Acceptance and thereby does not give the representations and warranties set out in paragraph (b) of Part C of this Appendix I;
 - (ii) if Box 1 of the Form of Acceptance contains a registered address in the United States, Canada, Japan or a Restricted Jurisdiction, he does not insert in Box 6 of the Form of Acceptance the name and address of a person or agent outside the United States, Canada, Japan and Restricted Jurisdictions to whom he wishes the consideration to which he is entitled under the Offer and/or any documents to be sent;
 - (iii) he inserts in Box 6 of the Form of Acceptance the name and address and/or telephone number of a person or agent in the United States, Canada, Japan or a Restricted Jurisdiction to whom he wishes the consideration to which he is entitled under the Offer and/or any documents to be sent;
 - (iv) in any case, the Form of Acceptance received from him is received in an envelope postmarked in, or which otherwise appears to Network 18 Holdings or its agent to have been sent from, the United States, Canada, Japan or a Restricted Jurisdiction; or
 - (v) he makes a Restricted Escrow Transfer pursuant to paragraph 7(g) below, unless he also makes a related Restricted ESA Instruction which is accepted by Computershare.

Network 18 Holdings reserves the right, in its sole discretion, to investigate, in relation to any acceptance, whether the representations and warranties set out in paragraph (b) of Part C and/or paragraph (b) of part D of this Appendix I could have been truthfully given by the relevant Indian Film Company Shareholder and, if such investigation is made and, as a result, Network 18 Holdings cannot satisfy itself that such representation and warranty was true and correct, the acceptance shall not be valid.

- (d) If, in connection with the making of the Offer, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees), whether pursuant to a

contractual or legal obligation or otherwise, forwards this document, the Form of Acceptance or any related offering document, in, into or from the United States, Canada, Japan or a Restricted Jurisdiction or to any US Person or resident of Canada, Japan or a Restricted Jurisdiction or uses the mails of, or any means or instrumentality (including, without limitation, telephone, facsimile, telex, internet, email or other form of electronic communication) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, the United States, Canada, Japan or a Restricted Jurisdiction in connection with such forwarding, such person should:

- (i) inform the recipient of such fact;
 - (ii) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and
 - (iii) draw the attention of the recipient to this paragraph 7.
- (e) If any written notice from an Indian Film Company Shareholder withdrawing his acceptance in accordance with paragraph 3 of Part B of this Appendix I is received in an envelope postmarked in, or which otherwise appears to Network 18 Holdings or its agents to have been sent from, the United States, Canada, Japan or a Restricted Jurisdiction or by any US Person or resident of Canada, Japan or a Restricted Jurisdiction, Network 18 Holdings reserves the right in its absolute discretion to treat that notice as invalid.

Any acceptance of the Offer by an Indian Film Company Shareholder who is unable to give the representations and warranties set out in paragraph (b) of Part C and/or paragraph (b) of Part D of this Appendix I is liable to be disregarded.

- (f) These provisions and any other terms of the Offer relating specifically to Overseas Indian Film Company Shareholders may be waived, varied or modified as regards specific Indian Film Company Shareholders or on a general basis by Network 18 Holdings in its absolute discretion. Subject thereto, the provisions of this paragraph 7 supersede any terms of the Offer inconsistent with them. References in this paragraph 7 to an Indian Film Company Shareholder include references to the person or persons executing a Form of Acceptance or effecting the Electronic Acceptance and, if more than one person executes the Form of Acceptance or effects the Electronic Acceptance, the provisions of this paragraph 7 shall apply to them jointly and severally.
- (g) If an Indian Film Company Shareholder holding Indian Film Company Shares in uncertificated form is unable to give the representations and warranties set out in paragraph (b) of Part D of this Appendix I but nevertheless can provide evidence satisfactory to Network 18 Holdings that he is able to accept the Offer in compliance with all relevant legal and regulatory requirements, he may purport to accept the Offer by sending (or if he is a CREST sponsored member by procuring that his CREST sponsor sends) both (i) a TTE Instruction to a designated escrow balance detailed below (a “Restricted Escrow Transfer”) and (ii) one or more valid ESA Instructions (a “Restricted ESA Instruction”). Such purported acceptance will not be treated as a valid acceptance unless both the Restricted Escrow Transfer and the Restricted ESA Instruction(s) settle in CREST and Network 18 Holdings decides, in its absolute discretion, to exercise its rights described in paragraph 7(f) above to waive, vary or modify the terms of the Offer relating to Overseas Indian Film Company Shareholders, to the extent required to permit such acceptance to be made, in each case during the acceptance period set out in paragraph 1 of this Part B of this Appendix I. If Network 18 Holdings accordingly decides to permit such acceptance to be made, Computershare will, on behalf of Network 18 Holdings, accept the purported acceptance as an Electronic Acceptance on the terms of this document (as so waived, varied or modified) by transmitting in CREST a receiving agent accept (AEAN) message. Otherwise, Computershare will, on behalf of Network 18 Holdings, reject the purported acceptance by transmitting in CREST a receiving agent reject (AEAD) message.

Each Restricted Escrow Transfer must, in order for it to be valid and to settle, include the following details:

- (i) the ISIN number of Indian Film Company Shares. This is GG00B1VX1S93;
- (ii) the number of Indian Film Company Shares in respect of which the Offer is to be accepted;
- (iii) the member account ID of the accepting Indian Film Company Shareholder;
- (iv) the participant ID of the accepting Indian Film Company Shareholder;
- (v) the participant ID of the Escrow Agent. This is 3RA17;
- (vi) the member account ID of the Escrow Agent which is specific to a Restricted Escrow Transfer. This is "RESTRICT";
- (vii) the intended settlement date;
- (viii) the corporate action number for the Offer which is allocated by Euroclear and can be found by reviewing the relevant corporate action details in CREST;
- (ix) input with standard delivery instruction priority of 80; and
- (x) contact name and telephone number inserted in the shared note field.

Each Restricted ESA Instruction must, in order for it to be valid and to settle, include the following details:

- (i) the ISIN number for Indian Film Company Shares. This is GG00B1VX1S93;
 - (ii) the number of Indian Film Company Shares relevant to that Restricted ESA Instruction;
 - (iii) the member account ID of the accepting Indian Film Company Shareholder;
 - (iv) the participant ID of the accepting Indian Film Company Shareholder;
 - (v) the member account ID of the Escrow Agent set out in the Restricted Escrow Transfer. This is "RESTRICT";
 - (vi) the participant ID of the Escrow Agent. This is 3RA17;
 - (vii) the member account ID of the Escrow Agent relevant to the form of consideration required. This is IFCNHL01;
 - (viii) the CREST transaction ID of the Restricted Escrow Transfer to which the Restricted ESA Instruction relates, to be inserted at the beginning of the shared note field;
 - (ix) the intended settlement date;
 - (x) the corporate action number for the Offer which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST; and
 - (xi) input with a standard delivery instruction priority of 80.
- (h) Neither Network 18 Holdings nor any agent or director of Network 18 Holdings, nor any person acting on behalf of any of them, shall have any liability to any person for any loss or alleged loss arising from any decision as to the treatment of acceptances of the Offer on any of the bases set out above or otherwise in connection therewith.

**PART C: FORM OF ACCEPTANCE FOR INDIAN FILM COMPANY SHARES IN
CERTIFICATED FORM**

For the purposes of this Part C of this Appendix I and the Form of Acceptance, the phrase “Indian Film Company Shares comprised in the acceptance” shall mean the number of Indian Film Company Shares in certificated form inserted in Box 3 of the relevant Form of Acceptance or, if no number is inserted (other than (“Nil” or “0”) (or a number is inserted which is greater than the relevant Indian Film Company Shareholder’s holding of Indian Film Company Shares in certificated form), the greater of:

- (i) the relevant Indian Film Company Shareholder’s entire holding of Indian Film Company Shares in certificated form as disclosed by details of Indian Film Company’s register of members made available to Computershare prior to the time the relevant Form of Acceptance is processed by them;
- (ii) the relevant Indian Film Company Shareholder’s entire holding of Indian Film Company Shares in certificated form as disclosed by details of Indian Film Company’s register of members made available to Computershare prior to the latest time for receipt of Forms of Acceptance which can be taken into account for determining whether the Offer is unconditional; and
- (iii) the number of Indian Film Company Shares in certificated form in respect of which certificates or an indemnity in lieu thereof is received.

Without prejudice to the Form of Acceptance and the provisions of Parts A and B of this Appendix I, each Indian Film Company Shareholder by whom, or on whose behalf, a Form of Acceptance is executed and lodged with Computershare irrevocably undertakes, represents, warrants and agrees to and with Network 18 Holdings and Computershare (so as to bind him, his personal representatives, heirs, successors and assigns) to the following effect:

- (a) that the execution of the Form of Acceptance, whether or not any boxes of it are completed, shall constitute:
 - (i) an acceptance of the Offer in respect of the number of Indian Film Company Shares in certificated form inserted, or deemed to be inserted, in box 3 of the Form of Acceptance (or in respect of which the Offer is deemed to have been accepted); and
 - (ii) an authority to Network 18 Holdings or its agents to execute any further documents and give any further assurances which may be required in connection with any of the foregoing and an undertaking to execute any further documents, take any further action and give any further assurances which may be required to enable Network 18 Holdings to obtain the full benefit of Part C of this Appendix I and/or to perfect any of the authorities expressed to be given hereunder and otherwise in connection with the Offer,

in each case on and subject to the terms and conditions set out or referred to in this document and in the Form of Acceptance and that, subject only to the rights of withdrawal set out or referred to in paragraph 3 of Part B of this Appendix I, each such acceptance shall be irrevocable, provided that if (i) no such boxes are completed or (ii) the total number of Indian Film Company Shares inserted in Box 3 is greater than the number of Indian Film Company Shares in certificated form comprised in the acceptance or (iii) the acceptance is otherwise completed incorrectly, but the Form of Acceptance is signed, it will be deemed to be an acceptance of the Offer in respect of all Indian Film Company Shares in certificated form comprised in the acceptance.

- (b) unless “NO” is inserted (or deemed to be inserted) in Box 5 of the Form of Acceptance, that:
 - (i) such Indian Film Company Shareholder has not received or mailed, or otherwise transmitted, forwarded or sent, in whole or in part, copies or originals of this document, the Form of Acceptance or any related documents in, into or from the United States, Canada, Japan or a Restricted Jurisdiction or to a US Person or resident of Canada, Japan or a Restricted Jurisdiction, has not utilised in connection with the Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, telephone, telex, internet, facsimile, email or other electronic transmission) of interstate or foreign commerce of, or any facility of

a national, state or other securities exchange of, the United States, Canada, Japan or a Restricted Jurisdiction, is accepting the Offer from outside the United States, Canada, Japan and all Restricted Jurisdictions and was outside those jurisdictions when the Form of Acceptance was delivered and at the time of accepting the Offer, and, in respect of the Indian Film Company Shares in certificated form to which the Form of Acceptance relates, is not an agent or fiduciary acting on a non-discretionary basis for a principal, unless such agent or fiduciary is an authorised employee of such principal or such principal has given all instructions with respect to the Offer from outside the United States, Canada, Japan and all Restricted Jurisdictions; and

- (ii) if such accepting Indian Film Company Shareholder is a citizen, resident or national of a jurisdiction outside the United Kingdom, he has observed the laws and regulatory requirements of the relevant jurisdiction in connection with the Offer, obtained all requisite governmental, exchange control or other consents, complied with all necessary formalities and paid any issue, transfer or other taxes, duties or other requisite payments due in each case in connection with such acceptance in any such jurisdiction and that he has not taken or omitted to take any action which will or may result in Network 18 Holdings or any other person acting on its behalf being in breach of the legal or regulatory requirements of any jurisdiction in connection with the Offer or his acceptance thereof;
- (c) that, in relation to Indian Film Company Shares in certificated form, the execution of the Form of Acceptance and its delivery constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms and to the accepting Indian Film Company Shareholder not having validly withdrawn his acceptance, the irrevocable separate appointment of any director of, or any person authorised by, Network 18 Holdings as such Indian Film Company Shareholder's attorney and/or agent (the "**attorney**") with an irrevocable instruction and authorisation to the attorney:
- (i) to complete and execute all or any form(s) of transfer and/or other document(s) at the discretion of the attorney in relation to the Indian Film Company Shares comprised in the acceptance in favour of Network 18 Holdings or such other person or persons as Network 18 Holdings or its agents may direct;
 - (ii) to deliver such form(s) of transfer and/or other document(s) in the attorney's discretion together with the certificate(s) and/or other document(s) of title relating to such Indian Film Company Shares for registration within six months of the Offer becoming unconditional in all respects; and
 - (iii) to execute all such other documents and do all such other acts and things as may, in the attorney's opinion, be necessary or expedient for the purpose of, or in connection with, the acceptance of the Offer and to vest in Network 18 Holdings or its nominee the full legal and beneficial ownership of the Indian Film Company Shares in certificated form comprised in the acceptance;
- (d) that, in relation to Indian Film Company Shares in certificated form, the execution of the Form of Acceptance and its delivery constitutes, subject to the Offer becoming unconditional in all respects and to an accepting Indian Film Company Shareholder not having validly withdrawn his acceptance, an irrevocable authority and request:
- (i) to The Indian Film Company or its agents to procure the registration of the transfer of the Indian Film Company Shares in certificated form comprised in the acceptance pursuant to the Offer and the delivery of the share certificate(s) and/or other document(s) of title in respect of those Indian Film Company Shares to Network 18 Holdings or as it may direct; and
 - (ii) subject to the provisions of paragraph 7 of Part B of this Appendix I, to Network 18 Holdings or its agents to procure the issue and dispatch by post (or by such other method as the Panel may approve) of the cheque for the cash consideration to which an accepting Indian Film Company Shareholder is entitled, at the risk of such Indian Film Company Shareholder, to the

person or agent whose name and address (outside the United States, Canada, Japan and all Restricted Jurisdictions) is set out in Box 1 of the Form of Acceptance or, if none is set out, to the person whose name and address (outside the United States, Canada, Japan and all Restricted Jurisdictions) is set out in Box 6 of the Form of Acceptance, or if none is set out in either of those places, to the first-named holder at his registered address (outside the United States, Canada, Japan and all Restricted Jurisdictions);

- (e) that the execution of the Form of Acceptance and its delivery constitutes a separate authority to Network 18 Holdings and/or its directors within the terms of Part B and this Part C of this Appendix I;
- (f) that, subject to the Offer becoming or being declared unconditional in all respects (or if the Offer will become unconditional in all respects or lapse immediately upon the outcome of the resolution in question or if the Panel consents) and pending registration:
 - (i) Network 18 Holdings or its agents shall be entitled to direct the exercise of any votes and any or all other rights and privileges (including the right to requisition the convening of a general meeting of The Indian Film Company or of any class of its shareholders) attaching to any Indian Film Company Shares in certificated form in respect of which the Offer has been accepted or is deemed to have been accepted and not validly withdrawn; and
 - (ii) the execution of a Form of Acceptance by an Indian Film Company Shareholder in respect of the Indian Film Company Shares comprised in such acceptance and in respect of which such acceptance has not been validly withdrawn:
 - (A) constitutes an irrevocable authority to The Indian Film Company or its agents from such Indian Film Company Shareholder to send any notice, circular, warrant, document or other communication which may be required to be sent to him/her as a member of The Indian Film Company (including any share certificate(s) or other document(s) of title issued as a result of a conversion of such Indian Film Company Shares into certificated form) to Network 18 Holdings at its registered office;
 - (B) constitutes an irrevocable authority to Network 18 Holdings or any director or agent of Network 18 Holdings to sign any document and do such things as may, in the opinion of such authorised person, be necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to the Indian Film Company Shares comprised in the acceptance (including, without limitation, authority to sign any consent to short notice of a general or separate class meeting as his attorney and/or agent and on his behalf and/or to attend and/or execute a form of proxy in respect of such Indian Film Company Shares appointing any person nominated by Network 18 Holdings to attend general and separate class meetings of The Indian Film Company (and any adjournments thereof) and to exercise the votes attaching to such shares on his behalf, where relevant, such votes to be cast so far as possible to satisfy any outstanding condition of the Offer); and
 - (C) will also constitute the irrevocable agreement of such Indian Film Company Shareholder not to exercise any of such rights without the consent of Network 18 Holdings and the irrevocable undertaking of such Indian Film Company Shareholder not to appoint a proxy to attend any such general meeting or separate class meeting;
- (g) that he will deliver or procure the delivery to Computershare at the address referred to in paragraph 3(a) of Part B of this Appendix I of his share certificate(s) or other document(s) of title in respect of all Indian Film Company Shares in certificated form held by him in respect of which the Offer has been accepted or is deemed to have been accepted and not validly withdrawn, or an indemnity acceptable to Network 18 Holdings in lieu thereof, as soon as possible and in any event within six months of the Offer becoming unconditional in all respects;
- (h) that he is the sole legal and beneficial owner of the Indian Film Company Shares in certificated form in respect of which the Offer is accepted or deemed to be accepted or he is the legal owner of such

Indian Film Company Shares and he has the necessary capacity and authority to execute the Form of Acceptance;

- (i) that the Indian Film Company Shares in certificated form in respect of which the Offer is accepted or deemed to be accepted are sold fully paid up and free from all liens, equities, charges, encumbrances and other third party rights and/or interests and together with all rights now or hereafter attaching thereto, including, without limitation, voting rights and the right to receive and retain all dividends, interests and other distributions (if any) declared, made or paid on or after 30 July 2009;
- (j) that the terms and conditions of the Offer contained in this document shall be deemed to be incorporated in, and form part of, the Form of Acceptance which shall be read and construed accordingly;
- (k) that, if he accepts the Offer, he will do all such acts and things as shall be necessary or expedient to vest the Indian Film Company Shares in Network 18 Holdings or its nominee(s) or such other persons as it may decide and all such acts and things as may be necessary or expedient to enable Computershare Services to perform its functions as escrow agent for the purposes of the Offer;
- (l) that he agrees to ratify each and every act or thing which may be done or effected by Network 18 Holdings or Computershare or any Network 18 Holdings Director or any director of Computershare or their respective agents or The Indian Film Company or its agents or directors, as the case may be, in the exercise of any of his powers and/or authorities under this Part C of this Appendix I;
- (m) that the execution of the Form of Acceptance constitutes his agreement to the terms of paragraph 6(f) of Part B of this Appendix I;
- (n) that, on execution, the Form of Acceptance shall take immediate effect as a deed;
- (o) that if any provision of Part B or this Part C of this Appendix I shall be unenforceable or invalid or shall not operate so as to afford Network 18 Holdings or Computershare or any director or agent of either of them any benefit or authority expressed to be given therein, he shall, with all practicable speed, do all such acts and things and execute all such documents as may be required to enable Network 18 Holdings and/or Computershare and/or any director or agent of either of them to secure the full benefits of Part B and this Part C of this Appendix I;
- (p) that the execution of the Form of Acceptance constitutes his submission to the exclusive jurisdiction of the courts of England in relation to all matters arising in connection with the Offer and the Form of Acceptance; and
- (q) that he is not a client (as defined in the Financial Service Authority's Handbook) of PKF in connection with the Offer.

References in this Part C to an Indian Film Company Shareholder shall include references to the person or persons executing a Form of Acceptance and, if more than one person executes a Form of Acceptance, the provisions of this Part C shall apply to them jointly and severally.

PART D: ELECTRONIC ACCEPTANCE

For the purpose of this Part D of this Appendix I, the phrase “Indian Film Company Shares in uncertificated form comprised in the acceptance” shall mean the number of Indian Film Company Shares which are transferred by the relevant Indian Film Company Shareholder by Electronic Acceptance to an escrow account by means of a TTE Instruction.

Without prejudice to the provisions of Parts A and B of this Appendix I, each Indian Film Company Shareholder by whom, or on whose behalf, an Electronic Acceptance is made (subject to the rights of withdrawal set out in this document) irrevocably undertakes, represents, warrants and agrees to and with Network 18 Holdings and Computershare (so as to bind him, his personal or legal representatives, heirs, successors and assigns):

- (a) that the Electronic Acceptance shall constitute:
 - (i) an acceptance of the Offer in respect of the number of Indian Film Company Shares in uncertificated form to which the TTE Instruction relates; and
 - (ii) an undertaking to execute any documents, take any further action and give any further assurances which may be required to enable Network 18 Holdings to obtain the full benefit of this Part D of Appendix I and/or to perfect any of the authorities expressed to be given hereunder and otherwise in connection with his acceptance of the Offer,

in each case on and subject to the terms and conditions set out or referred to in this document and that, subject only to the rights of withdrawal set out in paragraph 3 of Part B of this Appendix I, each such acceptance shall be irrevocable;

- (b) that such Indian Film Company Shareholder:
 - (i) has not received or mailed, or otherwise transmitted, forwarded or sent, in whole or in part, copies or originals of this document, the Form of Acceptance or any related documents in, into or from the United States, Canada, Japan or any Restricted Jurisdiction or to a US Person or resident of Canada, Japan or a Restricted Jurisdiction;
 - (ii) has not otherwise utilised in connection with the Offer, directly or indirectly, the mails of, or any means or instrumentality (including, without limitation, facsimile, internet, email, TTE Instruction or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, the United States, Canada, Japan or any Restricted Jurisdiction;
 - (iii) is accepting the Offer from outside the United States, Canada, Japan and all Restricted Jurisdictions and was outside those jurisdictions at the time of the input and settlement of the relevant TTE Instruction(s);
 - (iv) in respect of the Indian Film Company Shares to which an Electronic Acceptance relates, is not an agent or fiduciary acting on a non-discretionary basis for a principal, unless such agent or fiduciary is an authorised employee of such principal or such principal has given any instructions with respect to the Offer from outside the United States, Canada, Japan and all Restricted Jurisdictions;
 - (v) if he is a US person, or is acting on behalf of, a US Person, he or that US Person, as the case may be, is outside the United States within the meaning of Regulation S under the US Securities Act of 1933 (as amended); and
 - (vi) if such Indian Film Company Shareholder is a citizen, resident or national of a jurisdiction outside the United Kingdom, he has observed the laws and regulatory requirements of the relevant jurisdiction in connection with the Offer, obtained all requisite governmental, exchange control or other consents, complied with all other necessary formalities and paid any issue, transfer or other taxes, duties or other requisite payments due in any such jurisdiction in connection with such acceptance and that he has not taken or omitted to take any action that

will or may result in Network 18 Holdings, Computershare Services or any other person acting on its behalf being in breach of the legal or regulatory requirements of any jurisdiction in connection with the Offer or his acceptance of the Offer;

- (c) that the Electronic Acceptance constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms and to such Indian Film Company Shareholder not having validly withdrawn his acceptance, the irrevocable separate appointment of any director of, or any person authorised by, Network 18 Holdings as such Indian Film Company Shareholder's attorney and/or agent (the "**attorney**") with an irrevocable instruction to the attorney to do all such acts and things as may, in the opinion of such attorney, be necessary or expedient for the purpose of, or in connection with, the acceptance of the Offer and to vest in Network 18 Holdings (or its nominees) the full legal and beneficial ownership of Indian Film Company Shares in uncertificated form comprised in the acceptance;
- (d) that the Electronic Acceptance constitutes the irrevocable appointment of Computershare as the accepting Indian Film Company Shareholder's attorney with an irrevocable instruction and authorisation:
 - (i) subject to the Offer becoming unconditional in all respects in accordance with its terms and such Indian Film Company Shareholder not having validly withdrawn his acceptance, to transfer to Network 18 Holdings (or to such other person or persons as Network 18 Holdings or its agents may direct) by means of CREST all or any of the Indian Film Company Shares in uncertificated form which are the subject of a TTE Instruction in respect of that Electronic Acceptance; and
 - (ii) if the Offer does not become unconditional in all respects, to give instructions to Euroclear immediately after the Offer lapses (or within such longer period as the Panel may permit, not exceeding 14 days from the Offer lapsing) to transfer all such Indian Film Company Shares to the original balance of the accepting Indian Film Company Shareholder;
- (e) that the Electronic Acceptance constitutes (subject to the Offer becoming unconditional in all respects in accordance with its terms and to such Indian Film Company Shareholder not having validly withdrawn his acceptance) an irrevocable instruction and authorisation:
 - (i) subject to the provisions of paragraph 7 of Part B of this Appendix I, to Network 18 Holdings, Computershare or their respective agents to procure the making of a CREST payment obligation in favour of such Indian Film Company Shareholder's payment bank in accordance with the CREST payment arrangements in respect of any cash consideration to which such Indian Film Company Shareholder is entitled under the Offer, provided that Network 18 Holdings may (if, for any reason, it wishes to do so) determine that all or any part of such cash consideration shall be paid by cheque (dispatched by post); and
 - (ii) to each of Network 18 Holdings, Computershare and their respective director(s), partners and agents within the terms set out in Parts B and D of this Appendix I;
- (f) that, subject to the Offer becoming unconditional in all respects or if the Panel otherwise gives its consent in respect of Indian Film Company Shares in respect of which the Offer has been accepted or deemed to be accepted, which acceptance has not been validly withdrawn and pending registration in the name of Network 18 Holdings or as it may direct:
 - (i) Network 18 Holdings or its agents shall be irrevocably authorised to direct the exercise of any votes and any or all other rights and privileges (including the right to requisition the convening of a general or separate class meeting of The Indian Film Company) attaching to the Indian Film Company Shares in uncertificated form comprised or deemed to be comprised in the acceptance;

- (ii) an Electronic Acceptance by an Indian Film Company Shareholder shall constitute with regard to such Indian Film Company Shares in uncertificated form comprised in the acceptance:
 - (A) an irrevocable authority to The Indian Film Company or its agents to send any notice, circular, warrant or other document or communication which may be required to be sent to him as a member of The Indian Film Company (including any share certificate(s) or other document(s) of title issued as a result of a conversion of such Indian Film Company Shares into certificated form) to Network 18 Holdings, care of Computershare;
 - (B) an irrevocable authority to any directors of, or person authorised by, Network 18 Holdings, PKF or their respective agents to sign any document and do such things as may, in the opinion of that agent, director and/or, seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to the Indian Film Company Shares held by him (including, without limitation, signing any consent to short notice of a general or separate class meeting as his attorney and on his behalf and executing a form of proxy appointing any person nominated by Network 18 Holdings to attend general and separate class meetings of The Indian Film Company and attending any such meeting and exercising the votes attaching to the Indian Film Company Shares in uncertificated form comprised or deemed to be comprised in the acceptance on his behalf, where relevant such votes to be cast so far as possible to satisfy any outstanding condition of the Offer); and
 - (C) the agreement of such Indian Film Company Shareholder not to exercise any such rights without the consent of Network 18 Holdings and the irrevocable undertaking not to appoint a proxy for or to attend such general or separate class meeting of The Indian Film Company;
- (g) that if, for any reason, any Indian Film Company Shares in respect of which a TTE Instruction has been effected in accordance with paragraph 13(b) of the letter contained in Part II of this document are converted to certificated form, he will (without prejudice to paragraph (h) of Part D of this Appendix) immediately deliver, or procure the immediate delivery of, the share certificate(s) or other document(s) of title in respect of all such Indian Film Company Shares that are so converted to Computershare at the address specified in paragraph 3(a) of Part B of this Appendix or to Network 18 Holdings at its registered office or as Network 18 Holdings or its agents may direct; and he shall be deemed, upon conversion, to undertake, represent, warrant and agree in the terms set out in Part C of this Appendix in relation to such Indian Film Company Shares without prejudice to the application of this Part D of Appendix I so far as Network 18 Holdings deems appropriate;
- (h) that the creation of a CREST payment obligation in favour of his payment bank in accordance with the CREST payment arrangements as referred to in paragraph (e)(i) of this Part D of Appendix I will, to the extent of the obligation so created, discharge in full any obligation of Network 18 Holdings to pay to him the cash consideration to which he is entitled under the Offer;
- (i) that he will do all such acts and things as shall, in the opinion of Network 18 Holdings, be necessary or expedient to vest in Network 18 Holdings or its nominee(s) the Indian Film Company Shares in uncertificated form comprised or deemed to be comprised in the acceptance and to enable Computershare to perform its function as Escrow Agent for the purposes of the Offer;
- (j) that he will ratify each and every act or thing which may be done or effected by Network 18 Holdings, Computershare or any of their respective directors or agents, as the case may be, in the exercise of any of the powers and/or authorities under this Part D of Appendix I;
- (k) that, if any provision of Part B or this Part D of this Appendix I shall be unenforceable or invalid or shall not operate so as to afford Network 18 Holdings, Computershare or any of their respective directors, agents or persons authorised by them, the benefit of any authority expressed to be given therein, he will, with all practicable speed, do all such acts and things and execute all such documents

that may be required or desirable to enable Network 18 Holdings, Computershare and any of their respective directors, agents or persons authorised by them to secure the full benefit of Part B or this Part D of this Appendix I;

- (l) that he is irrevocably and unconditionally entitled to sell and transfer the beneficial ownership of the Indian Film Company Shares comprised or deemed to be comprised in such acceptance and that such shares are sold fully paid and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and any other third party rights and interests of any nature whatsoever and together with all rights now or hereafter attaching thereto, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after 30 July 2009;
- (m) that the making of an Electronic Acceptance constitutes the Indian Film Company Shareholder's agreement to the terms of paragraph 6(f) of Part B of this Appendix I;
- (n) that, by virtue of regulation 43 of the CREST Regulations, the making of an Electronic Acceptance constitutes an irrevocable power of attorney by the CREST member accepting the Offer in the terms of all of the powers and authorities expressed to be given in Parts B, (where applicable by virtue of paragraph (h) above) C and D of this Appendix I to Network 18 Holdings, Computershare or any of their respective directors or agents set out in this Appendix I; and
- (o) that he is not a client (as defined in the Financial Service Authority's Handbook) of PKF in connection with the Offer.

A reference in this Part D of Appendix I to an Indian Film Company Shareholder includes a reference to the person or persons making an Electronic Acceptance.

APPENDIX II

INFORMATION RELATING TO NETWORK 18 HOLDINGS

1. The Network 18 Holdings Directors

The directors of Network 18 Holdings and their respective business addresses are:

- Raghav Bahl – E36, Sector 30, Noida, 201301, India.
- Haresh Chawla – 143/153, 14th Floor, Nibbana, Pali Hill Road, Bandra-West, Mumbai, 400 050 India.

2. Incorporation

Network 18 Holdings was incorporated in the Cayman Islands on 19 April 2006 as a private limited company under company number MC-165051. The registered office of Network 18 Holdings is Citco Trustees (Cayman) Limited, Regatta Office Park, West Bay Road, PO Box 31106, Grand Cayman KY1 – 1205, Cayman Islands.

3. Share capital

The current authorised share capital of Network 18 Holdings is \$7,400,000, divided into 5,400,000 preference shares of \$1 each and 2,000,000 ordinary shares of \$1 each, of which 1,500,001 ordinary shares have been issued and allotted, as to 1,500,000 such shares in the name of Network 18 Media and as to 1 such share in the name of Television Eighteen Mauritius Limited.

4. Financial and other information

Network 18 Holdings is the holding company of TV18 HSN Holdings Limited, which in turn owns 100 per cent. of the issued equity share capital of TV18 Home Shopping Network Limited, which operates a home shopping service under the brand “Homeshop 18”.

Network 18 Holdings is not obliged to, and does not, publish audited accounts.

5. Persons acting in concert with Network 18 Holdings

The persons acting, or deemed to be acting, in concert with Network 18 Holdings for the purposes of the Offer are Network 18 Media, BK Media, and Raghav Bahl and each of the following subsidiaries of Network 18 Media:

Name of the Company

Setpro18 Distribution Limited
Network18 India Holdings Private Limited
Network18 Holdings Limited, Cayman Islands
Television Eighteen India Limited
ibn18 broadcast Limited
TV18 HSN Holdings Limited, Cyprus
TV18 Home Shopping Network Limited
Television Eighteen Mauritius Limited
Television Eighteen Media and Investments Limited
NewsWire18 Limited
RVT Investments Private Limited
iNews.com Limited
Capital 18 Limited, Mauritius
BK Holdings Limited, Mauritius
TV18 UK Limited, UK

Name of the Company

Namono Investments Limited, Cyprus
Web18 Holdings Limited, Cayman Islands
Colosseum Media Private Limited
Stargaze Entertainment Private Limited
Capital 18 Acquisition Corporation, Cayman Islands
E-18 Limited, Cyprus
Web18 Software Services Limited
Television Eighteen Commoditiescontrol.com Limited
Big Tree Entertainment Private Limited
Care Websites Private Limited
e-Eighteen.com Limited
Moneycontrol Dot Com India Limited
I-Ven Interactive Limited
Infomedia 18 Limited
American Devices India Private Limited
Cepha Imaging Private Limited
Keyword Group Ltd, UK
Keyword Publishing Services Ltd, UK
Keyword Typesetting Services Ltd, UK
Software Services LC
RVT Media Private Limited
Ibn 18 Media & Software Ltd

APPENDIX III

FINANCIAL INFORMATION RELATING TO THE INDIAN FILM COMPANY

The financial information listed below relating to Indian Film Company is hereby incorporated by reference into this document.

<i>Code Rule</i>	<i>Information</i>	<i>Source of Information</i>
24.2(a)(i)	Turnover, net profit or loss before and after taxation, the charge for tax, extraordinary items, minority interests, the amount absorbed by dividends and earnings and dividends per share for Indian Film Company for the year ended 31 March 2008 ¹ and 2009.	Indian Film Company Annual Report & Accounts 2009, Consolidated Income Statement on page 34 Please enter the below web address in your web browser to be brought to the relevant document, http://www.theindianfilmcompany.com/ifc/documents/ and click on the link named 'Annual Report and Audited Consolidated Financial Statements 2009' and turn to page 34.
24.2(a)(ii)	A statement of the assets and liabilities shown in the audited accounts for Indian Film Company for the year ended 31 March 2009, being the last published audited accounts.	Indian Film Company Annual Report & Accounts 2009, Consolidated Balance Sheet on page 36 Please enter the below web address in your web browser to be brought to the relevant document, http://www.theindianfilmcompany.com/ifc/documents/ and click on the link named 'Annual Report and Audited Consolidated Financial Statements 2009' and turn to page 36.
24.2(a)(iii)	A cash flow statement as provided in the audited accounts for Indian Film Company for the year ended 31 March 2009, being the last published audited accounts.	Indian Film Company Annual Report & Accounts 2009, Consolidated Statement of Cash Flows on page 37 Please enter the below web address in your web browser to be brought to the relevant document, http://www.theindianfilmcompany.com/ifc/documents/ and click on the link named 'Annual Report and Audited Consolidated Financial Statements 2009' and turn to page 37.
24.2(a)(vii)	Significant accounting policies together with any points from the notes to the accounts which are of major relevance to an appreciation of the figures for the year ended 31 March 2009, being the last published accounts.	Indian Film Company Annual Report & Accounts 2009, Notes to the Consolidated Financial Statements on page 38 Please enter the below web address in your web browser to be brought to the relevant document, http://www.theindianfilmcompany.com/ifc/documents/ and click on the link named 'Annual Report and Audited Consolidated Financial Statements 2009' and turn to page 38.

The results for Indian Film Company for the year ended 31 March 2009 and 2008 are available free of charge on the Indian Film Company's website at <http://www.theindianfilmcompany.com/>. To the knowledge of Network 18 Holdings, the financial information referred to above has not been published in an inflation adjusted form.

¹ Indian Film Company first published its accounts for the year ended 31 March 2008 as this was the first year following its incorporation.

The annual reports and interim results are available in “read-only” format and can be printed from the Indian Film Company website. Network 18 Holdings will provide within two business days, without charge, to each person to whom a copy of this document has been delivered, upon their written or verbal request, a copy of any documents incorporated by reference in this document. Copies of any documents incorporated by reference in this document will not be provided unless such a request is made. Requests for copies of any such document should be directed to Stephen Bayfield at PKF by telephoning +44 (0)207 065 0316 or by emailing stephen.bayfield@uk.pkf.com

APPENDIX IV

FINANCIAL INFORMATION RELATING TO NETWORK 18 MEDIA

(i) **Audited financial information for each of the three years ended 31 March 2008**

The information listed below relating to Network 18 Media is hereby incorporated by reference into this document.

<i>Code Rule</i>	<i>Information</i>	<i>Source of Information</i>
24.2(a)(i)	Consolidated turnover, net profit before and after taxation, the charge for tax, extraordinary items, minority interests, the amount absorbed by dividends and earnings and dividends per share for Network 18 Media for the three years ended 31 March 2008, 2007 and 2006.	<p>For the year ended 31 March 2008, this information can be found in the Network 18 Annual Report & Accounts 2008, Consolidated Income Statement on page 51.</p> <p>Please enter the below web address in your web browser to be brought to the relevant document and turn to page 51.</p> <p>http://www.network18online.com/reports/N18_Annual_report_2007-08.pdf</p> <p>For the year ended 31 March 2007 and the year ended 31 March 2006, this information can be found in the Network 18 Annual Report & Accounts 2007, Consolidated Income Statement on page 44.</p> <p>Please enter the below web address in your web browser to be brought to the relevant document and turn to page 44.</p> <p>http://www.network18online.com/NETWORK-2007_02.pdf</p>
24.2(a)(ii)	A consolidated statement of the assets and liabilities shown in the audited accounts for Network 18 Media for the year ended 31 March 2008, being the last published audited accounts.	<p>Please enter the below web address in your web browser to be brought to the relevant document and turn to page 50.</p> <p>http://www.network18online.com/reports/N18_Annual_report_2007-08.pdf</p>
24.2(a)(iii)	A consolidated cash flow statement as provided in the audited accounts for Network 18 Media for the year ended 31 March 2008, being the last published audited accounts.	<p>Please enter the below web address in your web browser to be brought to the relevant document and turn to page 52.</p> <p>http://www.network18online.com/reports/N18_Annual_report_2007-08.pdf</p>
24.2(a)(vii)	Significant accounting policies together with any points from the notes to the consolidated accounts which are of major relevance to an appreciation of the figures.	<p>In relation to the year ended 31 March 2008 and the year ended 31 March 2007, please enter the below web address in your web browser to be brought to the relevant document and turn to page 58.</p> <p>http://www.network18online.com/reports/N18_Annual_report_2007-08.pdf</p>

The audited financial statements for Network 18 Media for the two years ended 31 March 2008 are available free of charge on the Network 18's website at <http://www.network18online.com>

The financial information referred to has not been published in an inflation adjusted form.

The annual reports and interim results are available in "read-only" format and can be printed from the Network 18 Media website. Network 18 Media will provide within two business days, without charge, to each person to whom a copy of this document has been delivered, upon their written or verbal request, a copy of any documents incorporated by reference in this document. Copies of any documents incorporated by reference in this document will not be provided unless such a request is made. Requests for copies of any such document should be directed to Stephen Bayfield at PKF on telephone +44 (0)207 065 0316 or by emailing stephen.bayfield@uk.pkf.com

(ii) Summary consolidated financial information for the year ended 31 March 2009

	<i>Year ended 31 March 2009 (Audited) Rs 000s</i>	<i>Year ended 31 March 2008 (Audited) Rs 000s</i>
1. Revenue	7,655,092	6,477,038
(a) Revenue from operations	7,602,000	6,477,038
(b) Other operating income	53,092	–
2. Expenditure	10,326,693	5,684,037
(a) Operating expenditure	6,282,681	3,488,322
(b) Consumption of raw materials/Purchase for resale	305,682	–
(c) Staff costs (including stock options charge out)	3,022,878	1,790,611
(d) Depreciation and non cash write off	715,452	405,104
3. Profit (loss) from operations before interest and other income	(2,671,601)	793,001
4. Other income	1,215,902	438,477
5. Profit (loss) before interest and exceptional items and tax	(1,455,699)	1,231,478
6. Interest & financial charges	1,950,749	951,902
7. Profit after interest but before exceptional items	(3,406,448)	279,576
8. Exceptional income	90,000	–
9. Prior period and extraordinary items	(29,068)	(26,061)
10. Profit (loss) after prior period and extraordinary items, before tax	(3,345,516)	253,515
11. Provision for taxation	(32,243)	236,600
12. Net profit (loss) for the year	(3,313,273)	16,915
13. Minority interest	(1,648,714)	(181,459)
14. Share in loss of associates	(154,229)	(153,117)
15. Net profit (loss) after tax and minority interest	(1,818,788)	45,257
16. Paid-up equity share capital (Face value Rs. 5/-)	359,678	257,411
17. Reserves excluding revaluation reserves as per balance sheet of previous accounting year	–	–
18. EPS (not annualised)		
Basic & diluted EPS before and after extraordinary items	(31.43)	0.88

	<i>Year ended</i> 31 March 2009 <i>(Audited)</i>	<i>Year ended</i> 31 March 2008 <i>(Audited)</i>
19. Aggregate of public shareholding		
(a) Number of shares	33,045,071	25,831,389
(b) Percentage of shareholding	45.94%	50.17%
(c) Face value per share (Rs.)	5/-	5/-
20. Promoter and promoter group shareholding		
(a) Pledged/Encumbered		
– Number of shares	17,400,931	
– Percentage of shares (as a % of the total shareholding of promoter and promoter group)	44.74%	
– Percentage of shares (as a % of the total share capital of the Company)	24.19%	
(b) Non-encumbered		
– Number of shares	21,489,612	
– Percentage of shares (as a % of the total shareholding of promoter and promoter group)	55.26%	
– Percentage of shares (as a % of the total share capital of the Company)	29.87%	

Notes:

- The above financial results were reviewed by the audit committee and approved by the board of directors of Network 18 Media in their meeting held on 30 June 2009. However, the full report and accounts of Network 18 Media had not, at the date of this document, been published.
- The results for the year ending 31 March 2009 are not directly comparable to those for the previous year as the previous year's results included figures for the film business which was subsequently transferred and also, there were no advisory activities in the previous year.
- Network 18 Media has acquired the Investment Advisory Business of M/s Capital Media Advisors Private Limited on a going concern basis along with related contracts and employees, with effect from 1 January 2009.
- During the year under review, the Company has allotted 10,272,355 Equity shares pursuant to the receipt of call money on Partly Convertible Cumulative Preference Shares (PCCPS), 10,060,806 Equity shares pursuant to conversion of warrants and 120,198 Equity Shares pursuant to the ESOP Schemes of the Company.
- Network 18 Media has received 39 complaints from the Equity Shares/PCCPS holders during the year ended 31 March 2009 and redressed all 39 complaints. There were no pending complaints at the beginning and at the end of the year.
- Network 18 Media raised Rs.2,038,990,000 through a Rights Issue of PCCPS. Out of that Rs. 1,542,356,000 has been utilized up to the year ended on 31 March 2009 on the objects for which it was raised.
- The auditors to Network 18 Media have qualified their report relating to (a) non compliance with capital adequacy and concentration of investment norms forming part of Non Banking (Not Deposit Accepting Companies Prudential Norms (Reserve Bank) Directions, 2007 issued by Reserve Bank of India. Network 18 Media has already initiated corrective actions and the observations of auditor are not expected to materially affect the financial position of the Company for the year ended 31 March 2009 and (b) the remuneration paid to the Managing Director being in excess of the limits prescribed by Schedule XIII of the Companies Act, 1956. Network 18 Media is in the process of approaching the Central Government for approval of the same.
- Network 18 Media has carried out its tax computation in accordance with mandatory standard accounting, AS-22 – “Taxes on Income” issued by the Institute of Chartered Accountants of India.
- Other income includes excess provisions written back and in the case of the previous year also includes profit on disposal of fixed assets.
- The Earnings per share (EPS) has been computed in accordance with the Accounting Standard-20. The EPS has been computed with reference to the weighted average of equity shares outstanding during each period.
- Previous period figures have been regrouped, wherever necessary, to conform to the current year's presentation.
- References to the Companies Act in the notes above are to the Companies Act under Indian statutes.

(iii) Summary unaudited consolidated financial information for the three months ended 30 June 2009

	<i>Period ended 30 June 2009 (Unaudited) Rs 000s</i>	<i>Period ended 30 June 2008 (Unaudited) Rs 000s</i>	<i>Year ended 31 March 2009 (Audited) Rs 000s</i>
1. Revenue	2,265,144	1,386,710	7,655,092
(a) Revenue from operations	2,256,684	1,386,710	7,602,000
(b) Other operating income	8,460	–	53,092
2. Expenditure	2,613,028	1,478,417	10,326,693
(a) Operating expenditure	1,675,229	982,661	6,282,681
(b) Consumption of raw materials/purchase for resale	61,538	–	305,682
(c) Staff costs (including stock options charge out)	702,480	394,525	3,022,878
(d) Depreciation and non cash write off	173,781	101,231	715,452
3. Profit (loss) from operations before interest and other income	(347,884)	(91,707)	(2,671,601)
4. Other income	612,140	216,530	1,215,902
5. Profit (loss) before interest and exceptional items and tax	264,256	124,823	(1,455,699)
6. Interest & financial charges	497,379	413,923	1,950,749
7. Profit after interest but before exceptional items	(233,123)	(289,100)	(3,406,448)
8. (a) Exceptional item-settlement of loan liability	–	–	90,000
(b) Exceptional expenses-provision in diminution in value of investments	304,881	–	–
9. Prior period and extraordinary items	1,489	(64,800)	(29,068)
10. Profit (loss) after prior period and extraordinary items, before tax	(536,515)	(353,900)	(3,345,516)
11. Provision for taxation	36,894	23,249	(32,243)
12. Net profit (loss) for the year	(573,409)	(377,149)	(3,313,273)
13. Minority interest	(209,879)	(160,060)	(1,648,714)
14. Share in loss (profit) of associates	–	(42,774)	(154,229)
15. Net profit (loss) after tax and minority interest	(363,530)	(259,863)	(1,818,788)
16. Paid-up equity share capital (Face value Rs. 5/-)	479,434	257,507	359,678
17. Reserves excluding revaluation reserves as per balance sheet of previous accounting year	–	–	0.00
18. EPS (not annualized)			
Basic & diluted EPS before and after extraordinary items	(4.81)	(5.05)	(31.43)
19. Aggregate of public shareholding			
(a) Number of shares	48,818,436	25,856,389	33,045,071
(b) Percentage of shareholding	50.91%	50.21%	45.94%
(c) Face value per share (Rs.)	5/-	5/-	5/-

	<i>Period ended</i> 30 June 2009 (Unaudited)	<i>Year ended</i> 31 March 2009 (Audited)
20. Promoter and promoter group shareholding		
(a) Pledged/Encumbered		
– Number of shares	24,141,974	17,400,931
– Percentage of shares (as a % of the total shareholding of promoter and promoter group)	51.35%	44.74%
– Percentage of shares (as a % of the total share capital of the Company)	25.21%	24.19%
(b) Non-encumbered		
– Number of shares	22,896,456	21,489,612
– Percentage of shares (as a % of the total shareholding of promoter and promoter group)	48.64%	55.26%
– Percentage of shares (as a % of the total share capital of the Company)	23.88%	29.87%

Notes:

1. The above financial results were reviewed by the audit committee and approved by the board of directors of Network 18 Media at their respective meetings held on 16 July 2009.
2. Pursuant to Clause 41 of the listing agreement to which Network 18 Media is a party, Network 18 Media has opted to publish Consolidated Financial Results.
3. Consolidated figures for the quarter ended 30 June 2009 are not comparable with the corresponding previous period figures due to:
 - (a) The Scheme of Arrangement between B.K. Fincap Private Limited (BK Fincap), Jagran TV Private Limited (JTV) (now known as ibn18 Media and Software Limited) and ibn18 for acquisition of “IBN 7” channel business from JTV and the merger of BK Fincap into ibn18 Broadcast Limited (ibn18) with effect from 1 October 2007 and 2 October 2007 respectively which was approved by the Hon’ble Delhi High Court and Hon’ble Allahabad High Court. The copy of the order approving the scheme was received from the Hon’ble Delhi High Court and filed with Registrar of Companies (ROC) on 22 November 2008. Therefore, the income and expenses of ibn18 for the period from 1 April 2008 to 22 November 2008 were accounted for in ibn18 in Q3 of FY 2008-09 only.
 - (b) I-Ven Interactive Limited and ibn18 Broadcast Limited became a subsidiary and associate of Television Eighteen India Limited with effect from 21 August 2008 and 22 January 2009 respectively.
 - (c) Network18 Media has acquired the investment advisory business of M/s Capital 18 Media Advisors Private Limited on a going concern basis along with related contracts and employees, with effect from 1 January 2009.
4. Network 18 Media has received one complaint from a Partly Convertible Cumulative Preference Shareholder during the quarter ended 30 June 2009 and redressed that complaint. There were no pending complaints at the beginning and at the end of the period.
5. During the quarter under review, Network 18 Media raised Rs. 2,049 million through a QIP by issue of 15,762,889 Equity shares to Qualified Institutional Buyers. Further, the Company issued 8,181,818 equity shares on account of conversion of an equivalent number of Secured Optionally Convertible Debentures earlier issued to a Promoter Group entity.
6. (a) Network 18 Media is a Non Banking financial company (NBFC) registered with the Reserve Bank of India (RBI). During the quarter under review the Company undertook capital raising activities. Consequent to that, Network 18 Media is now meeting the NOF requirements as prescribed by RBI.
(b) The remuneration paid to the Managing Director is in excess of the limits prescribed under Schedule XIII of the Companies Act, 1956. Network 18 Media is in the process of approaching the Central Government for approval of the same.
7. Network 18 Media raised Rs. 2,039 million through a Rights Issue of Partly Convertible Cumulative Preference shares. Out of that Rs. 1,938 million has been utilized up to the period ended 30 June 2009 on the objects for which it was raised. The pending utilization balance of Rs. 101 million is parked in Mutual Funds.
8. Other income in the consolidated figure includes Rs. 515 million as surplus earned on sale of shares by the IBN18 Trust formed under the scheme of arrangement approved by the Hon’ble Delhi High Court Order dated 15 September 2008.
9. Exceptional expense of Rs. 305 million in the consolidated figure is on account of investment made by ibn18 Broadcast Limited in its wholly owned subsidiary, ibn18 Mauritius Limited. Since the net worth of ibn18 Mauritius Limited is completely eroded, this investment is impaired by ibn18.

10. Network 18 Media has carried out its tax computation in accordance with mandatory Accounting Standard (AS 22) – “Taxes on Income” issued by the Institute of Chartered Accountants of India.
11. The Earning per Share (EPS) has been computed in accordance with the Accounting Standard 20. The EPS has been computed with reference to the weighted average of equity shares outstanding during each period.
12. Previous period figures have been regrouped, wherever necessary, to conform to current year’s presentation.
13. References to the Companies Act in the notes above are to the Companies Act under Indian statutes.

(iv) Material change

Save to the extent referred to in paragraph (ii) and (iii) above, there have been no material changes in the financial or trading position of Network 18 Media since 31 March 2008, being the date to which Network 18 Media’s last published audited accounts were prepared.

APPENDIX V

ADDITIONAL INFORMATION

1. Responsibility Statements

The Network 18 Holdings Directors and the Network 18 Media Directors, whose names are set out in paragraphs 2(a) and 2(b) of this Appendix V, accept responsibility for the information contained in this document, save that the only responsibility accepted by them in relation to the information in this document relating to The Indian Film Company is to ensure that has been correctly and fairly produced and presented from public sources. To the best of the knowledge and belief of the Network 18 Holdings Directors and the Network 18 Media Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. The Network 18 Holdings Directors, the Network 18 Media Directors, and The Indian Film Company Directors

(a) The Network 18 Holdings Directors and their respective functions are:

<i>Name</i>	<i>Position held</i>
Raghav Bahl	Director and representative of Network 18 Media
Haresh Chawla	Director

The registered office of Network 18 Holdings (whose registered number MC-165051) is Citco Trustees (Cayman) Limited, Regatta Office Park, West Bay Road, PO Box 31106, Grand Cayman KY1 – 1205, Cayman Islands.

(b) The Network 18 Media Directors and their respective functions are:

<i>Name</i>	<i>Position held</i>
Mr. G.K Arora	Chairman
Mr. Raghav Bahl	Managing Director
Mr. Subhash Bahl	Director
Mr. Sanjay Ray Chaudhuri	Director
Mr. Manoj Mohanka	Director
Ms. Vandana Malik	Director

The registered office of Network 18 Media is 601, 6th Floor, Commercial Tower, Hotel Le Meridian, Raisina Road, New Delhi 110 001, India.

(c) The Indian Film Company Directors and their respective functions are:

<i>Name</i>	<i>Position held</i>
Shyam Benegal	Chairman
Raghav Bahl	Director
Lord Meghnad Desai	Director
Alok Verma	Director
Peter Radford	Director
Atul Setia	Director
Deepak Gupta	Director

The registered office of The Indian Film Company (whose registered number is 46723) is at 2nd Floor, No. 1 Le Truchot, St. Peter Port, Guernsey GY1 3JX.

3. Market Quotations

Set out below are the Closing Prices of Indian Film Company Shares on:

- (a) the first business day of each of the six months immediately prior to the date of this document;
- (b) 29 July 2009 (being the last business day before the commencement of the Offer Period); and
- (c) 31 July 2009 (being the latest practicable date prior to the posting of this document):

<i>Date</i>	<i>Closing Price (pence)</i>
31 July 2009	40.00
29 July 2009	39.50
1 July 2009	38.75
1 June 2009	25.00
1 May 2009	25.50
1 April 2009	25.50
2 March 2009	26.25
2 February 2009	27.00

4. Interests and Dealings

(a) *Definitions*

For the purposes of this paragraph 4:

- (i) “acting in concert” has the meaning given in the Code;
- (ii) “arrangement” includes any indemnity or option arrangements and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing but excludes an irrevocable commitment or letter of intent;
- (iii) “associate” has the meaning ascribed in the Code and includes (without limitation):
 - (A) any parent, subsidiary and fellow subsidiaries, and associated companies of Network 18 Holdings or The Indian Film Company (as appropriate) and companies of which any such companies are associated companies;
 - (B) connected advisers and persons controlling, controlled by or under the same control as such connected advisers to Network 18 Holdings or The Indian Film Company (as appropriate) or companies covered in (A) above;
 - (C) the Network 18 Holdings Directors and The Indian Film Company Directors (as appropriate) and the directors of any company covered in (A) above together in each case with their close relatives and related trusts;
 - (D) the pension funds of Network 18 Holdings or The Indian Film Company (as appropriate) or any company covered in (A) above;
 - (E) any investment company, unit trust or other person whose investments an associate manages on a discretionary basis, in respect of the relevant investment accounts;
 - (F) an employee benefit trust of Network 18 Holdings or The Indian Film Company (as appropriate) or any company covered in (A) above; and
 - (G) a company having a material trading arrangement with Network 18 Holdings or The Indian Film Company (as appropriate);
- (iv) “connected adviser” has the meaning given in the Code;
- (v) “dealing or dealt” includes the following:
 - (A) the acquisition or disposal of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of voting rights attaching to relevant securities, or of general control of relevant securities;

- (B) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any relevant securities;
 - (C) subscribing or agreeing to subscribe for relevant securities;
 - (D) the exercise or conversion, whether in respect of new or existing relevant securities, of any relevant securities carrying conversion or subscription rights;
 - (E) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to relevant securities;
 - (F) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and
 - (G) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;
- (vi) “derivative” includes any financial product whose value, in whole or in part, is determined directly or indirectly by reference to the price of an underlying security;
 - (vii) “disclosure period” means the period commencing on 30 July 2008 (being the date 12 months prior to the commencement of the Offer Period) and ending on 31 July 2009 (being the latest practicable date prior to the posting of this document);
 - (viii) “related company” of any company means any company falling within paragraph 4(a)(iii)(A) of this Appendix V;
 - (ix) “relevant securities” means Indian Film Company Shares, equity share capital of The Indian Film Company and any securities convertible into or exchangeable for, rights to subscribe for, or options (including traded options), futures contracts or covered warrants in respect of, and derivatives referenced to, any of the foregoing;
 - (x) ownership or control of 20 per cent., or more of the equity share capital of a company is regarded as the test of associated company status and “control” means an interest, or interests, in shares carrying in aggregate 30 per cent., or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the holding or aggregate holding gives *de facto* control;
 - (xi) being “interested” in relevant securities includes where a person has long economic exposure, whether absolute or conditional, to changes in the price of those relevant securities (and a person who only has a short position in relevant securities is not treated as interested in those relevant securities) and in particular being ‘ ‘interested” in relevant securities includes where a person:
 - (A) owns relevant securities;
 - (B) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities or has general control of them;
 - (C) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire relevant securities or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
 - (D) is party to any derivative whose value is determined by reference to its price and which results, or may result, in his having a long position in it.

(b) **Interests**

As at the close of business on 31 July 2009 (being the latest practicable date prior to the posting of this document), the interests of Network 18 Holdings, Network 18 Media, BK Media, the Network 18 Directors and the Network 18 Media Directors, their immediate families, related trusts and any other persons whose interests in relevant securities a Network Holdings Director or Network 18 Media Director is taken to be interested in pursuant to Part 22 of the Companies Act 2006 and related regulations are as follows:

<i>Shareholder</i>	<i>Indian Film Company Shares</i>
Network 18 Media	10,000,000
BK Media	1,900,000
Network 18 Holdings	7,913,500

(c) **Dealings**

Save for the acquisition of 7,913,500 Indian Film Company Shares by Network 18 Holdings on 30 July 2009 at a price of 39.75 pence per share, there have been no other dealings for value in Indian Film Company Shares by Network 18 Holdings, during the disclosure period.

(d) **General**

- (i) Save as disclosed above, no member of the Network 18 Holdings Group nor any of the Network 18 Holdings Directors, nor any member of their immediate families or related trusts, is taken to be interested in pursuant to Part 22 of the Companies Act 2006 and related regulations nor any person(s) acting or deemed to be acting in concert with Network 18 Holdings, nor person(s) with whom Network 18 Holdings or any person acting in concert with Network 18 Holdings has an arrangement, had an interest in or a right to subscribe for relevant securities of The Indian Film Company or had any short position in relation to relevant securities of The Indian Film Company (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, on 31 July 2009 (being the latest practicable date prior to posting of this document) nor has any such person dealt with any relevant securities during the disclosure period.
- (ii) As at 31 July 2009 (being the latest practicable date prior to the posting of this document), save as disclosed above, no member of the Network 18 Holdings nor any person(s) acting or deemed to be acting in concert with Network 18 Holdings has borrowed or lent any relevant securities (save for any borrowed shares which have either been on-lent or sold).

5. Financing of the Offer

The Offer is being financed through the existing resources available to Network 18 Holdings.

PKF, as financial adviser to Network 18 Holdings, is satisfied that sufficient resources are available to Network 18 Holdings to satisfy in full the cash consideration payable to Indian Film Company Shareholders under the terms of the Offer.

6. Material Contracts

- (a) Network 18 Holdings has not entered into any contracts (otherwise than in the ordinary course of business) since 30 July 2007, being the date 2 years prior to the commencement of the Offer Period, and which are or may be material.
- (b) The following are the only contracts which have been entered into by Network 18 Media or its subsidiaries otherwise than in the ordinary course of business since 30 July 2007, being the date 2 years prior to the commencement of the Offer Period, and which are or may be material:

- (i) A share purchase, share subscription and warrant subscription agreement between Television 18 (1), I-Ven Interactive Limited ('I-Ven') (2), Infomedia 18 Limited (formerly Infomedia India Limited)(3) ('Infomedia') and India Advantage Fund – II ('IAF II') (4) dated 11 December 2007 ('the Infomedia Agreements'). Pursuant to the Infomedia Agreements, the Company agreed to purchase from IAF II such number of fully paid up equity shares of I-Ven ('sale shares') which would transfer to Television 18 an economic interest of 40 per cent. of the issued and paid up equity shares of Infomedia. In addition, Television 18 agreed to subscribe to and I-Ven agreed to issue and allot a stipulated number of fully paid up equity shares ('subscription shares') of I-Ven so as to ensure that Television 18 would acquire an economic interest in 53 per cent. of the issued and paid up equity capital of Infomedia. The consideration for the sale shares and the subscription shares was Rs. 1,779,000,000, although such consideration was initially placed in an escrow account pending which Television 18 was to provide for interest, at the rate of 14 per cent. per annum compounded monthly. It was also agreed that Television 18 would make an offer ('offer') as per the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997 to the shareholders of Infomedia to acquire up to 20 per cent. of the voting capital of Infomedia. The offer was made and closed on 28 April 2008 and the Company acquired 720,931 equity shares (face value Rs. 10 each) at an aggregate cost of Rs. 170,861,000 representing 3.63 per cent. of the voting capital of the Target Company pursuant to the offer. As the Company was not able to acquire an economic interest of 53 per cent. of the issued and paid up equity shares of Infomedia pursuant to the offer and purchase of sale shares, IAF II agreed to sell additional equity shares ('subsequent sale shares') of I-Ven to Television 18 to ensure that Television 18 acquired an economic interest of 53 per cent. in the issued and paid up equity capital of Infomedia.
- (ii) In addition, pursuant to the Infomedia Agreements, Infomedia agreed to issue 5,000,000 warrants ('warrants') to Television 18 in accordance with Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 – Guidelines for Preferential Issues. The warrant consideration price was fixed at Rs. 237 per warrant. Each warrant is convertible into one fully paid up equity share of Rs. 10 each of Infomedia on exercise of options and on payment of the stipulated warrant exercise price. The option is exercisable during a period of 18 months from the date of allotment of warrants that is 7 February 2008.
- (iii) As at 31 December 2008, Television 18 had purchased/subscribed to 8,227,466 shares i.e. 63.98 per cent. of the issued and paid up equity shares of I-Ven amounting to Rs. 1,779,000,000. Further, Television 18 had taken control of the board of Infomedia. On 18 February 2009, a scheme of arrangement to merge I-Ven into Infomedia was filed with the Honorable High Court of Bombay and on the scheme becoming effective, all the assets and liabilities of I-Ven were transferred to and vested in Infomedia as a going concern.

7. Sources and bases of information

- (a) The value attributed to the existing issued share capital of The Indian Film Company is based on 55,000,000 Indian Film Company Shares in issue as at the date of this document.
- (b) Unless otherwise stated, all prices for The Indian Film Company Shares have been derived from the AIM appendix to the Daily Official List of the London Stock Exchange and represent closing middle-market prices on the relevant date.
- (c) Information in relation to The Indian Film Company has been derived from documents published on The Indian Film Company's website, including, as regards financial information, the audited consolidated accounts of The Indian Film Company for the years ended 31 March 2009 and 2008.
- (d) Information in relation to Network 18 Media's results in respect of the years ended 2008, 2007 and 2006 is based on the audited consolidated accounts of Network 18 Media for the years ended 31 March 2008 and 2007. Information in relation to Network 18 Media's results in respect of the year ended 31 March 2009 is based on the financial results for that year which have been audited but have yet to be published. Information in relation to Network 18 Media's results in respect of quarter ended June 2009 is based on the consolidated unaudited financial performance for the quarter ended 30 June 2009.

8. General

- (a) Save as disclosed in this document, no agreement, arrangement or understanding (including any compensation arrangement) exists between Network 18 Holdings or any person acting in concert with it for the purpose of the Offer and any of the Indian Film Company Directors or recent directors, shareholders or recent shareholders of The Indian Film Company or any person interested or recently interested in Indian Film Company Shares having any connection with or dependence upon the Offer.
- (b) Save as disclosed in this document, no agreement, arrangement or understanding of any nature (whether formal or informal and including any indemnity or option arrangement) relating to relevant securities (as defined in paragraph 4(a) of this Appendix V) which may be an inducement to deal or refrain from dealing exists with Network 18 Holdings, The Indian Film Company or any associate (as defined in the Code) of Network 18 Holdings or The Indian Film Company.
- (c) There is no agreement, arrangement or understanding whereby the beneficial ownership of any of the Indian Film Company Shares to be acquired by Network 18 Holdings pursuant to the Offer will be transferred to any other person, but Network 18 Holdings reserves the right to transfer any such shares to any member of the Network 18 Group.
- (d) This document has been issued by Network 18 Holdings and has been approved for the purposes of section 21 of the Financial Services and Markets Act 2000 by PKF (UK) LLP of Farringdon Place, 20 Farringdon Road, London. EC1M 3AP.
- (e) PKF has given and not withdrawn its written consent to the issue of this document with the inclusion of its name in the form and context in which it appears.
- (f) No proposal exists in connection with the Offer for any payment or benefit to be made or given to any Indian Film Company Director as compensation for loss of office or as consideration for or in connection with his retirement from office.
- (g) So far as Network 18 Holdings is aware, save as publicly announced by The Indian Film Company, there has been no material change in the financial or trading position of The Indian Film Company since 31 March 2009, the date to which The Indian Film Company's last audited published accounts were prepared.

9. Documents available for inspection

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays and public holidays excepted) at the offices of Bird & Bird LLP at 15 Fetter Lane, London, EC4A 1JP until the end of the Offer Period:

- (a) the memorandum and articles of association of The Indian Film Company (as published on The Indian Film Company's website);
- (b) the memorandum and articles of association of Network 18 Holdings;
- (c) the memorandum and articles of association of Network 18 Media;
- (d) the audited consolidated accounts of The Indian Film Company for the two financial years ended on 31 March 2009;
- (e) the audited consolidated accounts of Network 18 Media for the two financial years ended on 31 March 2008; the audited consolidated financial performance for the year ended 31 March 2009; and the unaudited consolidated financial performance for the quarter ended 30 June 2009;
- (f) the material contracts referred to in paragraph 6 above;
- (g) the written consent referred to in paragraph 8(e) of this Appendix V; and
- (h) this document and the Form of Acceptance.

A copy of this document is also available at www.pkf.co.uk/n18.

Dated: 3 August 2009

APPENDIX VI

DEFINITIONS

The following definitions apply throughout this document and the accompanying Form of Acceptance, unless the context otherwise requires:

“AIM”	the market of that name which is operated by the London Stock Exchange
“AIM Rules”	the rules applicable to companies whose shares are traded on AIM published by the London Stock Exchange, as amended from time to time
“associated undertaking”	to be construed in accordance with the Companies Act 1985 (but for this purpose ignoring paragraph 20(1)(b) of Schedule 4A thereto)
“BK Media”	BK Media Mauritius Pvt. Limited, a company incorporated in Mauritius under registered number 75899 C2/GBL
“business day” or “London business day”	a day, not being a public holiday, Saturday or Sunday on which banks in London are open for business
“Canada”	Canada, its provinces and territories and all areas subject to its jurisdiction and any political sub-division thereof
“certificated” or “in certificated form”	a share or other security which is not in uncertificated form (that is, not in CREST)
“Code”	the Code on Takeovers and Mergers
“Computershare Services”	Computershare Investor Services PLC
“connected person”	has the meaning given to it in section 252 and 254 of the Companies Act 2006
“CREST”	the system for the paperless settlement of trades in securities and the holding of uncertificated securities generated by Euroclear in accordance with the CREST Regulations
“CREST Manual”	the manual issued by Euroclear from time to time
“CREST member”	a person who has been admitted to Euroclear as a system-member (as defined in the CREST Regulations)
“CREST participant”	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member
“Enlarged Group”	the consolidated Network 18 Group as enlarged by the Offer
“ESA Instruction”	an escrow account adjustment input (AESN), transaction type “ESA” (as described in the CREST Manual)

“Escrow Agent”	Computershare Services (in its capacity as escrow agent, as described in the CREST Manual)
“Euroclear”	Euroclear UK and Ireland Limited
“Excluded Shares”	the 10,000,000 Indian Film Company Shares held by Network 18 Media, the 7,913,500 Indian Film Company Shares already owned by Network 18 Holdings and the 1,900,000 Indian Film Company Shares held by BK Media
“Form of Acceptance”	the Form of Acceptance and Authority for use by Indian Film Company Shareholders in connection with the Offer
“Indian Film Company Board” or “Indian Film Company Directors”	the board of directors of The Indian Film Company, comprising those individuals set out in paragraph 2(c) of Appendix V to this document
“Indian Film Company Group”	Indian Film Company, its subsidiaries, The Indian Film Company (Cyprus) Limited and IFC Distribution Private Limited and its other subsidiary undertakings from time to time and, where the context permits, each of them
“Indian Film Company”	The Indian Film Company Limited, a company incorporated in Guernsey with registered number 46723
“Indian Film Company Shareholder(s)”	registered holder(s) of Indian Film Company Shares
“Indian Film Company Shares”	the existing unconditionally allotted or issued and fully paid ordinary shares of no par value in the capital of The Indian Film Company and any further such shares which are unconditionally allotted or issued before the time at which the Offer ceases to be open for acceptance (or before such earlier time as Network 18 Holdings may, in accordance with the terms and conditions of the Offer, and subject to the rules of the Code, decide), but excluding in both cases any such shares held or which become held in treasury
“Japan”	Japan, its cities, prefectures, territories and possessions
“London Stock Exchange”	London Stock Exchange plc or its successor
“Network 18 Group”	Network 18 Media and its holding companies and subsidiary undertakings
“Network 18 Holdings”	Network 18 Holdings Limited, a company incorporated in the Cayman Islands under registered number MC-165051
“Network 18 Holdings Board” or “Network 18 Holdings Directors”	the board of directors of Network 18 Holdings, being those persons referred to in paragraph 2(a) of Appendix V to this document
“Network 18 Holdings Group”	Network 18 Holdings and its subsidiary undertakings
“Network 18 Media”	Network 18 Media and Investments Limited, a company incorporated in India
“Network 18 Media Directors”	the board of directors of Network 18 Media, being those persons referred to in paragraph 2(b) of Appendix V to this document
“Network 18 Parties”	Together, Network 18 Holdings, Network 18 Media and its subsidiaries, BK Media and Raghav Bahl and his immediate family

“Offer”	the mandatory cash offer by Network 18 Holdings to acquire all of the Indian Film Company Shares (other than the Excluded Shares) and including, where the context so requires, any subsequent revision, variation, extension or renewal of such offer
“Offer Period”	the period commencing on (and including) 30 July 2009 and ending on whichever of the following dates shall be the latest: (i) 1.00 p.m. on the first closing date of the Offer; (ii) the date on which the Offer lapses; and (iii) the date on which the Offer becomes or is declared unconditional as to acceptances
“Overseas Indian Film Company Shareholder”	a Indian Film Company Shareholder who is an overseas person
“overseas person”	any person who is not resident in the United Kingdom, or who is a citizen, resident or national of a jurisdiction outside the United Kingdom or who is a nominee of, or custodian or trustee for, any citizen(s), resident(s) or national(s) of any other country
“Panel”	the Panel on Takeovers and Mergers
“Offer Document”	this document
“PKF”	PKF (UK) LLP
“Regulatory Information Service”	the meaning given to that expression in the AIM Rules
‘Restricted Jurisdiction’	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure or prosecution if information concerning the Offer is sent or made available to Indian Film Company Shareholders in that jurisdiction
“subsidiary” and “subsidiary undertaking”	to be construed in accordance with the Companies Act 1985
“Television 18”	Television Eighteen India Limited, a company incorporated in India
“UK” or “United Kingdom”	United Kingdom of Great Britain and Northern Ireland
“uncertificated” or “in uncertificated form”	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and which, by means of the CREST Regulations, may be transferred by means of CREST
“undertaking”	to be construed in accordance with the Companies Act 1985
“US” or “United States”	the United State of America, its territories and possessions, any state of the United States of America and the District of Columbia
“US Person”	a US person as defined in Regulation S under the US Securities Act
“US Securities Act”	the US Securities Act of 1933, as amended and the rules and regulations promulgated there under

All references to legislation in this Offer Document are to English legislation unless the contrary is indicated. Any references to any provision of any legislation shall include any amendment, modification, extension or re-enactment thereof.

All times referred to are London times unless otherwise stated. Words in this Offer Document importing the singular shall include the plural and *vice versa*.

