

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. It contains the resolutions to be voted on at an Annual General Meeting of The Indian Film Company Limited (the "Company") to be held on 29 August 2008. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from an independent financial adviser who is authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your ordinary shares of no par value in the Company ("Ordinary Shares"), please forward this document and the accompanying Form of Proxy for use in relation to the Annual General Meeting as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold or otherwise transferred some of your Ordinary Shares, you should consult with the stockbroker, bank or other agent through whom the sale or transfer was effected.

THE INDIAN FILM COMPANY LIMITED

(Incorporated and registered in Guernsey with registered number 46723)

Notice of Annual General Meeting

The Company proposes to hold its annual general meeting at 9.00 a.m. on 29 August 2008 (the "Annual General Meeting") and notice of the Annual General Meeting, to be held at the Company's registered office, 2nd Floor, No.1 Le Truchot, St. Peter Port, Guernsey, GY1 3JX at 9.00 a.m. on 29 August 2008, is set out at the end of this document. The accompanying Form of Proxy for use in connection with the Annual General Meeting (the "Form of Proxy") should be completed and returned as soon as possible and, in any event, so as to reach the Company's registered office at 2nd Floor, No 1 Le Truchot, St. Peter Port, Guernsey, GY1 3JX by no later than 9.00 a.m. on 27 August 2008. Completion and return of a Form of Proxy will not preclude shareholders of the Company (the "Shareholders") from attending and voting at the Annual General Meeting should they so wish.

This document does not constitute or form part of any offer or instruction to purchase, subscribe for or sell any shares or other securities in the Company nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with any contract therefor.

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 and/or the accompanying Form of Proxy comes should inform themselves about and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

LETTER FROM THE CHAIRMAN OF THE COMPANY

(Incorporated and registered in Guernsey with registered number 46723)

Directors:

Registered Office:

Shyam Sundar Benegal *(Non-Executive Chairman)*
Raghav Bahl *(Non-Executive Director)*
Lord Meghnad Jagdishchandra Desai *(Non-Executive Director)*
Alok Verma *(Non-Executive Director)*
Peter Radford *(Non-Executive Director)*

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

5 August 2008

To Shareholders

Dear Shareholder,

FIRST ANNUAL GENERAL MEETING

1. Introduction

I am writing to give you details of the resolutions to be proposed at the first Annual General Meeting to be held at 9.00 a.m. on 29 August 2008 and which are set out in the notice of Annual General Meeting at the end of this document. Shareholders should read the contents of this document in conjunction with the audited financial statements of the Company which were sent to Shareholders on Thursday 24 July 2008.

Shareholders attention is drawn to the special business to be considered at the Annual General Meeting in particular the resolution to approve an amendment to the existing investment policies and restrictions of the Company and its subsidiaries from time to time (the "Group") as set out in the Company's admission document dated 6 June 2007 (the "Admission Document").

2. Existing Investment Policies and Restrictions

As set out in the Admission Document, the Company's investment manager, Film Investment Managers (Mauritius) Limited (the "Investment Manager"), adheres to the following policies and restrictions when making recommendations to the Directors about appropriate investments:

- *Target Film Projects.* Investments are made in Indian films and films primarily targeted at an Indian audience that will range across different genres, languages (including Hindi, regional Indian languages and English), budgets and to a lesser extent "Cross-over" films.
- *Type of Investments.* Investments will be funded by way of cash. Ordinary Shares will not be used as consideration for any investments in film projects.
- *Number of Investments.* Once fully invested, the Investment Manager envisages that the Company should hold investments in a diversified portfolio of approximately 30 to 40 film projects.
- *Investment Size.* It is anticipated that the size of each of the Company's investments in individual film projects should initially range from £1 million to £7 million. However, it is likely that this will increase if film production costs in India also increase. No one initial investment should exceed 20 per cent. of the Group's net asset value at the time of the investment.
- *Borrowing.* The Company may be permitted to use debt at the investment level where appropriate and may borrow, for investment or short-term funding purposes, amounts of up to 50 per cent. of net asset value calculated at the time of borrowing. The Company may also utilise an overdraft and other short-term borrowing facilities to provide short-term working capital needs, including to meet any expenses or fees payable by the Company.
- *Investment Timeline.* The Investment Manager believes that the placing proceeds, raised on the Company's admission to AIM, should be invested within 18 months following its admission.
- *Uninvested Funds.* The Company intends that cash pending investment, reinvestment or distribution should be placed in bank deposits, bonds or government-issued treasury securities in order to protect the capital value of the Company's cash assets.

3. Reasons for proposed amendment to the Investment Policy and Restrictions

The Company is now seeking to vary the statement relating to the 'investment size' (as set out in the section within the Admission Document entitled "Investment Policies and Restrictions") increasing the cap on the initial investment size of any film project from 20 per cent. to 30 per cent. of the Group's net asset value at the time of the investment.

The Directors consider that since the Company's admission to AIM the operating environment for the Group has changed and costs have increased. The Directors believe that this is due to:

- an increased demand for commercially viable content as a result of new entrants entering the markets. The last year has seen both existing and new companies listing on the public markets, raising funds for the specific objective of investing in the Indian Bollywood industry; the creation of several new studios and production houses; and also the entrance into the market of international studios such as Warner Bros and Fox Studios;
- a significant increase in the acquisition costs of films as a result of the increased demand for commercially viable content;
- escalating cost of attracting key stars, directors and technicians, who have been able to increase their prices by charging both higher fees and demanding a share in the project intellectual property rights and/or profits.

Although the changes to the industry described above are principally out of the control of the Company, the Directors believe that the Company needs to react positively to accommodate these changes if it is to remain a viable player in the market. The Investment Manager and the Directors continue to believe that it is necessary to have between two and four big budget cornerstone projects each year acting as the portfolio drivers. The Directors believe that these should be mixed with large, medium and small projects in order to deliver a viable and profitable business model. The Directors further consider that, in the absence of such key cornerstone projects on an annual basis, it is unlikely that the Company could deliver an acceptable return.

The Directors believe that the rise in cost of the projects due to the change in the operating environment has compromised the Company's ability to invest in two to four cornerstone projects as a result of the costs of the projects increasing above the agreed 20 per cent. of the Company's net asset value for any one project. In addition, the Directors have been advised by the Investment Manager that taking into account current market conditions, the cornerstone projects are, in the future, estimated to each cost in the range of £12-18 million, which at the higher end would be approximately 30 per cent. of the Group's net asset value based on its net asset value as at 31 March 2008. Consequently, the Investment Manager and the Directors believe that the limitation on no one initial investment exceeding 20 per cent. of the Group's net asset value should be increased to 30 per cent. of the Group's net asset value at the time of investment.

The Investment Manager and the Directors believe that, for the following reasons, the financial impact of these increased costs should be managed without impairing either cash flow or profitability:

- there will be no more than 2-4 such cornerstone projects in any one year;
- the peak cash out flow at any given point of time should always be less than the total cost, usually not more than 50 per cent. as outflows on cornerstone projects are structured on a back ended progressive basis, linked to specific milestones;
- ahead of disbursement of full monies to the producer the Company should start receiving advances against the sale of exploitation rights;
- cornerstone projects are easier to distribute and pre-sell because of the high demand for the high profile talent involved. This results in a high proportion of rights, including music, distribution and satellite to be pre-sold before a cornerstone film is released;
- the pre-selling of cornerstone projects also enables the distribution of the smaller projects in the mix which would not necessarily attract interest if they were using new, undiscovered, or less renowned talent. The "package sale" therefore also reduces the risk of producing the non-cornerstone projects;
- the margins of cornerstone projects are typically maintained by passing on the higher costs of project to the purchasers of rights.

It is also the Directors belief that the risk profile of the Company is reduced with the inclusion of cornerstone projects as in addition to the greater difficulty of pre-selling small budget projects smaller budget projects carry their own risk. Meanwhile, the bigger cornerstone projects generally attract greater potential to pre-sell and manage risk and cash flows.

In addition, neither the Investment Manager nor the Directors anticipate that the proposed change to the investment policies and restrictions will impact the Company's forecast needs for further funding. Since the extra funding needed for the limited number of cornerstone projects to be undertaken each year will usually fall at the back end of each project by which time pre-selling will have already started to recoup cash flow.

4. Annual General Meeting

The following resolutions will be proposed at this year's Annual General Meeting:

Ordinary Business

Resolutions 1 to 3 are to be proposed as 'ordinary business' at the Annual General Meeting and deal with the following:

Resolution 1 will be proposed as an ordinary resolution to approve the receipt of the audited financial statements of the Company for the period ended 31 March 2008, together with the reports of the directors and auditors thereon;

Resolution 2 will be proposed as an ordinary resolution to approve the re-appointment of Ernst & Young LLP as auditors of the Company and to authorise the Directors to fix their remuneration.

Resolution 3 will be proposed as an ordinary resolution to approve the re-election of Lord Meghnad Desai, as a Director of the Company who retires by rotation under article 18.3 of the Company's articles of association.

Special Business

Resolutions 4 and 5 are to be proposed as 'special business' at the Annual General Meeting and will each be proposed as ordinary resolutions. The resolutions deal with the following:

Resolution 4 will be proposed as an ordinary resolution. As discussed above, the Company is seeking Shareholders approval to amend the Group's investment policies and restrictions, as set out in the Admission Document, increasing the cap on the initial investment size of any film project from 20 per cent. to 30 per cent. of the Group's net asset value at the time of the investment.

Resolution 5 will be proposed as an ordinary resolution to authorise the Company, in accordance with The Companies (Guernsey) Law 2008 as amended to purchase up to 8,244,500 of its own Ordinary Shares in the market, representing 14.99% of the current issued ordinary share capital of the Company, at a price at not less than £0.01 per Ordinary Share and not more than 105 per cent. above the average of the middle market quotations of the Company's Ordinary Shares derived from the London Stock Exchange Alternative Investment Market Daily Official List for the 5 business days immediately preceding the date the purchase is made. The price paid per Ordinary Share shall also be less than the net asset value per Ordinary Share. The authority would be given for the period ending on the date of next year's Annual General Meeting unless the authority is renewed prior to such time. The Directors have no present intention of making such purchases, but it is prudent to have this authority so as to be able to act at short notice if circumstances change. The authority would however only be exercised if the Directors believe that to do so would result in an increase in earnings per share and would be in the best interests of shareholders generally.

5. Action to be taken in respect of the Annual General Meeting

Shareholders will find enclosed with this document a Form of Proxy for use at the Annual General Meeting. Whether or not you propose to attend the meeting in person, you are requested to complete the Form of Proxy and to return it to the Company's registered office, 2nd Floor, No.1 Le Truchot, St. Peter Port, Guernsey GY1 3JX so as to arrive not later than 27 August 2008 at 9.00 a.m. Unless the Form of Proxy is received by this date and time it will be invalid. The completion and return of a Form of Proxy will not preclude you from attending the Annual General Meeting and voting in person if you so wish.

6. Recommendation

The Directors consider that the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and the Shareholders as a whole. Consequently, the Directors unanimously recommend that you vote in favour of the resolutions to be proposed at the Annual General Meeting as they intend to do in respect of their own beneficial holdings which in aggregate amount to 11,910,000 Ordinary Shares, representing 21.65 per cent. of the Company's current issued Ordinary Share capital.

Yours faithfully,

Shyam Sundar Benegal
Non-Executive Chairman

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the first ANNUAL GENERAL MEETING of THE INDIAN FILM COMPANY LIMITED will be held at 2nd Floor, No. 1 Le Truchot, St Peter Port, Guernsey GY1 3JX on 29 August 2008 at 9.00am for the following purposes:

As ordinary business:

Ordinary Resolution 1

To receive and, if thought fit, to accept the reports of the Directors and Auditors and the audited financial statements for the period ended 31 March 2008.

Ordinary Resolution 2

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

Ordinary Resolution 3

To re-elect Lord Meghnad Desai who offers himself for re-election, as a Director.

As special business:

Ordinary Resolution 4

To amend the investment policies and restrictions set out in the Company's Admission Document dated 6 June 2007, by increasing the amount of a single initial investment for a film project from 20 per cent. of the Group's net asset value at the time of the investment to 30 per cent.

Ordinary Resolution 5

That the Company be and is hereby generally and unconditionally authorised in accordance with The Companies (Guernsey) Law 2008 as amended (the 'Law') to make market acquisitions, as defined in the Law, of its Ordinary Shares of no par value and may cancel such Ordinary Shares or hold them in treasury, provided that:

- (i) the maximum number of Ordinary Shares hereby authorised to be purchased shall be 8,244,500;
- (ii) the minimum price which may be paid for an Ordinary Share shall be £0.01;
- (iii) the maximum price which may be paid for an Ordinary Share shall be an amount equal to 105% of the average of the middle market quotations for an Ordinary Share taken from and calculated by reference to the London Stock Exchange Alternative Investment Market Daily Official List for the five business days immediately preceding the date on which the Ordinary Share is purchased;
- (iv) the price paid per Ordinary Share shall be less than the net asset value per Ordinary Share;
- (v) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company in 2009, unless the authority is renewed prior to such time; and
- (vi) the Company may make a contract to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to any such contract

By order of the Board

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

Elysium Fund Management Limited, Secretary

5 August 2008

A Shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his or her stead. A proxy need not also be a Shareholder of the Company. To be effective, forms of proxy must be lodged with the Company Secretary, Elysium Fund Management Limited, not less than 48 hours before the time appointed for holding the meeting. Lodgement of the Form of Proxy will not preclude a Shareholder from attending the meeting and voting in person.

Note:

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

- a) A statement of Directors' interests in the Ordinary Share capital of the Company; and
- b) The Articles of Association.

FORM OF PROXY

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

I/We, the undersigned

of

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

.....

as my/our proxy to vote for me/us on my/our behalf at 2nd Floor, No. 1 Le Truchot, St Peter Port, Guernsey, GY1 3JX on 29 August 2008 at 9:00am and at any adjournment thereof and at his discretion on any other matter arising at such meeting.

Signature

Dated

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

Ordinary business:		For	Against	Abstain
Ordinary Resolution 1	To receive and, if thought fit, to adopt the reports of the Directors and Auditors and the audited financial statements for the period ended 31 March 2008.			
Ordinary Resolution 2	To re-appoint Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix the remuneration of the Auditors.			
Ordinary Resolution 3	To re-elect Lord Meghnad Desai who offers himself for re-election, as a Director.			
Special business:		For	Against	Abstain
Ordinary Resolution 4	To amend the investment policies and restrictions set out in the Company's Admission Document so as to restrict any one investment from exceeding 30 per cent. of the Group's net asset value at the time of investment.			
Ordinary Resolution 5	The Company be authorised to renew its authority to make market acquisitions of its own Ordinary Shares for cancellation or holding in treasury.			

Notes

1. A Shareholder may appoint a proxy of his or her own choice. If such an appointment is made, delete the words 'the Chairman of the meeting' and insert the name of the person appointed proxy in the space provided.
2. If the appointor is a corporation, this form must be under its common seal or under the hand of some officer or attorney duly authorised in that behalf.
3. In the case of joint holders, the signature of any one holder will be sufficient, but the names of all joint holders should be stated.
4. If this form is returned without any indication as to how the person appointed proxy shall vote, he or she will exercise his or her discretion as to how he or she votes or whether he or she abstains from voting.
5. To be valid, this form must be completed and deposited at the Company's Registered Office not less than 48 hours before the time fixed for holding the meeting or adjourned meeting.



Third fold and tuck in

Affix
stamp
here

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

First Fold

Second fold