

## **IN HOUSE PRODUCTIONS LIMITED**

### **17<sup>TH</sup> ANNUAL GENERAL MEETING**

DATE : 24<sup>TH</sup> SEPTEMBER 2010  
DAY : WEDNESDAY  
TIME : 11:00 AM  
VENUE : JUHU VILE PARLE GYMKHANA CLUB  
13<sup>TH</sup> ROAD, OPP JUHU BUS DEPOT, JUHU, MUMBAI – 400 049

### **BOARD OF DIRECTORS**

Ajay Shanghavi - *Managing Director*  
Satyen Gandhi - *Director*  
Col (Retd) Rameshwar Nath Kaushik - *Director*  
R C Sharma - *Director*  
R S Ravindran - *Director*

### **AUDITORS**

Mukesh M Shah & Co  
(Chartered Accountants)  
Mumbai

### **LEGAL ADVISORS**

M/s Anil Menon & Associates

### **BANKERS**

Axis Bank Limited  
IndusInd Bank Limited

### **REGISTERED OFFICE**

194, Park Street, RSC-2  
SVP Nagar, MHADA  
Andheri (West)  
Mumbai – 400 058  
Tel: (022) 2639 3948  
Fax: (022) 2637 0455  
E-mail: [gandhi@ihpl.com](mailto:gandhi@ihpl.com)

### **BRANCHES**

Bangalore  
Chennai  
Delhi  
Mumbai

### **REGISTRAR AND TRANSFER AGENTS**

**Link Intime India Private Limited**  
C-13, Pannalal Silk Mills Compound  
LBS Marg, Bhandup (West)  
Mumbai – 400 078  
Tel: (+91 22) 2596 3838, Fax: (+91 22) 2594 6969  
Email [isrl@intimespectrum.com](mailto:isrl@intimespectrum.com)

**MEMBERS ARE REQUESTED TO BRING THEIR COPIES OF THE ANNUAL REPORT  
ALONG WITH THEM AT THE ANNUAL GENERAL MEETING**

## **IN HOUSE PRODUCTIONS LIMITED**

### **NOTICE:**

The Seventieth Annual General Meeting of the Members of In House Productions Limited will be held on Friday, 24<sup>th</sup> September, at 11:00 am, at Juhu, Vile Parle Gymkhana Club, 13<sup>th</sup> Road, Opp Juhu Bus Depot, Juhu, Mumbai – 400 049 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Balance Sheet and the Profit and Loss Account for the year ended 31<sup>st</sup> March 2010 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri R C Sharma who retires by rotation and being eligible, offers himself for re-appointment.
3. Appointment of the Auditors and to fix their remuneration.

**By order of the Board**

Sd/-  
**Ajay Shanghavi**  
**Managing Director**

### **Registered Office:**

194, Park Street, RSC-2  
SVP Nagar, MHADA  
Andheri (West)  
Mumbai – 400 058

Place : Mumbai

Date : 14th August 2010

## NOTES:

1. **A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.** Proxies in order to be valid and effective must be delivered at the Registered Office of the Company not less than Forty Eight Hours before the Commencement of the Meeting.
2. Members Proxies should bring the Attendance Slips duly completed for attending the Meeting.
3. Members should bring their copies of Annual Reports to the Annual General Meeting. No copies will be distributed at the Meeting as a measure of economy.
4. Queries on accounts and operations of the Company, if any, may please be sent to the Company seven days in advance of the Meeting so that the answers may be made readily available at the Meeting.
5. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ill numbers for easy identification of attendance at the Meeting.
6. Members holding shares in physical form are requested to notify, immediately, any change in their address to Company's Registrar and Transfer Agents, Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai – 400 078. Members holding shares in electronic form may update such details with their respective Depository Participants.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 17<sup>th</sup> September 2010 to Friday, 24<sup>th</sup> September 2010 (both days inclusive).

## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION & ANALYSIS

Your Directors present their Seventeenth Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2010.

### 1. FINANCIAL RESULTS

	Year ended	
	31 <sup>st</sup> March 2010	31 <sup>st</sup> March 2009
	(in Rs)	(in Rs)
Gross Profit before Financial Cost and Depreciation	17,677,961	19,367,773
Less: Financial Cost	7,095,536	8,233,678
Depreciation	935,564	1,209,503
Profit / (Loss) before tax	9,646,861	9,924,592
FBT, Current taxes & Short Provisions	1,045,000	1,445,000
Profit / (Loss) after tax	8,601,861	8,479,592
Balance of Profit/ (Loss) from previous years	30,753,251	22,273,659
Balance carried to Balance Sheet	39,355,112	30,753,251

### 2. DIVIDEND

In order to augment future growth and expansion of the business activities, the entire profits are proposed to be retained and so the Directors do not recommend any dividend for the Financial Year ended 31<sup>st</sup> March 2010.

### 3. OPERATIONS

During the year under review, the company produced/ marketed television shows and events like Ghostha Eka Anandichi - a Marathi serial for Star Pravah, Sargam - musical show for overseas market, Chitra and Janaki musical event in tamil and Ammayodapam - a Malayalam event. The company's trading activities of feature films and television programmes were average. The company has traded if film rights for Jaane Hoga Kya, Ramji Londonwale, 16 films of Bharathiraja, Dil Vil Pyaar Vyaar, Satta and Teen Deewarein. The company is in negotiation of acquiring the satellite rights of Shakti Samanta's films and also Yash Kohli's films.

The year under review has seen the company making changes in the medical division. This division performed well during the year under review.

The Company had a turnover of Rs 7.43 crores as against previous year of Rs.11.93 crores. The Company's revenue declined, the primary reason being the delayed start of our approved daily show, which has resulted in a clear shift of revenue. However the company managed to retain a healthy PBT level at Rs.96.47 lacs against previous year figure of Rs.99.25lacs.

### 4. FUTURE OUTLOOK

The company shall continue to explore initiatives like acquisition of production and marketing rights of successful and performing programmes and also explore more opportunities in television content production for hindi and regional channels. We have produced couple of pilot episodes like 'Love ke liye sab kuch karega' a daily comedy show, with Mr Kader Khan in the lead role and 'Sangeet Sandhya' a musical show. The shows are submitted to the respective channels for approvals. We are also in discussion with a leading satellite channel on the revival of 'Movers and Shakers'. Apart from the above we have submitted couple of good television shows proposal for Doordarshan National Network along with couple of feature film broadcast proposals.

### 5. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with Stock Exchange, Mumbai, is included elsewhere in this Annual Report.

## **6. CORPORATE GOVERNANCE**

A separate report on Corporate Governance together with Certificate from Practicing Company Secretary on its compliance is included elsewhere in this Annual Report.

## **7. DIRECTORS**

Shri R C Sharma retires by rotation at the forthcoming Annual General Meeting and being eligible have offered himself for re-appointment.

## **9. LISTING ON THE STOCK EXCHANGE**

The Company's shares are listed with the Bombay Stock Exchange and the Company has paid the necessary listing fees for the financial year 2010-11.

## **10. FIXED DEPOSITS**

The Company has not accepted or renewed any Fixed Deposits within the meaning of Section 58A of the Companies Act, 1956.

## **11. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

(i) in the preparation of annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.

(ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2010 and of the profit of the Company for the financial year.

(iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

(iv) the Directors have prepared the Annual Accounts on a going concern basis.

## **12. AUDITORS**

M/s Mukesh M Shah & Co, Chartered Accountants, who are the Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

## **13. PARTICULARS OF EMPLOYEES COVERED UNDER THE (PARTICULARS OF EMPLOYEES RULES) 1975**

The Company has not paid any remuneration attracting the provision of section 217(2A) of the Companies Act, 1956 read with Companies (particulars of employees rule), 1975. Hence no information is required to be appended to this report in this regard.

## **14. ADDITIONAL INFORMATION**

Information in terms of section 217(l)(e) of the Companies Act, (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors Report is appended in Annexure to this report.

## **15. ACKNOWLEDGEMENT**

Your Directors would like to express their grateful appreciation for assistance and co-operation received from Banks, Government Authorities, Stock Exchange, Producers, Right holders, Television Channels, Customers, Vendors and Members during the period under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services of the executives, staff and workers of the Company.

**For and on behalf of the Board of Directors**

**Sd/-  
Ajay Shanghavi  
Managing Director**

**Place : Mumbai  
Dated : 14<sup>th</sup> August 2010**

## **ANNEXURE TO DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2010**

Information in terms of Section 217 (l) (e) of the Companies Act, (Disclosure of particulars in respect of Board of Directors) Rules, 1988 are as under:

### **A. CONSERVATION OF ENERGY:**

The operations of the Company are not energy intensive. However energy conservation measures are being taken for regular preventive maintenance of all equipments. This enhances productivity and efficiency of the equipment resulting in power saving.

### **B. TECHNOLOGY ABSORPTION:**

As the Company has not acquired any technology, the question of absorption of technology does not apply to the Company.

### **C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

During the year, the foreign exchange out go was to the extent of Rs 42,637,283, mainly in respect of purchase of database and expenses incurred on foreign travel. The Company has earned foreign exchange equivalent to Rs 14,645,465, in respect of subscription received for the supply of data, service charges.

**For and on behalf of the Board of Directors**

**Sd/-  
Ajay Shanghavi  
Managing Director**

**Place : Mumbai**

**Dated : 14<sup>th</sup> August 2010**

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Directors have pleasure in presenting the Management Discussion and Analysis Report for the year ended 31<sup>st</sup> March 2010.

The company was started to capitalize on the growing demand for 'quality' programming of the mushrooming satellite channels.

The company has a good infrastructure for a total production environment for television software, marketing television software, documentaries, events, and Television commercials and trading in feature film and television program rights, world wide.

### **IN HOUSE PRODUCTION'S OBJECTIVES**

To produce and market international quality television software for leading Indian and Offshore terrestrial and satellite television channels.

Produce and market relevant television software for India's leading terrestrial channel – Doordarshan that penetrates across the length and breadth of the country.

Export television software to countries in Asia, Europe, USA, Africa and the Middle East.

Acquire media properties on an ongoing basis including television software concepts, scripts and treatment, film concepts, television and feature film broadcast rights, music rights for films and service contracts with leading actors, directors, cameramen, music directors etc., on a project basis.

To build a library of television programs that may be exploited in the domestic and international markets.

The company has successfully created and produced some of the best television software in the country in genres such as soaps, sitcoms, thrillers, variety shows, events etc., for local and International television stations and clients. New genres are becoming increasingly popular and as a result more entrants are expected to participate which makes the media more competitive.

### **INDUSTRY AND BUSINESS OVERVIEW**

The Entertainment & Media Industry (E&M) witnessed a tough phase in 2009 recording a marginal growth of 1.4% to Rs 58,700 crores due to the economic slowdown and reduction in advertising spends. The industry performance in 2009 was a consequence of not only the slowdown but also several internal factors that lowered the pace of growth for the otherwise flourishing media and entertainment business in India.

The contribution of television to the overall revenues of the E&M industry has gone up considerably in 2009 compared to 2006 and is expected to continue increasing and achieve almost 48% of the total revenues in 2014. On the other hand, the contribution from sectors like films, prints and music has come down in 2009. Television is expected to grow at a higher rate of 15% over next 5 years compared to an almost 9% growth in both the films and print sectors.

The biggest highlight of 2009 was the lessons that the year presented to those in the media and entertainment business. The pressure on margins and curtailed media spend by advertisers brought a renewed focus on managing costs, innovation and creativity.

The improved market sentiment in 2010 has set the tone for a promising year ahead. The Indian entertainment and media industry is slated to grow at a compounded annual growth rate of 13% over the next 5 years to Rs 1,09,100 crores, according to a report by the Federation of Indian Chambers of Commerce and Industry and research firm KPMG. The untapped potential for growth in media reach, impact of digitization and convergence, better



consumer understanding, sustained efforts in innovation and enhanced penetration of regional markets all augur well for the industry.

### **FLOW AND PRODUCT MANAGEMENT**

Regular ideation process backed by a strong shoot, logistics, product, talent and crew management helped the company not only to save money and time but also has increased its delivery level to its peak, with less wastage and quick scalability. The trading activities and the medical division of the company has got very good response and the company should expect a good growth in the year's ahead.

### **THREATS, RISKS AND CONCERNS**

The management of risk does not imply risk elimination but prudent risk management. Given the company's market position, any new entrant represents competition. The company has been one of the consistent content providers for the last few years it can withstand the competition despite and increasing number of new players. Due to high attrition of key professionals and actors the quality of the programs could suffer. The company strength is more on the story lines, script and screenplay rather than on the actors and the company has performance oriented appraisal system thus resulting in low attrition level. The company has moved very strongly in the area of trading in television software and films. But there is always a risk in sourcing good programs in a reasonable acquisition cost. The company is quite confident to move ahead in this front with its contacts and past track record in this field.

### **INTERNAL CONTROLS AND THEIR ADEQUACY**

The company believes in formulating adequate and effective internal control systems and implementing the same to ensure that the interests of the company are safeguarded and reliability of accounting data and its accuracy are ensured with proper checks and balances. The senior management team meets to address issues like operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulation, at regular frequency to discuss various issues that influence the business and to take strategic decisions. The company has an internal audit system, which submits report to the Chairman of Audit Committee periodically.

### **FINANCIAL AND OPERATIONAL PERFORMANCES**

The last year has been a challenging one and we have tried to seek new opportunities in the changing environment. Through a variety of strategies, our income from overall operations i.e. from the Healthcare Division and from Media Operations has lowered from Rs 1,230.63 lakhs to Rs 875.27 lakhs on year to year comparison. The Company's turnover decreased compared to the previous year. However the Company was able to maintain its operating margin and profitability during the year under review. The Company is taking suitable measures to improve the turnover and margins in future operations and to attain better efficiency.

### **HUMAN CAPITAL**

As a knowledge database and service provider, we are fully conscious of our responsibility toward our customers. Our efforts are directed toward the fulfillment of customer satisfaction through the quality of services. As the consolidation of this industry gains momentum, the need to develop a dedicated team of skilled manpower assumes urgency and importance.

We will continue to focus on training and motivation of manpower so as to develop teams of qualified and skilled personnel to effectively discharge their responsibilities in a number of projects and activities. It is, in this context, which we have been working towards promoting the skills and professionalism of our employees to cope with and focus on the challenges of change and growth.

## **CORPORATE GOVERNANCE REPORT**

Pursuant to Clause 49 of the Listing Agreement following is the report on Corporate Governance for the financial year 2009-10.

### **Company's Philosophy on Code of Corporate Governance**

The Company believes that Corporate Governance envisages attainment of high level of transparency, accountability, fair and equal treatment of all shareholders, compliance with regulations, and sustainable value creation for all shareholders, Ethical practices and integrity thereby assisting the top management of the Company in efficient conduct of its business.

The Company believes that its systems and action must be integrated for enhancement of corporate performance resulting in maximization of shareholders' value in the long run, protection of the interest of its shareholders and employees and maintenance of cordial relationship with its customers and bankers. The Company places due emphasis on regulatory compliances.

### **I. Board of Directors**

#### **(A) Composition of Board and changes since the date of last Annual General Meeting**

The present Board of Directors of the Company comprises of 5 Directors, of which 2 are Promoter Executive Directors and the other 3 are Non Executive Independent Directors and are professionally competent and highly experienced in their respective fields.

The Company has an optimum combination of Executive and Non-executive Directors of the Company with not less than fifty percent of the Directors comprising of non-executive directors.

Since the Chairman of the Company is an Executive Promoter Director, the Board comprise of 50% of the Independent Directors to maintain the independence of the Board and to separate the functions of governance and management.

#### **(B) Number of Board Meetings**

The Board of Directors met **6** times during the year under review. The meetings of the Board of Directors were held on various dates as follows:

**27<sup>th</sup> April, 2009, 29<sup>th</sup> June, 2009, 29<sup>th</sup> July, 2009, 30<sup>th</sup> September, 2009, 30<sup>th</sup> October, 2009 & 28<sup>th</sup> January, 2010**

Detailed agenda notes and the information required to be given in terms of business on the agenda were circulated in advance to all the Directors of the Company. The Directors including Non-Executive Directors actively participated in the Board Meetings.

(iii) Directors' attendance and other Directorship held as on 31st March 2010						
Sr. No.	Name of the Director	Designation	Category	No. of Board Meetings Held during the year	No. of Board Meetings attended during the Year	Attendance At last AGM Held on 30 <sup>th</sup> September 2009
1	Shri Ajay Shanghavi	Managing Director	Promoter Executive	6	6	Yes
2	Shri Satyen Gandhi	Director	Promoter Executive	6	6	Yes
3	Shri S Ravindran	Director	Independent Non-Executive	6	6	Yes
4	Col (Retd) Rameshwar Nath Kaushik	Director	Independent Non-Executive	6	6	Yes
5	Shri R C Sharma	Director	Independent Non-Executive	6	-	No

**(C) Information to be made available to the Board:**

Among others includes:

- Review of Annual operating plans of business, capital budgets, updates.
- Quarterly results of the Company and its operating divisions or business segments.
- Minutes of meeting of Audit Committee and other Committees.
- Information on recruitment and remuneration of senior Officers just below the Board level including appointment or removal of Chief Financial officer and the Company Secretary.
- Fatal or Serious accidents or dangerous occurrences.
- Any materially relevant default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company.
- Details of any joint venture or Collaboration Agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions.

**(D) Secretarial Standards relating to the Meetings:**

The Institute of Company Secretaries of India (ICSI) has established Secretarial Standards relating to the Meetings of the Board and Committees thereof and Annual General Meetings. At this stage, these are only recommendatory and are likely to become mandatory in due course. It is the intention of the Company to generally comply with these Standards.

At the end of the year end, none of the Directors is a member of more than ten Board-level Committees or a Chairman of more than five such Committees, as required under Clause 49 of the Listing Agreement.

**(E) DIRECTORS PROFILE**

Shri R C Sharma is retiring at the ensuing Annual General Meeting. A brief resume of the nature of his expertise in specific functional area is provided below :

Shri R C Sharma, age 71, holds degree in Master in Economics. He has completed courses on HRD and Training of Trainers at IIM, Ahmedabad and has also completed course on Command Management at Bramsille, U.K. He has also Attended Top Management courses at Administrative College of India, Hyderabad and Police Academy, Hyderabad.

## REMUNERATION OF DIRECTORS

### Details of Remuneration

The Board, within the overall limits approved by the Members, considered the matters regard to review and approval of remuneration payable to the Executive and Non Executive Directors of the Company. Details of remuneration to the directors of the Company for the year ended 31<sup>st</sup> March 2010 are as follows:

Name of Director	Sitting Fees (Rs)	Salary & Perquisites (Rs)
Shri Ajay Shanghavi	-	300,000
Shri Satyen Gandhi	3,500	267,000
Shri S Ravindran	3,500	-
Col (Retd) Rameshwar Nath Kaushik	3,500	-
Shri R C Sharma	-	-

### AUDIT COMMITTEE

The Audit Committee comprises of 3 directors viz., Col (Retd) Rameshwar Nath Kaushik, Independent Non-Executive Director, Shri Satyen Gandhi and Col (Retd) Rameshwar Nath Kaushik, Independent Non-Executive Director elected as a Chairman of the Committee.

The Audit Committee met **6** times during the year under review as follows:

**27<sup>th</sup> April, 2009, 29<sup>th</sup> June 2009, 29<sup>th</sup> July 2009, 30<sup>th</sup> September 2009, 30<sup>th</sup> October 2009, and 28<sup>th</sup> January 2010.**

The role of the Audit Committee shall include the following:

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- c. Reviewing with management the annual financial statements before submission to the board, focusing primarily on:
  - Any changes in accounting policies and practices.
  - Major accounting entries based on exercise of judgment by management.
  - Significant adjustments arising out of audit.
  - The going concern assumption.
  - Compliance with stock exchange and legal requirements concerning financial statements.
  - Any related party transactions i.e. transactions of the company of material nature with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large.
- d. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- e. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- f. Discussion with internal auditors any significant findings and follow up thereon.
- g. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- h. Discussion with external auditors' before the audit commences about nature and

scope of audit as well as post-audit discussion to ascertain any area of concern.

- i. Reviewing the company's financial and risk management policies.
- j. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

#### **COMPANY SECRETARY**

After the resignation of the Full time Company Secretary of the Company in April 2003, the company has been on the look out to fill up the said vacancy. The Company has been in regular contact with placement agencies. The Company also publishes advertisements in the "FOCUS" magazine of the WIRC of ICSI. The Company has been conducting interviews of the candidates whose Resumes are forwarded by placement bureaus and the Institute. However no suitable candidates could be selected for the post. The Company is hopeful to find a suitable candidate to fill up said vacant position in the near future. In the meantime the Company has appointed a qualified Practicing Company Secretary to take care of all statutory compliances with respect to Company Law matters on a regular basis.

#### **SHAREHOLDERS' GRIEVANCE COMMITTEE**

The Share Transfer cum Investors' / Shareholders' Grievance Committee consists of 3 Directors viz. Shri S Ravindran, Shri Satyen Gandhi and Col (Retd) Rameshwar Nath Kaushik, Non-Executive Director, is the Chairman of the Committee. No transfers were pending as on 31<sup>st</sup> March, 2010. The Company received 9 (Nine) complaints during the year under review and the same were resolved satisfactorily. No complaint was pending as on 31<sup>st</sup> March 2010.

The details of the last three Annual General Meetings held are as follows:

<b>Year</b>	<b>Venue</b>	<b>Date</b>	<b>Time</b>
2006-07	The Victoria Memorial High School for the Blind Pandit M M Malaviya Marg Tardeo, Mumbai – 400 034	27 <sup>th</sup> September 2007	11:00 am
2007-08	Juhu Vile Parle Gymkhana Club 13th Road, Opp Juhu Bus Depot Juhu, Mumbai – 400 049	26 <sup>th</sup> September 2008	11:00 am
2008-09	Juhu Vile Parle Gymkhana Club 13th Road, Opp Juhu Bus Depot Juhu, Mumbai – 400 049	30 <sup>th</sup> September 2009	11.00 am

#### **DECLARATION**

I, Ajay Shanghavi, Managing Director of In House Productions Limited, hereby declare that all the members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Clause 49(1) (D) (ii) of the Listing Agreement entered into with the Stock Exchange for the year ended 31<sup>st</sup> March 2010.

## MD / CEO CERTIFICATION

The Managing Director / CEO have certified to the Board, inter alia the accuracy of financial statements and adequacy of internal controls for the financial reporting purpose as required under Clause 49(v) of the Listing Agreement, for the year ended 31<sup>st</sup> March 2010.

## DISCLOSURES

- Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its Promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large – NIL.
- Details of non-compliance by the company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years – NIL.
- Company has complied with all mandatory requirements of clause 49 of the listing Agreement in respect of Corporate Governance. The Company has not adopted a whistle blower policy, which is not a mandatory requirement as per the Listing Agreement.

## MEANS OF COMMUNICATION

The quarterly / half-yearly / annual financial results are normally published in English and Marathi Newspapers viz in Free Press Journal and Navshakti respectively. A Report on Management Discussion and Analysis forms part of the Annual Report.

Management Discussion and Analysis is forming part of Director's Report.

The Company has its own web site, www.ihpl.com and all the important information of the Company and its products/services are displayed on the web site.

## GENERAL SHAREHOLDER INFORMATION

### Annual General Meeting

Date : 24<sup>th</sup> September, 2010

Time : 11:00 AM

Venue : JUHU VILE PARLE GYMKHANA CLUB, 13<sup>TH</sup> ROAD,  
OPP JUHU BUS DEPOT, JUHU, MUMBAI – 400 049

### Financial Calender

Quarter	Period	Publications of Results
First	Apr-Jun	Free Press Journal & Navshakti – 30 <sup>th</sup> August 2009
Second	Jul-Sep	Free Press Journal & Navshakti – 1 <sup>st</sup> November 2009
Third	Oct-Dec	Free Press Journal & Navshakti – 29 <sup>th</sup> January 2010
Annual results	Jan-Mar	Free Press Journal & Navshakti – 29 <sup>th</sup> June 2010

**C. Dates of Book Closure** : Friday, 17<sup>th</sup> September 2010 to Friday, 24<sup>th</sup> September 2010 (both days inclusive)

**D. Dividend Payment Date** : Not Applicable

**E. Listing on Stock Exchanges:** The Company's Equity Shares are listed on The Bombay Stock Exchange Limited, Mumbai

**F. Stock Code** : 526610 on The Bombay Stock Exchange Limited, Mumbai

**G. ISIN Number for NSDL & CDSL** : INE120B01024

**H. Market Price Data**

: High & Low during each month in the last financial year  
(given below)

Month	High (Rs)	Low (Rs)	Volume (in lakhs)
April 2009	7.86	5.62	0.89
May 2009	10.37	6.40	0.51
June 2009	14.50	10.32	2.57
July 2009	13.00	7.93	1.57
August 2009	10.43	8.31	2.04
September 2009	15.25	9.26	3.72
October 2009	16.60	12.50	4.17
November 2009	12.58	10.73	0.93
December 2009	13.80	11.39	1.19
January 2010	14.61	11.41	3.02
February 2010	12.45	8.85	10.74
March 2010	10.43	8.32	1.95

**I. Registrars & Transfer Agent**

: Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound  
LBS Marg, Bhandup (West)  
Mumbai – 400 078  
Tel: 022 25963837 Fax: 022 25672693

**J. Share Transfer**

: All transfers received are processed by the Share Transfer Agents and Share transfer Register is sent to the company for approval. The Share Transfer cum Investors/Shareholders' Grievance Committee comprising Directors considers and approves the same. Thereafter, the Share Transfer Agents carry out necessary endorsements on the share certificates and dispatch the same to the transferees.

**K. Shareholding Pattern:** The Distribution of the shareholding pattern as on 31<sup>st</sup> March 2010 was as under:

Category	No of Shareholders	% of total Shareholders	No of Shares held	% of Shareholding
001 - 500	5655	92.45	426673	8.98
501 - 1000	260	4.25	178918	3.76
1001 - 2000	89	1.46	125774	2.65
2001 - 3000	40	0.65	98804	2.08
3001 - 4000	15	0.25	51614	1.09
4001 - 5000	11	0.18	49981	1.05
5001 - 10000	26	0.42	168084	3.54
10001 and above	21	0.34	3653352	76.85
<b>Total</b>	<b>6117</b>	<b>100.00</b>	<b>4,753,200</b>	<b>100.00</b>

Shareholding Pattern as on 31<sup>st</sup> March 2010

Statement Showing Shareholding Pattern								
Name of the Company : IN HOUSE PRODUCTION LIMITED								
Scrip Code :		526610	Year ended :		31 <sup>st</sup> March 2010			
Category code (I)	Category of Shareholder (II)	Number of Shareholders (III)	Total number of shares (IV)	Number of shares held in dematerialized form (V)	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of(A+B) (VI)	As a percentage of (A+B+C) (VII)	Number of shares (VIII)	As a Percentage (IX)= (VIII)/(IV)*100
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group<sup>2</sup></b>							
<b>1</b>	<b>Indian</b>							
(a)	Individuals/ Hindu Undivided Family	1	101	0	0.00	0.00	0	0
(b)	Central Government/ State Government(s)	0	0	0	-	-	0	0
(c)	Bodies Corporate	0	0	0	-	-	0	0
(d)	Financial Institutions/ Banks	0	0	0	-	-	0	0
(e)	Any Others(Director)	2	2,020,000	2,020,000	42.50	-	0	0
							0	0
	<b>Sub Total(A)(1)</b>	<b>3</b>	<b>2,020,101</b>	<b>2,020,000</b>	<b>42.50</b>	<b>42.50</b>	<b>0</b>	<b>0</b>
<b>2</b>	<b>Foreign</b>							
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	-	-	0	0
b	Bodies Corporate	1	1,009,899	0	21.25	21.25	0	0
c	Institutions	0	0	0	-	-	0	0
d	Any Others(Specify)	0	0	0	-	-	0	0
	<b>Sub Total(A)(2)</b>	<b>1</b>	<b>1,009,899</b>	<b>0</b>	<b>21.25</b>	<b>21.25</b>	<b>0</b>	<b>0</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>4</b>	<b>3,030,000</b>	<b>2,020,000</b>	<b>63.75</b>	<b>63.75</b>	<b>0</b>	<b>0</b>
<b>(B)</b>	<b>Public shareholding</b>							
<b>1</b>	<b>Institutions</b>							
(a)	Mutual Funds/ UTI	0	0	0	-	-		
(b)	Financial Institutions/ Banks	1	140	140	0.00	0.00		
(c)	Central Government/ State Government(s)	0	0	0	-	-		
(d)	Venture Capital Funds	0						
(e)	Insurance Companies	0	0	0	-	-		
(f)	Foreign Institutional Investors	0	0	0	-	-		
(g)	Foreign Venture Capital Investors	0	0	0	-	-		
(h)	Any Other (specify)	0	0	0	-	-		



(h1)	NRI Banks	0	0	0	-	-		
	<b>Sub-Total (B)(1)</b>	<b>1</b>	<b>140</b>	<b>140</b>	<b>0.00</b>	<b>0.00</b>	<b>N A</b>	<b>N A</b>
<b>B 2</b>	<b>Non-institutions</b>							
(a)	Bodies Corporate/Trust	128	131,614	95,737	2.77	2.77		
(b)	Individuals	0	0	0	-	-		
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	5,949	1,014,307	877,946	21.34	21.34		
II	Individuals -i. Individual shareholders holding nominal share capital more than Rs 1 lakh	14	547,330	481,492	11.51	11.51		
(c)	Any Other (specify)							
(c-i)	Clearing Member	15	8,230	8,230	0.17	0.17		
(c-ii)	Market Maker	0	0	0	-	-		
(c-iii)	Foreign Nationals	0	0	0	-	-		
(c-iv)	NRI (Repat)	3	20,123	0	0.42	0.42		
(c-v)	NRI (Non-Repat)	2	49	49	0.00	0.00		
(c-vi)	Directors/Relatives	0	0	0	-	-		
(c-vii)	Trusts	1	1,407	1,407	0.03	0.03	<b>N A</b>	<b>N A</b>
(c-viii)	Foreign Companies	0	0	0	-	-		
(c-ix)	OCB	0	0	0	-	-		
	<b>Sub-Total (B)(2)</b>	<b>6,112</b>	<b>1,723,060</b>	<b>1,464,861</b>	<b>36.25</b>	<b>36.25</b>	<b>N A</b>	<b>N A</b>
<b>(B)</b>	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>6,113</b>	<b>1,723,200</b>	<b>1,465,001</b>	<b>36.25</b>	<b>36.25</b>	<b>N A</b>	<b>N A</b>
	<b>TOTAL (A)+(B)</b>	<b>6,117</b>	<b>4,753,200</b>	<b>3,485,001</b>	<b>100.00</b>	<b>100.00</b>	<b>N A</b>	<b>N A</b>
<b>(C)</b>	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	-	-	<b>N A</b>	<b>N A</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>6,117</b>	<b>4,753,200</b>	<b>3,485,001</b>	<b>100.00</b>	<b>100.00</b>	<b>0</b>	<b>0</b>

Dematerialization of Shares: 3,485,001 Equity Shares equivalent to 73.32% of the total paid-up Equity Capital have been in dematerialized as on 31<sup>st</sup> March 2010. Trading in "In House Productions Limited" shares is in compulsory demat form with effect from 1<sup>st</sup> May 2000 as per the notification issued by Securities and Exchange Board of India.

Compliance Officer : Shri Satyen Gandhi, Director  
e-mail id : gandhi@ihpl.com  
Tel No. : (022) 26396554, 26393948  
Fax : (022) 26370455

Address for Correspondence : 194, Park Street, RSC-2, SVP Nagar, MHADA, Andheri (West), Mumbai – 400 053

# AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

**The Members of**

**IN HOUSE PRODUCTIONS LIMITED**

We have examined the compliances of the conditions of Corporate Governance by In House Productions Limited (hereinafter referred to as the "Company") for the 31st March 2010 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The Compliance of Conditions of Corporate Governance is the responsibility of the management. Our examination was limited to Procedures and implementation thereof, adopted by the Company for ensuring the compliance of the condition of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. The Following issues are yet to be compiled by the management for compliance with the regulations on Corporate Governance:

The Company does not have a full time Company Secretary as required by the provisions of Section 383A of Companies Act 1956.

Subject to issues mentioned herein above, in our opinion and

to the best of our information and according to the explanations given to us by the management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the abovementioned Listing Agreement.

We state that no investor grievance are pending for a period exceeding one month against the Company as per the records maintained and produced before us by the Share Transfer-cum-Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the further viability of the Company nor the effectiveness with which the management has conducted the affairs of the Company.

For **MUKESH M SHAH & CO.**  
**Chartered Accountants**  
**Firm Regn No 106625W**

**(J H DALIA)**  
**Partner M No 43863**

**Place : Mumbai**  
**Date : 27th May 2010**

## AUDITORS' REPORT

To the members of  
IN HOUSE PRODUCTIONS LIMITED

1. We have audited the attached Balance Sheet of **In House Productions Limited** as at 31<sup>st</sup> March 2010 and the Profit and Loss Account annexed thereto and also the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Accounting Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatements. An Audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by Companies (Auditor's Report) Order, 2003, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of audit, we enclose in the Annexure a statement on the matters specified in paragraph 4 & 5 of the said order to the extent applicable to the Company.
4. **Attention is invited to Schedule-19 on Notes to the Accounts :**  
**Note II 1, regarding not accounting of insurance claim receivable from insurance company on account of loss due to fire.**  
**Note II 3 (i), regarding Investments in Indian cookery.com and New Age Entertainment Private Limited.**  
**Note II 4, regarding non-provision of Dividend on Cumulative Preference Shares.**

5. Further to our comments in the Annexure referred to in paragraph '4' above, we report that:
- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by the law have been kept by the Company so far as appears from our examination of the books;
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the Books of account;
  - d) In our opinion, the Balance-sheet, Profit and Loss Account and Cash Flow Statement comply with the mandatory Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 to the extent applicable;
  - e) Based on the representations made by the Directors of the Company and the explanations as made available, the directors of the Company do not prima-facie have any disqualifications as referred to in clause (g) of sub-section (1) to Section 274 of the Companies Act, 1956;
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required ***subject to Para 4 above, and read together with the Significant Accounting policies and notes thereon as stated in Schedule-19*** give a true and fair view in conformity with the accounting principles generally accepted in India :
    - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2010 and
    - ii) In the case of the Profit and Loss Account, of the Profit for the year ended on that date.
    - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

for **MUKESH M SHAH & CO**  
**Chartered Accountants**  
**Firm Regn No 106625W**

**(J H DALI A)**  
**Partner M No 43863**  
**Place : Mumbai**  
**Date : 27<sup>th</sup> May 2010**

## ***Annexure to the Auditors' Report***

**REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2010 OF IN HOUSE PRODUCTIONS LIMITED**

### ***FIXED ASSETS***

1. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
2. We have been informed that the management has physically verified the fixed assets during the year and no material discrepancies were noticed by them on such verification.
3. During the year, the Company has not disposed off a substantial part of fixed assets, which would affect its going concern status.

### ***INVENTORIES***

1. The inventory has not physically verified at the end of the year by the management.
2. The Company is maintaining proper records of inventory, subject to our comment *to Para 4 above*. As explained to us, the discrepancies noticed on verification between the physical stocks and book records were not material.

### ***LOANS & ADVANCES***

1. The Company has not taken loans from Companies covered in the Register maintained under section 301 of the Companies Act, 1956. The Company has granted a loan to a Company covered in the Register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs 555 lakhs and the year-end balance of the loan given to that party was Rs 555 lakhs.
2. In our opinion, the rate of interest and other terms and conditions on which loans have been taken from / granted to Companies, firms and other parties listed in the register maintained under section 301 of the Companies Act, 1956 is, prima facie, not prejudicial to the interest of the Company.
3. There is no overdue amount of any loan taken from or granted to firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956.

### ***INTERNAL CONTROLS***

In our opinion and according to the information and explanations given to us, the Company's internal control system in relation to purchase of fixed assets and services and rendering of services is adequate and commensurate with the size and nature of its business. Also there is

no continuing failure on the part of management to correct major weakness in the internal control.

#### ***RELATED PARTIES***

1. Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of Contracts or Arrangements referred to in Section 301 of the Companies Act, 1956 have been so entered in the register required to be maintained under that section.
2. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under Section 301 and exceeding the value of Rupees Five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

#### ***DEPOSITS***

The Company has not accepted any deposits from public within the meaning of sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under, during the year.

#### ***INTERNAL AUDIT***

The company has an internal audit system of its Healthcare division which, in our opinion is commensurate with its size and nature of business. The Company is in the process of appointing an external firm of Chartered Accountants for conducting Internal Audit of its Media division for the current year.

#### ***COST RECORDS***

We are informed that the Central Government has not prescribed under section 209(1) (d) of the Companies Act, 1956 maintenance of cost records for any of the products manufactured by the Company.

#### ***STATUTORY DUES***

1. In our opinion and according to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise-duty, cess and other statutory dues applicable to it. As per the information given to us by the management, there are no dues of the Company to the Investor Education & Protection Fund.
2. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty were

outstanding, as at 31st March 2010 for a period of more than six months from the date they became payable.

3. According to the information and explanations given to us and based on records produced to us, there are no dues outstanding of sales tax, income tax, customs duty, wealth-tax, excise duty, cess, except for service tax as mentioned in note to accounts NO.10 (ii) of Schedule 19 which have not been deposited on account of any dispute.

#### **GENERAL**

1. The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses during the financial year and in the immediately preceding financial year.
2. Based on our audit procedures and on the basis of the information and explanations given to us and also based on our examination of documents and records of the company, the Company has not taken any term loans during the year
3. Based on the information and explanations given to us and also based on our examination of documents and records of the company, we are of the opinion that the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
4. In our opinion and according to the information and explanations given to us, the nature of the activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund/ societies.
5. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments.
6. The Company has not given any guarantees for loans taken by others from banks or financial institutions.
7. All shares and securities as per Schedule VI of the audited accounts as on 31<sup>st</sup> March 2010 have been held in the name of the Company.
8. According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash-Flow Statement and other records examined by us, we report that no funds raised on short term basis have prima facie been used during the year for long term investment and no funds raised on long term basis have been utilized for short term investment except for permanent working capital.
9. The Company has not made any preferential allotment of shares during the year to parties and companies covered in the Registers maintained under section 301 of the Act.
10. During the year, the Company did not have any outstanding debentures, issued or pending redemption.
11. The Company has not raised any money through a public issue during the year.

12. Based upon the audit procedures adopted and information and explanations given by the management, we have not come across any instance of material fraud on or by the Company noticed or reported during the year nor have we been informed of any such case by the management.

**for MUKESH M SHAH & CO**

**Chartered Accountants**

**Firm Regn No 106625W**

**(J H DALI A)**

**Partner M No 43863**

**Place : Mumbai**

**Date : 27<sup>th</sup> May 2010**



**In House Productions Limited**  
**Balance Sheet as at 31st March, 2010**

PARTICULARS	SCHE DULE NO	As at 31-Mar-10 Rupees	As at 31-Mar-09 Rupees
<b>SOURCES OF FUNDS :</b>			
<b>1] SHAREHOLDERS' FUNDS</b>			
a) Share Capital	1	84,332,000	84,332,000
b) Reserves & Surplus	2	54,852,371	46,250,510
		139,184,371	130,582,510
<b>2] LOAN FUNDS :</b>			
a) Secured loans	3	60,717,392	51,179,445
b) Unsecured Loans	4	13,182,001	15,229,132
		73,899,393	66,408,577
<b>TOTAL</b>		<b>213,083,764</b>	<b>196,991,087</b>
<b>APPLICATION OF FUNDS:</b>			
<b>1] FIXED ASSETS</b>			
a) Gross Block	5	20,511,911	21,678,641
b) Less: Depreciation		14,492,540	13,556,976
c) Net Block		6,019,371	8,121,665
<b>2] INVESTMENTS</b>			
<b>3] CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
a) Inventories	7	58,297,306	58,825,970
b) Sundry Debtors	8	20,149,554	27,468,316
c) Cash & Bank Balances	9	3,624,900	1,510,389
d) Loans & Advances	10	142,967,189	129,905,661
		225,038,949	217,710,336
Less: Current Liabilities and Provisions	11		
a) Current Liabilities		27,722,222	39,795,309
b) Provisions		11,702,334	10,495,605
		39,424,556	50,290,914
<b>Net Current Assets</b>		185,614,393	167,419,422
<b>TOTAL</b>		<b>213,083,764</b>	<b>196,991,087</b>
<b>4] Accounting Policies &amp; Notes on Accounts</b>			
	19		

As per our report of even date

For and on behalf of the Board of Directors

**For Mukesh M Shah & Co**  
**Chartered Accountants**  
**Firm Regn No 106625W**

**J H Dalia**  
**Partner**  
**M No 43863**

Ajay Shanghavi  
 Managing Director

Satyen Gandhi  
 Director

Place : Mumbai  
 Dated : 27th May 2010

Place : Mumbai  
 Dated : 27th May 2010

**In House Productions Limited**  
**Profit & Loss account for the year ended 31st March, 2010**

PARTICULARS	SCHE DULE NO	Year ended 31-Mar-10 Rupees	Year ended 31-Mar-09 Rupees
<b>Income:-</b>			
a) Sales	12	74,349,346	119,335,388
b) Other Income	13	13,177,779	3,727,537
<b>TOTAL</b>		<b>87,527,125</b>	<b>123,062,925</b>
<b>Expenditure:-</b>			
a) Operating Costs	14	48,056,698	80,616,013
b) Personnel Expenses	15	6,934,872	6,989,977
c) Other Expenses	16	14,857,594	16,089,162
d) Interest and financial charges	17	7,095,536	8,233,678
e) Depreciation		935,564	1,209,503
<b>TOTAL</b>		<b>77,880,264</b>	<b>113,138,333</b>
Profit Before Tax		9,646,861	9,924,592
Less : Provision for Taxation	18	1,045,000	1,445,000
Profit for the year		8,601,861	8,479,592
Balance brought forward		30,753,251	22,273,659
<b>Balance carried to Balance Sheet</b>		<b>39,355,112</b>	<b>30,753,251</b>
<b>Basic and Diluted EPS</b>		<b>1.81</b>	<b>1.78</b>
<b>Accounting Policies &amp; Notes on Accounts</b>	19		

As per our report of even date  
**For Mukesh M Shah & Co**  
**Chartered Accountants**  
**Firm Regn No 106625W**

For and on behalf of the Board of Directors

**J H Dalia**  
**Partner**  
**M No 43863**

Place : Mumbai  
Dated : 27th May 2010

Ajay Shanghavi  
Managing Director

Satyen Gandhi  
Director

Place : Mumbai  
Dated : 27th May 2010

**In House Productions Limited**  
**Schedules annexed to and forming part of**  
**Balance Sheet as at 31st March, 2010**

PARTICULARS	As at 31-Mar-10 Rupees	As at 31-Mar-08 Rupees
<b>SCHEDULE : 01 SHARE CAPITAL</b>		
<b>AUTHORISED :</b>		
6,000,000 (Previous Year - 6,000,000) Equity Shares of Rs 10/- each	60,000,000	60,000,000
4,000,000 (Previous Year - 4,000,000) Preference Shares of Rs 10/- each	40,000,000	40,000,000
	<b>100,000,000</b>	<b>100,000,000</b>
<b>ISSUED, SUBSCRIBED AND PAID UP :</b>		
4,753,200 (Previous Year - 4,753,200) Equity Shares of Rs 10/- each fully paid up (Out of the above, 3,030,000 (Previous Year - 3,030,000) shares were issued pursuant to the Scheme of Arrangement and Amalgamation without payments being received in cash)	47,532,000	47,532,000
1,550,000 (Previous Year - 1,550,000) 5% Cumulative Redeemable Preference shares of Rs 10/- each fully paid up (The above shares were issued pursuant to the Scheme of Arrangement and Amalgamation without payments being received in cash)	15,500,000	15,500,000
2,130,000 (Previous Year - 2,130,000) 1% Cumulative Redeemable Preference shares of Rs 10/- each fully paid up (The above shares were issued pursuant to the Scheme of Arrangement and Amalgamation without payments being received in cash)	21,300,000	21,300,000
<b>TOTAL</b>	<b>84,332,000</b>	<b>84,332,000</b>
<b>SCHEDULE : 02 RESERVES &amp; SURPLUS</b>		
<b>a) General Reserve :</b>		
Balance as per last Balance Sheet	11,611,865	11,611,865
<b>b) Share Premium Reserve :</b>		
Balance as per last Balance Sheet	3,885,394	3,885,394
<b>d) Balance in Profit and Loss Account</b>	39,355,112	30,753,251
<b>TOTAL</b>	<b>54,852,371</b>	<b>46,250,510</b>
<b>SCHEDULE : 03 SECURED LOANS</b>		
a) Working capital finance from a Bank	45,268,443	45,127,332
b) Hire Purchase Finance - From Others	15,448,949	6,052,113
<b>TOTAL</b>	<b>60,717,392</b>	<b>51,179,445</b>
<b>Securities :</b>		
a) Working capital facilities are secured by way of hypothecation of Current assets including all present and future stocks and receivables, present & future fixed assets of the Company, including intellectual property rights Further it is secured by way of personal guarantee of a director.		
b) Hire Purchase finance is secured by way of hypothecation of specific equipments and vehicles purchased under respective HP finance facility and personal guarantee of Director the Company		
<b>SCHEDULE : 04 UNSECURED LOANS</b>		
From Banks	-	125,520
From others	13,182,001	15,103,612
<b>TOTAL</b>	<b>13,182,001</b>	<b>15,229,132</b>

**In House Productions Limited**  
**Schedules annexed to and forming part of**  
**Balance Sheet as at 31st March, 2010**

PARTICULARS	As at 31-Mar-10 Rupees	As at 31-Mar-08 Rupees
<b>SCHEDULE : 06 INVESTMENTS (AT COST)</b>		
<b>Long Term Investments:</b>		
<b>In Shares : (Unquoted)</b>		
<b>Trade Investments</b>		
In fully paid-up Equity Shares of :		
	No of Shares	Face Value
M/s New Age Entertainment Pvt Ltd	360000 (360000)	10
M/s Better Value Leasing & Finance Ltd	35000 (35000)	10
M/s Indian cookery.com Private Limited	3300 (3300)	10
(Figures in brackets are of previous year)		
<b>TOTAL</b>	<b>21,450,000</b>	<b>21,450,000</b>
<b>SCHEDULE : 07 INVENTORIES</b>		
(As taken, valued and certified by the Management)		
Films & Television Programmes	58,297,306	58,825,970
<b>TOTAL</b>	<b>58,297,306</b>	<b>58,825,970</b>
<b>SCHEDULE : 08 SUNDRY DEBTORS</b>		
(Unsecured)		
a) Outstanding for a period exceeding six months (*)	15,726,744	20,168,645
b) Others (*)	4,422,810	7,299,671
(*) The above includes :		
(1) Due from a company, which is under the same management :		
Name of Company	More than 6 Mths	Less than 6 Mths
Metalight Prod Pvt Ltd	1,576,000 (1,576,000)	0 (0)
New Age Ent Pvt Ltd	9,653,088 (10,153,088)	0 (27,762,3350)
(Figures in brackets are of previous year)		
<b>TOTAL</b>	<b>20,149,554</b>	<b>27,468,316</b>
<b>SCHEDULE : 09 CASH &amp; BANK BALANCES</b>		
a) Cash on Hand	538,466	475,715
b) Balance with Scheduled Banks : In Current Accounts	3,086,434	1,034,674
<b>TOTAL</b>	<b>3,624,900</b>	<b>1,510,389</b>
<b>SCHEDULE : 10 LOANS AND ADVANCES</b>		
(Unsecured)		
a) Inter Corporate deposits	54,701,170	42,153,610
b) Advances recoverable in cash or in kind or for value to be received	67,913,746	65,841,986
c) Advance Tax	20,352,273	21,910,065
<b>TOTAL</b>	<b>142,967,189</b>	<b>129,905,661</b>

**In House Productions Limited**  
**Schedules annexed to and forming part of**  
**Balance Sheet as at 31st March, 2010**

PARTICULARS	As at 31-Mar-10 Rupees	As at 31-Mar-08 Rupees
<b>SCHEDULE : 11 CURRENT LIABILITIES AND PROVISIONS</b>		
<b>A) Current Liabilities :</b>		
a) Sundry Creditors - Micro, Small & Medium enterprises *	-	-
- Others	24,850,020	30,226,838
b) Advances from customers	1,800,000	100,000
c) Other Liabilities	1,072,202	9,468,471
	27,722,222	39,795,309
<b>B) Provisions :</b>		
a) For Taxation	6,243,973	5,223,973
b) For Retirement Benefits	5,458,361	5,271,632
	11,702,334	10,495,605
<b>TOTAL</b>	<b>39,424,556</b>	<b>50,290,914</b>
* The Company has not received information from vendors regarding their status under the Micro, Small & Medium Enterprises Development Act, 2006 and hence disclosure relating to the amounts unpaid as at year end together with interest paid / payable under this act have not been given		

**In House Productions Limited**  
**Schedules annexed to and forming part of**  
**Balance Sheet as at 31st March, 2010**

**SCHEDULE : 05 FIXED ASSETS**

**Amount in Rupees**

Particulars	Gross Block				Depreciation				Net Block	
	As at 01-Apr-2009	Additions during year	Adjustment during year	As at 31-Mar-2010	As at 01-Apr-2009	Provided for year	Adjustment during year	As at 31-Mar-2010	As at 31-Mar-2010	As at 31-Mar-2009
Plant and Machinery	4,075,409	-	-	4,075,409	296,934	267,844	-	564,778	3,510,631	3,778,475
Furniture and Fixtures	4,232,857	-	-	4,232,857	3,459,277	264,158	-	3,723,435	509,422	773,580
Office Equipments and Computers	8,859,749	16,800	-	8,876,549	8,164,795	87,488	-	8,252,283	624,266	694,954
Vehicles	3,327,096	-	-	3,327,096	1,635,970	316,074	-	1,952,044	1,375,052	1,691,126
Capital Work in process	1,183,530	-	1,183,530	-	-	-	-	-	-	1,183,530
<b>Total</b>	<b>21,678,641</b>	<b>16,800</b>	<b>1,183,530</b>	<b>20,511,911</b>	<b>13,556,976</b>	<b>935,564</b>	<b>-</b>	<b>14,492,540</b>	<b>6,019,371</b>	<b>8,121,665</b>
<i>Previous Year</i>	<u>18,009,144</u>	<u>5,511,831</u>	<u>1,842,334</u>	<u>21,678,641</u>	<u>13,122,791</u>	<u>1,209,503</u>	<u>775,318</u>	<u>13,556,976</u>	<u>8,121,665</u>	

**In House Productions Limited**  
**Schedules annexed to and forming part of**  
**Profit & Loss account for the year ended 31st March, 2010**

PARTICULARS	Year ended 31-Mar-10 Rupees	Year ended 31-Mar-08 Rupees
<b>SCHEDULE : 12 SALES AND SERVICES</b>		
a) Sales of Films & Television Programmes	13,230,000	43,333,846
b) Income from Sub-titling	-	500,000
c) Income from Facility Rentals	286,600	18,211,375
d) Income from Medical BPO activities	60,832,746	57,290,167
<b>TOTAL</b>	<b>74,349,346</b>	<b>119,335,388</b>
<b>SCHEDULE : 13 OTHER INCOME</b>		
a) Interest received (Gross - TDS Rs 1,143,674 Previous year Rs 692,208)	6,413,639	3,360,218
b) Gain on account of fluctuations in foreign exchange rates (Net)	1,315,532	-
c) Dividend (Gross)	7,700	7,000
d) Other income	956,332	360,319
e) Provisions added back	4,484,576	-
<b>TOTAL</b>	<b>13,177,779</b>	<b>3,727,537</b>
<b>SCHEDULE : 14 OPERATING COSTS</b>		
a) Consumables	22,974	969,928
b) Equipment and Location rentals	-	4,854,661
c) Other Programme Costs	2,348,466	9,598,541
d) Production - Technical & Consultancy fees	164,933	19,881,923
e) Production - Travelling & Conveyance	2,840	1,028,129
f) Film Acquisition Rights	751,784	751,784
i) Subscription & Database charges	44,765,701	43,531,047
<b>TOTAL</b>	<b>48,056,698</b>	<b>80,616,013</b>
<b>SCHEDULE : 15 PERSONNEL COSTS</b>		
a) Salaries, wages and bonus	5,624,619	5,864,283
b) Contribution towards Provident & Other Funds	108,878	157,910
c) Staff Welfare & Other Amenities	1,201,375	967,784
<b>TOTAL</b>	<b>6,934,872</b>	<b>6,989,977</b>

**In House Productions Limited**  
**Schedules annexed to and forming part of**  
**Profit & Loss account for the year ended 31st March, 2010**

PARTICULARS	Year ended 31-Mar-10 Rupees	Year ended 31-Mar-08 Rupees
<b>SCHEDULE : 16 OTHER EXPENSES</b>		
a) Rent	1,579,210	1,566,830
b) Power and water charges	389,506	897,817
c) Insurance	71,852	78,738
d) Repairs and maintenance :		
Buildings	44,951	123,146
Plant and Machinery	6,900	51,365
Others	352,823	978,349
	404,674	1,152,860
e) Legal, Professional and Consultancy fees	3,687,632	3,169,917
f) Payment to Auditors		
Audit fees	180,266	215,450
Tax audit fees	25,000	25,000
For other matters	23,318	34,248
Out of pocket expenses	11,599	3,245
	240,183	277,943
g) Communication charges	723,071	820,139
h) Travelling and Conveyance expenses	1,450,624	1,783,168
i) General Charges	1,169,922	2,258,062
j) Hire purchase charges	2,530,420	1,248,937
k) Loss on sale of assets	-	412,016
l) Directors sitting fees	10,500	20,000
m) Previous Year's expenses	-	325,544
n) Loss on account of fluctuations in foreign exchange rates (Net)	-	2,077,191
o) Doubtful advances written off	2,600,000	-
<b>TOTAL</b>	<b>14,857,594</b>	<b>16,089,162</b>
<b>SCHEDULE - 17 INTEREST AND FINANCIAL CHARGES</b>		
A) Interest paid :		
a) Working capital finance	6,679,700	7,050,287
b) Other loans	324,781	1,052,061
	7,004,481	8,102,348
B) Financial Charges :		
a) Bank charges	91,055	131,330
<b>TOTAL</b>	<b>7,095,536</b>	<b>8,233,678</b>
<b>SCHEDULE - 18 PROVISION FOR TAXATION</b>		
Current Tax	1,045,000	975,000
Fringe Benefit Tax	-	470,000
	<b>1,045,000</b>	<b>1,445,000</b>



## IN HOUSE PRODUCTIONS LIMITED

### Schedule forming part of the Accounts as at 31<sup>st</sup> March 2010

#### Schedule – 19

#### Significant Accounting Policies and Notes on Accounts:

(All amounts are in Indian Rupees unless otherwise stated)

#### I] SIGNIFICANT ACCOUNTING POLICIES:

##### 1. BASIS OF ACCOUNTING:

The financial statements are prepared under the historical cost convention on the "Accrual Concept" of accountancy in accordance with the accounting principles generally accepted in India and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government to the extent applicable and with the applicable provisions of the Companies Act, 1956.

##### 2. USE OF ESTIMATES:

The preparation of Financial Statements is in conformity with the Accounting Standards generally accepted in India requires, the management to make estimates and assumptions in respect of certain items like provisions for doubtful debts, impairment of fixed assets etc. that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

##### 3. FIXED ASSETS AND DEPRECIATION:

- i) Fixed Assets are stated at historical cost of acquisition / construction less accumulated depreciation and impairment loss. Cost [Net of Input tax credit received / receivable] includes related expenditure and pre-operative & project expenses for the period up to completion of construction / assets are put to use.
- ii) Depreciation is provided on "straight line method" as per Section 205 (2) (b) of the Companies Act, 1956 at the rates prescribed in Schedule XIV thereto.
- iii) Depreciation on additions / disposals of the fixed assets during the year is provided on pro-rata basis according to the period during which assets are put to use.
- iv) Depreciation on Assets scrapped / discarded is fully provided for in the year the assets are scrapped / discarded.

##### 4. IMPAIRMENT:

The Company, at each balance sheet date, assesses whether there is any indication of impairment of any asset and / or cash generating unit. If such indication exists, assets are impaired by comparing carrying amount of each asset and / or cash generating unit to the recoverable amount being higher of the net selling price or value in use. Value in use is determined from the present value of the estimated future cash flows from the continuing use of the assets.

##### 5. BORROWING COSTS:

Borrowing costs are recognised as an expense in the period in which they are incurred except the borrowing costs attributable to the acquisition / constructions of a qualifying asset which are capitalised as part of the cost of such assets, up to the date, the assets are ready for its intended use.

##### 6. INVESTMENTS:

Long term and strategic investments are stated at cost, less any diminution in the value other than temporary.

##### 7. INVENTORIES:

- i) Programmes produced, telecasted and marketed : At lower of the cost or net realisable value.
- ii) Film distribution rights : At proportionate costs incurred for acquisition related to unassigned period of distribution rights

##### 8. REVENUE RECOGNITION:

- i) Revenue in respect of Medical BPO activities is recognised on the basis of delivery of the respective assignment.
- ii) Revenue in respect of sale television programmes is recognised on the basis of airing of the respective programmes.
- iii) Revenue in respect of assignment of film distribution rights is recognised on the basis of sale of reassignment of the rights.
- iv) Revenue from rentals is recognised on the basis of contracts.

- v) Interest income is recognized on time proportionate method.
- vi) Dividend income is recognized when the unconditional right to receive the income is established.
- vii) Revenue in respect of other income is recognized when no significant uncertainty as to the determination or realisation exists.

**9. FOREIGN CURRENCY TRANSACTIONS:**

- i) The transactions in foreign currencies on revenue accounts are stated at the rates of exchange prevailing on the date of transaction.
- ii) The net gain or loss on account of exchange differences either on settlement or on translation, including those on account of liabilities relating to fixed assets acquired outside India are recognised in the Profit and Loss Account.

**10. RETIREMENT BENEFITS:**

- i) Contributions in respect of Provident Fund and Pension fund are transferred to defined contribution plans and periodic contributions to these funds are charged to revenue.
- ii) The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation by an independent actuary at the year end, which is calculated using projected unit credit method. Actuarial losses, if any, which comprise experience adjustment and the effect of changes in actuarial assumptions are recognised in the Profit and Loss Account, in compliance of AS-15 issued by ICAI.
- iii) The employees of the Company are entitled to leave as per the leave policy of the Company. The liability in respect of unutilised leave balances is provided based on an actuarial valuation carried out by an independent actuary as at the year end and charged to the Profit and Loss Account.

**11. PROVISION FOR BAD AND DOUBTFUL DEBTS / ADVANCES:**

Provision is made in accounts for bad and doubtful debts / advances, which in the opinion of the management are considered irrecoverable.

**12. PROVISION FOR TAXATION:**

- i) Tax expenses comprise of current, deferred and fringe benefit tax.
- ii) Current tax and fringe benefit tax is measured at the amount expected to be paid in accordance with the provisions.
- iii) Deferred tax reflects the impact of current year timing differences between book and tax profits and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets are recognised only to the extent there or substantively enacted as of the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

**13. LEASES:**

Leases are classified as operating leases where the lesser effectively retains substantially all the risks and benefits of the ownership of the leased assets. Operating lease payments are recognised as an expense in the Profit and Loss Account as and when paid.

**14. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

Depending upon the fact of each case and after due evaluation of relevant legal aspects, the Company makes a provision when there is a present obligation as a result of past event where the outflow of economic resources is possible and a reliable estimate of the amount of obligation can be made. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

**II. NOTES TO ACCOUNTS:**

- 1. The insurance claim receivable, from the insurance, for the fire, which broke out on 9<sup>th</sup> July 2008, destroying Plant and Machinery, Furniture and Fixtures, Office Equipments, Stock of Beta tapes (both Masters tapes of various television shows/ events/ films and stock of unused tapes), inventories, has not been finalised for the claim lodged by the Company.
- 2. The Company has taken office premises under operating lease. These are non-cancelable leases. The Company has given refundable interest free security deposits.

There are no major restrictions under the lease agreements. There is a provision for increase in rent. Lease payments are recognised in the Profit & Loss account under "Rent" in Schedule 16.

	Year ended 31 <sup>st</sup> Mar 2010	Year ended 31 <sup>st</sup> Mar 2009
Lease payment recognised in Profit & Loss Account	1,059,200	706,134

Future minimum lease payable under non-cancelable operating leases for each of the following periods :

Not later than one year	353,066	1,059,200
Later than one year but not later than five years	-	1,412,266
Later than five years	-	-

3. i) The Company had made an investment in 3,300 equity shares of Indian Cookery.Com Private Limited for acquisition of 15% of holding in the Company amounting to Rs 17,500,000 Crores. Though the said company has incurred losses, considering the business potential of the said company, investment therein has been shown at cost.
- ii) The Company has investment in 3,60,000 equity shares of New Age Entertainment Private Limited amounting to Rs 3,600,000. Though the said company has incurred losses, considering the business potential of the said company, investment therein has been shown at cost.

4. Earning per Share (EPS):

Particulars	31 <sup>st</sup> March 2010 (Rs)	31 <sup>st</sup> March 2009 (Rs)
Net Profit after Tax (Rs)	8,601,861	8,479,592
Basic & Weighted average number of Equity Shares of Rs 10/- each	4,753,200	4,753,200
EPS – Basic and diluted	1.81	1.78

Had the provision for the dividend on Cumulative Redeemable Preference shares (CRPS) been made, the EPS would have been as under:

Particulars	31 <sup>st</sup> March 2010 (Rs)	31 <sup>st</sup> March 2009 (Rs)
Net Profit after Tax	8,601,861	8,479,592
Less: Provision for Dividend on 5% 1,550,000 CRPS of Rs 10 each	775,000	775,000
1% 2,130,000 CRPS of Rs 10 each	213,000	213,000
Profits available to Equity Shareholders	7,613,861	7,491,592
Basic & Weighted average number of Equity Shares of Rs 10/- each	4,753,200	4,753,200
EPS – Basic and diluted	1.60	1.58

5. The Company has two main business segments, namely Healthcare and Media Division which have been identified in line with AS-17 issued by ICAI on "Segment Reporting" taking into account the organizational structure as well as the differential risk and return of these segments. The statement of information for the year ended 31<sup>st</sup> March 2009 is given below:

S no	Particulars	(Rs in Lakhs)	(Rs in Lakhs)
		Year ended 31 <sup>st</sup> Mar 2010	Year ended 31 <sup>st</sup> Mar 2009
<b>1</b>	<b>Segment Revenue</b>		
	a) Healthcare Division	608.33	572.90
	b) Media Division	135.17	620.45
	Total	743.50	1,193.35
	Less: Inter segment Revenue	0.00	0.00
	Net Segment Revenue	743.50	1,193.35
	c) Others	131.78	37.28
	<b>Net Sales/ Income from Operations</b>	<b>875.28</b>	<b>1,230.63</b>
<b>2</b>	<b>Segment Result</b>		
	Profit/ (Loss) before Tax and Interest from Each segment		
	a) Healthcare Division	89.70	35.36
	b) Media Division	77.72	158.71
	<b>Total</b>	<b>167.42</b>	<b>194.07</b>
	Less:		

	l) Interest	70.96	94.83
	ii) Depreciation (un-allocable)	0.00	0.00
	<b>Total Profit/(Loss) Before Tax</b>	<b>96.46</b>	<b>99.24</b>
<b>3</b>	<b>Capital Employed</b>		
	(Segment Asset-Segment Liabilities)		
	a) Healthcare Division	437.45	364.10
	b) Media Division	1,418.70	1,310.09
	c) Others		
	<b>Total</b>	<b>1,856.15</b>	<b>1,674.19</b>

**6. RELATED PARTY DISCLOSURE:**

**I. Key Management Personnel:**

- |     |                   |   |                   |
|-----|-------------------|---|-------------------|
| i.  | Mr Ajay Shanghavi | - | Managing Director |
| ii. | Mr Satyen Gandhi  | - | Director          |

**III. Transactions during the year with related parties:**

Particulars	(Rs in Lakhs)			
	Associates		Key managerial Personnel	
	2009-10	2008-09	2009-10	2008-09
i. Remuneration	--	--	5.67	5.39
ii. Sitting fees to non-whole time Directors	--	--	0.11	0.07

7. In absence of virtual certainty that the future taxable income will be available against which deferred tax asset can be realised, the deferred tax asset on the unabsorbed tax losses of the company is not recognised in the accounts as a matter of prudence.

**8. SUNDRY DEBTORS:**

	Year ended 31 <sup>st</sup> Mar 2010	Year ended 31 <sup>st</sup> Mar 2009
Considered good	10,388,627	17,315,228
Considered doubtful	9,754,088	10,153,088
<b>Total</b>	<b>20,142,715</b>	<b>27,468,316</b>

**9. LOANS AND ADVANCES:**

	Year ended 31 <sup>st</sup> Mar 2010	Year ended 31 <sup>st</sup> Mar 2009
Considered good	78,243,650	65,689,786
Considered doubtful	64,730,378	64,215,875
<b>Total</b>	<b>142,974,028</b>	<b>129,905,661</b>

**10. CONTINGENT LIABILITIES:**

- Contingent liabilities not provided for:
  - Estimated amount of contracts remaining to be executed on capital account not provided for (Net of advances) Nil
- The company is in receipt of show-cause cum-demand notice from the office of Commissioner of Service Tax, Mumbai dated 27<sup>th</sup> November 2006 demanding Rs 1,733,304, against which company has disputed the demand as a claim of refund for the same amount which is under appeal with the CESTAT is pending for disposal. The Company is confident of winning the same based on a specific enacted CBEC Circular # 78/0804 dated 23rd March 2004. No provision for the same is therefore made in the accounts.
- The Company has not provided for Dividend on Cumulative Preference Shares amounting to Rs 4,940,000 (Previous Year Rs 3,952,000).

11. The Company has a system of obtaining confirmations from its debtors. Provision is made in the accounts for bad and doubtful debts / advances which in the opinion of the management are doubtful of recovery.

**12. PAYMENTS TO DIRECTORS:**

Particulars	2009-10 (Rs)	2008-09 (Rs)
Directors' Remuneration	567,000	539,100

**13. EARNING IN FOREIGN CURRENCY:**

Particulars	2009-10 (Rs)	2008-09 (Rs)
Subscriptions	Nil	Nil
Service Charges	Nil	Nil
Export of TV Softwares	Nil	Nil
Editorial income	13,117,638	12,349,219
Sale of Database	1,527,827	81,763

**14. EXPENDITURE IN FOREIGN CURRENCY:**

Particulars	2009-10 (Rs)	2008-09 (Rs)
Travelling expenses	-	12,895
Purchase of database	42,629,245	41,160,659
Document delivery services	8,038	86,854

**15. Disclosure pursuant to Accounting Standard - 15 (Revised) 'Employee Benefits'****A. Defined benefit plan and long term employment benefit****a. General description:****Gratuity [Defined benefit plan]:**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy

**Leave wages [Long term employment benefit]:**

The leave wages are payable to all eligible employees at the rate of daily salary for each day of accumulated leave on death or on resignation or upon retirement on attaining superannuation age.

	<u>2009-10</u>		<u>2008-09</u>	
	<u>Leave</u>	<u>Gratuity</u>	<u>Leave</u>	<u>Gratuity</u>
<b>b. Change in the present value of the defined benefit obligation:</b>				
Opening defined benefit obligation	2,121,829	1,614,453	1,820,297	1,405,092
Interest cost	175,051	133,192	145,624	112,407
Current service cost	85,101	152,686	95,578	158,814
Benefits paid	-	-	(62,886)	(104,308)
Actuarial (gain) / losses on obligation	(506,295)	(113,060)	123,216	42,448
Closing defined benefit obligation	1,875,687	1,787,272	2,121,829	1,614,453
<b>c. Change in the fair value of plan assets:</b>				
Opening fair value of plan assets	-	8,820	-	78,976
Expected return on plan assets	-	-	-	3,788
Contributions by employer	-	-	-	30,533
Benefits paid	-	-	-	(104,308)
Actuarial gains / (losses)	-	750	-	(169)
Closing fair value of plan assets	-	9,570	-	8,820
<b>d. Amount recognized in the balance sheet</b>				
(Assets) / Liability at the end of the year	1,875,687	1,787,272	2,121,829	1,614,453
Fair value of plan Assets at the end of the year	-	9,570	-	8,820
Difference	1,875,687	1,777,702	2,121,829	1,605,633
Unrecognised past Service cost (Assets) / Liability recognized in the Balance Sheet	-	-	-	-
<b>e. (Income) / Expenses recognized in the Profit &amp; Loss Account statement:</b>				
Current service cost	85,101	152,686	95,578	158,814
Interest cost on benefit obligation	175,051	133,192	145,624	112,407
Expected return on plan assets	-	-	-	(3,788)
Net actuarial (gain) / loss in the period	(506,295)	(113,810)	123,216	42,617
Net (benefit) / expense	(246,142)	172,069	364,418	310,050
<b>f. Principal actuarial assumptions as at Balance sheet date:</b>				
Discount rate	8.25%	8.25%	8.00%	8.00%
[The rate of discount is considered based on market yield on Government Bonds having currency and terms consistence with the currency and terms of the post employment benefit obligations]				
Expected rate of return on plan Assets	9.00%	9.00%	9.00%	9.00%
[The expected rate of return assumed by the insurance company is generally based on their Investment patterns as stipulated by the Government of India]				
Annual increase in salary cost	5.00%	5.00%	5.00%	5.00%
[The estimates of future salary increases considered in actuarial valuation, take account of Inflation, Seniority, Promotion and other relevant factors such as supply and demand in the employment market]				
<b>g. The categories of plan assets as a % of total plan assets are:</b>				

Insurance Company	0.00%	100.00%	0.00%	100.00%
<b>h. The amounts pertaining to defined benefit pension plans :</b>				
Defined benefit obligation	1,875,687	1,787,272	2,121,829	1,614,453
Plan assets	-	9,570	-	8,820
Surplus / (Deficit)	(1,875,687)	(1,777,702)	(2,121,829)	(1,605,633)

16. Due to the peculiar nature of the business and the nature of the stock, the quantitative details cannot be compiled and hence the same are not furnished.

17. Figures for the previous year are regrouped or rearranged wherever considered necessary to confirm the current year's presentation.

**As per our report attached of even date  
for MUKESH M SHAH & CO  
Chartered Accountants  
Firm Regn No 106625W**

**for and on behalf of Board of Directors**

**(J H DALIA)  
Partner (M No 43863)  
Place : Mumbai  
Date: 27<sup>th</sup> May 2010**

**Director**

**Director**

**BALANCE SHEET ABSTRACT AND THE COMPANY'S GENERAL BUSINESS PROFILE**

(As per Schedule VI, Part IV of the Companies Act, 1956)

<b>I. Registration Details</b>				
Registration no	11-72379	State Code		11
Balance Sheet date	31 <sup>st</sup> March 2010			
<b>II. Capital raised during the year (Amount in Rs thousands)</b>				
Public Issue	Nil	Rights Issue		Nil
Bonus Issue	Nil	Preferential Issue		Nil
<b>III. Position of mobilization and deployment of funds (Amount in Rs thousands)</b>				
Total Liabilities	213,083	Total Assets		213,083
<b>SOURCES OF FUNDS</b>				
Paid up Capital	84,332	Reserves & Surplus		54,852
Secured Loans	60,717	Unsecured Loans		13,182
<b>APPLICATION OF FUNDS</b>				
Net Fixed Assets	6,019	Investments		21,450
Net Current Assets	185,614	Miscellaneous Expenditure		Nil
Accumulated Losses	Nil			
<b>IV. Performance of the Company (Amount in Rs thousands)</b>				
Turnover (including Other Income)	87,527	Total Expenditure		77,880
Profit before tax	9,647	Profit after tax		8,602
Earning per share (in Rs)	1.81	Dividend		Nil
<b>V. Generic names of the three principal products / services of the Company (as per monetary terms)</b>				
<b>Product Description</b>		<b>ITC Code</b>		
Television serials		-		
Documentaries and Events		-		
Acquisition of Film / Television programs		-		
Vansmed		-		

**IN HOUSE PRODUCTIONS LIMITED**  
**Cash Flow Statement for the year ended 31st March, 2010**

	31-Mar-10 Amount (Rs)	31-Mar-09 Amount (Rs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit / (Loss) after tax</b>	<b>8,601,861</b>	<b>8,479,592</b>
Adjustments for:		
Depreciation	935,564	1,209,503
Provision for Income Tax	1,045,000	1,445,000
Provision for Retirement Benefits	186,729	680,113
Interest Paid	7,004,481	8,102,348
Interest Received	(6,413,639)	(3,360,218)
Dividend Received	(7,700)	(7,000)
Doubtful Advances written off	2,600,000	-
Capital work in progress written off	1,183,530	-
(Profit) / Loss on Sale of Assets (Net)	-	412,016
<b>Operating profit before Working Capital adjustments :</b>	<b>15,135,826</b>	<b>16,961,354</b>
Decrease / (Increase) in Inventories	528,664	1,630,531
Decrease / (Increase) in Trade Receivables	7,318,762	274,048
Decrease / (Increase) in Loans & Advances	(17,219,320)	(23,162,503)
(Decrease) / Increase in Trade & Other Payables	(12,073,087)	(2,894,371)
	<b>(21,444,981)</b>	<b>(24,152,295)</b>
<b>Net cash generated / (utilised) from / (in) operating activities (A)</b>	<b>(6,309,155)</b>	<b>(7,190,941)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(16,800)	(5,511,831)
Sale proceeds of Fixed Assets	-	655,000
Sale proceeds of Investments	-	12,400,000
Dividend Received	7,700	7,000
Interest Received	6,413,639	3,360,218
Payment of Income tax	1,532,792	(8,846,866)
<b>Net cash generated / (used) from / (in) investing activities (B)</b>	<b>7,937,331</b>	<b>2,063,521</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net Proceeds from Borrowings	7,490,816	13,507,285
Interest Paid	(7,004,481)	(8,102,348)
<b>Net cash generated / (used) from / (in) financing activities (C)</b>	<b>486,335</b>	<b>5,404,937</b>
<b>NET INCREASE / DECREASE IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>2,114,511</b>	<b>277,517</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>1,510,389</b>	<b>1,232,872</b>
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>3,624,900</b>	<b>1,510,389</b>
<b>Components of Cash &amp; Cash Equivalents as at :</b>	<b><u>31-Mar-10</u></b>	<b><u>31-Mar-09</u></b>
a. Cash in Hand	538,466	475,715
b. Bank balance with Scheduled banks in Current Account	3,086,434	1,034,674
	<b>3,624,900</b>	<b>1,510,389</b>

**Notes to the Cash Flow Statement**

1. All figures in brackets are outflow.
2. Previous year's figures have been regrouped wherever necessary.

As per our report of even date  
**For Mukesh M Shah & Co.**  
**Chartered Accountants**

or and on behalf of the Board of Directors

**J H Dalia**  
**Partner**  
**M No. 43863**

Place : Mumbai  
Dated : 27th May 2010

Ajay Shanghavi  
Managing Director

Satyen Gandhi  
Director

Place : Mumbai  
Dated : 27th May 2010