

# **SHALIMAR PRODUCTIONS LIMITED**

28TH

ANNUAL REPORT

2012 – 2013

**CORPORATE INFORMATION**

**BOARD OF DIRECTORS :**

Shri Pankaj Jayantilal Dave	:	Managing Director
Shri Tilokchand Kothari	:	Director
Shri Abhishekh Palaparthi	:	Independent Director
Shri Chandra Shekhar Sharma	:	Independent Director

**AUDITORS :**

M/S LAKHPAT M TRIVEDI & CO.  
Chartered Accountants  
Mumbai

**REGISTERED OFFICE :**

A-9, Shree Siddhivinayak Plaza,  
Plot No. B – 31, Off Link Road,  
Andheri (W), Mumbai – 400 053.  
Tel : 2671 3919 Fax : 2623 5205  
**www.shalimarproductions.com**

**PRODUCTION HOUSE :**

Shalimar House, Near Circuit House,  
Bikaner, Rajasthan.

**REGISTRAR:**

Adroit Corporate Services (P) Ltd.  
19/20 , Jafferbhoy Industrial Estate, 1st floor, Makwana Road,  
Marol Naka, Andheri (East), Mumbai – 400 059.  
Tel.No. 2859 6060/2850 3748  
**www.adroitcorporate.com**

**ISIN NO. :**

**INE435E01020**

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**NOTICE**

**NOTICE** is hereby given that the 28<sup>th</sup> Annual General Meeting of the Members of SHALIMAR PRODUCTIONS LIMITED will be held at 1008/1009, Gold Crest Business Centre, L T Road, Borivali (W), Mumbai – 400092 on Monday the 30<sup>th</sup> September, 2013 at 10.00 a.m. to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2013 and Profit & Loss Account of the Company for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Tilokchand Kothari who retires by rotation and being eligible, offers himself for re-appointments.
3. To appoint M/s. Lakhpat M Trivedi & Co., Chartered Accountants, Mumbai, as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration as shall be fixed by the Board of Directors.

**SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Pankaj Jayantilal Dave, who was appointed as an Additional Director of the Company by the Board of Director, who holds office under Section 260 of the Companies Act, 1956, until the date of the Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, from a member proposing his candidature for the office of a Director, who has given his consent to act as director and declaration in form DD-A, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

5. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT subject to the provisions of Sections 198, 269 and other applicable provisions of the Companies Act, 1956, read with Schedule XIII to the Companies Act, 1956, consent of the members of the Company be and is hereby accorded to the appointment of Mr. Pankaj Dave, to be designated as a Managing Director of the Company for a period of five years effective 19th December, 2012 to 18th December, 2017 and no remuneration is being paid.

On the behalf of the Board of Directors  
For Shalimar Productions Limited  
**Sd/-**  
**Pankaj Dave**  
Director

Place : Mumbai  
Date : 29.08.2013

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**NOTES**

- 1 **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself, and proxy so appointed need not be a member of the company. In order to be effective, proxy form must be lodged with the company not less than 48 hours before the commencement of the meeting.**
- 2 Explanatory Statements Pursuant to Section 173 (2) of the Companies Act 1956, relating to the special business is annexed herewith.
- 3 The register of members and the share transfer books of the Company will remain closed from 26.09.2013 to 30.09.2013 (both days inclusive).
- 4 Members are requested to bring their copy of the Annual Report along with them as copies of the same will not be distributed at the meeting.
- 5 Members desirous of asking any questions at the Annual General Meeting are requested to send in their questions to reach the Company at least 10 days before the Annual General Meeting so that the same can be suitably replied.
- 6 Members/Proxies are requested to produce the Attendance Slip at the entrance of the Hall.
- 7 Members are requested to intimate change of address, if any, to the company quoting reference to their Registered Folio Number.
- 8 Your Company has implemented the Green Initiative as per the Ministry of Corporate Affairs ("MCA") Circular Nos. 17/2011 and 18/2011 dated April 21,2011 and April 29,2011, respectively, which allows the Company to serve all notices/ documents and annual reports to its shareholders through an electronic mode. Henceforth, the email addresses registered by the shareholders : (a) in respect of shareholding in demat mode - with the respective Depository Participant which will be periodically downloaded from NSDL / CDSL, and (b) in respect of physical holding - through a written request letter to the Registrar and Transfer Agent of the Company M/s. Adroit Corporate Services Private Limited; will be deemed to be the registered email address for serving all notices / documents including those covered under Section 219 read with Section 53 of the Companies Act. Members are therefore requested to keep their email addresses updated in case of electronic holding with their respective Depository Participant and in case of physical holding with the Registrar and Transfer Agent of the Company. The Annual Report of your Company for the Financial Year 2012-13 is displayed on the website of the Company i.e. [www.shalimarproductions.com](http://www.shalimarproductions.com). As a member of the Company you will be entitled to be furnished, free of cost, an Annual Report of the Company upon receipt of a written request from you at anytime.

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9 As required under the Listing Agreement, the particulars of Directors who are proposed to be appointed/re-appointed are given below:

Name	Age	Educational Qualification	Experience	No. of shares held
Shri Tilokchand Kothari	49	Graduate	Having experience of more than 25 years in the field of Finance and Media.	3500000
Shri Pankaj Jayantilal Dave	34	Under Graduate	He has wide experience in the film Industry.	252286

On the behalf of the Board of Directors  
For Shalimar Productions Limited  
**Sd/-**  
**Pankaj Dave**  
Director

Place : Mumbai  
Date : 29.08.2013

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**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACTS, 1956**

Item No. 4.

The Board Of Director of the company, at its meeting held on 19th December, 2012, appointed Shri Pankaj Dave an additional director with effect from December 19th 2012, pursuant of section 260 of the company act, 1956 and Article No. 68 of the Articles of Association of the Company. The Company has received notice in writing from a member along with a deposit of Rs.500/- proposing the candidature of Shri Pankaj Dave for the office of Directorship under the provisions of Section 257 of the Companies Act, 1956.

Except Shri Pankaj Dave, None of the Directors are concerned or interested in this resolution.

Item No. 5.

Mr. Pankaj Dave has been involved into media activities. He has published various magazines from time-to-time. In the electronic media, he has been handling the Production and Distribution of various films and TV programmes. His financial and media experience will be highly valuable for the growth of the company.

His services to the company are very useful / beneficial and therefore the Board recommends to pass this resolution as an ordinary resolution.

The above statement may be treated as an abstract under Section 302 of the Companies Act, 1956.

Except Shri Pankaj Dave, None of the Directors are concerned or interested in this resolution.

On the behalf of the Board of Directors  
For Shalimar Productions Limited  
**Sd/-**  
**Pankaj Dave**  
Director

Place : Mumbai  
Date : 29.08.2013

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**DIRECTORS REPORT**

To,  
THE MEMBERS,  
**SHALIMAR PRODUCTIONS LIMITED.**

**FINANCIAL RESULTS**

The financial highlights of the Company, for the year ended are summarized below.

(Rs. in Lac)

	For the year ended	
	31st March, 2013	31st March, 2012
Total Revenue	97.08	78.01
Less: Total Expenses	81.44	93.88
Profit/ (loss) before tax	(7.57)	(15.87)
Deferred Tax Liability/(Assets)	(0.11)	(0.10)
Less: Income Tax / Provision	-	-
Profit/ (loss) after Tax	(7.68)	(15.97)
Brought forward loss from previous year	42.92	45.32
Surplus/(deficit) carried to Balance sheet	35.24	29.35

**OPERATIONS**

During the year under review your company has earned a gross income of Rs. 97.08 Lacs for the financial year 2012-13, as compared to Rs. 78.01 Lacs in the previous year.

**PUBLIC DEPOSITS**

Your Company has not accepted any Deposits within the meaning of Section 58A of Companies Act, 1956 and Rules made there under.

**DIRECTORS**

In accordance with the requirements of the Companies Act 1956, Shri Tilokchand Kothari will retire by rotation and, being eligible offered himself for re-appointment.

The Board at its meeting on 19.12.2012 appointed Mr. Pankaj Dave as Additional Directors of the Company, will hold the office upto the date of forthcoming Annual General Meeting and is eligible for appointment as Director in the Annual General Meeting.

During the year Shri Pankaj Kumar Daga has resign from the post of Director of the company.

**AUDITORS**

M/s. Lakhpat M Trivedi & Co., Chartered Accountant, the Auditor of the Company, will retire at the conclusion of the ensuing Annual General Meeting and, being eligible; offer themselves for re-appointment to hold the office till the conclusion of the next Annual General Meeting.

The company has received the letter from auditor to the effect that their appointment would be within the limits prescribed under section 224 (1B) of the Companies Act, 1956.

The Auditors have confirmed that they have subjected themselves to the peer review process of the institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI."

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**AMALGAMATION:**

The Hon. High Court of Bombay vide its Order dated 2<sup>nd</sup> August, 2013 sanctioned the scheme of Amalgamation of Company with Visagar Media Limited (VML). As per Scheme of Amalgamation, the Appointed Date is 30<sup>th</sup> September, 2012. Thus, with effect from 19th December, 2012 VML stands merged with the Company and the legal entity of VML stands dissolve without winding-up. Further, the entire business and undertaking of VML is transferred to and vested in the Company and the Company, though the allotment is made on 27<sup>th</sup> August, 2013.

**DEMATERIALIZATION OF SHARES**

Your Company has connectivity with the National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL) for dematerialization of its Equity Shares. The ISIN No. INE435E01020 has been allotted for the Company Shares. Therefore, the members and/or investors may keep their shareholdings in the electronic mode with their Depository Participant.

**LISTING OF SHARES**

The company's shares are listed with The Bombay Stock Exchange. Your Company has paid the respective Annual Listing fees up to date and there are no arrears.

**PARTICULARS OF EMPLOYEES**

None of the employees are paid remuneration exceeding the limit laid down under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, your directors hereby confirm:

- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- (ii) That they 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 at the end of the financial year 31.3.2013 and of the Profit or Loss of the Company for that period;
- (iii) That to the best of their knowledge and information, they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) That they have prepared the annual accounts on a going concern basis.

**CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUT GO**

Information as per section 217(1)(e) read with Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 are not applicable to the Company.

There are no transaction involving any foreign exchange earning & outgo.

**CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORTS**

As required by the clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange, a detailed Report on the Corporate Governance, along with the certificate of Auditor on its compliance, is attached in this Annual Report elsewhere.

The Company is in full compliance with the requirements and disclosures that have to be made in this regard.

The Management Discussion and Analysis Report are also appearing in this Annual Report elsewhere and both the aforesaid Reports are incorporated as reference herein.



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The Board of Directors of the Company adopted a Code of Conduct and posted the same on Web site. The Directors and Senior Management Personnel have affirmed their compliance with the said code.

**AUDIT COMMITTEE**

The Audit Committee has been constituted by the Company pursuant to section 292(A) of the Companies Act, 1956 and under Clause 49 of the Listing Agreement.

**ACKNOWLEDGEMENT**

Your Directors take this opportunity to express their grateful appreciation for the excellent assistance and co-operation received from the Banks, Government Authorities, Suppliers, Customers and all the local authorities. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the employee of the company.

On the behalf of the Board of Directors  
For Shalimar Productions Limited

Sd/-  
**Pankaj Dave**  
Director

Sd/-  
**Tilokchand Kothari**  
Director

Place : Mumbai  
Date : 29.08.2013

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Shalimar Productions Limited (hereinafter referred as "the Company") is engaged in the business of Media and Media Products. The Company is producing Films in Rajasthani and other Regional languages. During the year, the company has come out with various song albums in Regional languages. The Company is also training students in Acting, Dance and Music. As of date, the company has gained much recognition in Rajasthan state for its music albums.

The Discussion contained herein is based on certain primary and secondary research reports coupled with the Company's analysis. Thus, there are certain risks associated with these forward looking statements and the investors are cautioned regarding the same. These statements are also based on the perceived and actual risks, which arise out of Company's growth plans, existing and future projects, availability of qualified and skilled manpower, dependence on certain businesses and other factors. Statements made in the management discussion and analysis describing the Companies' objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement important factors that influence the Company's operations, include global and domestic supply and demand conditions.

**A. INDUSTRY STRUCTURE AND DEVELOPMENT**

Entertainment and Media (E&M) is one of the fastest growing sectors in India. The sector consists of creation, aggregation and distribution of content, products and services, news and information, advertising and entertainment through various channels and platforms.

The industry is evolving in terms of technology in all its verticals like: Smart TV, Internet TV, 3G to 4G, etc. all leading to media convergence. The next generation media is here to stay with younger generation forming a bigger pie of the media consumption. The technological transformations are changing the way media was consumed and the future lies in media convergence.

While television continues to be the dominant medium, sectors such as animation and VFX, digital advertising and gaming are fast increasing their share in the overall pie. Radio is expected to display a healthy growth rate after the advent of Phase 3.

Indian Music and Entertainment industry is largely represented by the country's music and films. The year 2010 saw structural shift from physical formats to digital ones, and the year 2011 witnessed a wider range of viable options for music consumption through different digital platforms. The Indian M&E industry grew from INR 728 billion in 2011 to INR 820 billion in 2012, registering an overall growth of 12.6 percent. While, 2012 was a challenging year for the industry, with some improvement likely in the global economy in 2013 and India's real GDP expected to be in the region of 6.1% to 6.7%, the prognosis for the Industry looks much better going forward. Given the impetus introduced by digitization, continued growth of regional media, upcoming elections, continued strength in the film sector and fast increasing new media businesses, the industry is estimated to achieve a growth of 11.8 percent in 2013 to touch INR 917 billion. Going forward, the sector is projected to grow at a healthy CAGR of 15.2 percent to reach INR 1661 billion by 2017.

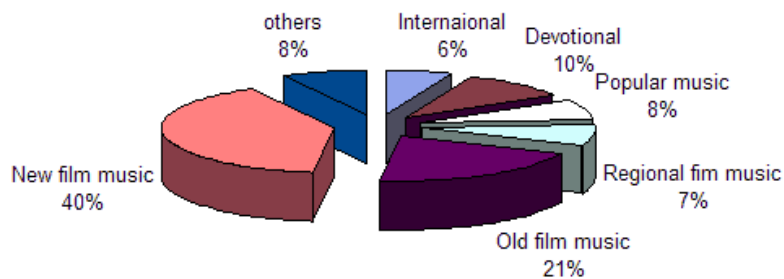
(Source: FICCI-KPMG report)

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The Indian music industry has a unique structure compared to most global markets. Till 1990, it was completely dominated by film and devotional music. With the advent of satellite television and increasing consumer exposure to non-film albums and remixes have gained popularity recently. In the non-film category devotional music produced by smaller and local companies is the most popular. A few late entrants to this category have decided to stay away from the vagaries of film music and have focused on high end classical devotional and other niche genres instead.

(Source: <http://www.indianmi.org/national.htm>)

GENRE WISE DISTRIBUTION OF MUSIC SALES IN INDIA



Source: Industry estimates

While piracy continues to grow and hamper the growth of the industry, it does not affect the regional music industry to a larger extent. The regional music industry continues to flourish in several states and zones in the country and the regional markets remain key centre of growth. Regional music like Punjabi, Bhojpuri, Rajasthani, etc enjoy tremendous patronage outside their 'zones' (many of them being well accepted internationally) and have even influenced the mainstream Hindi/ Bollywood Film-based music scene. Many regional titles have sold millions of units setting a benchmark in this flourishing industry which will continue to grow despite growing competition from newer entrants and piracy.

More films and TV shows are being shot than ever, and budgets are also increasing. The FICCI-KPMG Indian Media and Entertainment Report 2012 projects that the Indian film industry will grow from Rs 8,300 crore in 2012 to Rs 13,200 crore by 2015. Growth in the mainstream Film, TV and Regional categories including consistent Economy growth is a boon for the budding studio industry in India which has now expanded beyond metropolitan regions. This being said, the Studio industry in itself is niche with each player catering to a different class of customers.

### B. OPPORTUNITIES AND THREATS

#### i) OPPORTUNITY

The Indian entertainment industry is on the threshold of emerging as a large market globally. Future growth of the industry is expected to be led by rising spends on entertainment by a growing Indian middle class, regulatory initiatives, increased corporate investments and the industry's dynamic initiatives to make strategic structural corrections to grow. In addition to the Indian middle class' enhanced spends projected towards entertainment, the rising global interest in Indian content is expected to fuel growth in this industry. Recovery of Indian economy, increase in disposable income at the last mile, lack of affordable outdoor entertain opportunities, ever-growing younger population etc. is expected to influence the Entertain & Media Industry positively.

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**ii) THREATS**

The Company operates in highly competitive environment that is subject to innovations, changes and varying levels of resources available to each player in each segment of business. It may not be possible to consistently predict changing audience tastes. People's tastes vary quite rapidly along with the trends and environment they live in. with the kind of investments made in ventures, repeated failures would have an adverse impact on the bottom line of the Company.

**C. BUSINESS SEGMENT**

Your Company is in business of Media & Media Products. Your Company is into trading, development and sale of Music Albums, Short Stories & Films, and Media Rights. Your Company produces short telefilms and musical stories in Rajasthani and other Regional languages under the banners 'Shalimar' and 'Visagar'. During the year, your company has released various hit song albums in Regional languages. Your Company is also training students in Acting, Dance and Music. As of date, it has gained much recognition in Rajasthan state for its music albums. Your Company has in house productions and editing facilities in Bikaner, Rajasthan and also boasts of an outdoor shooting studio "Visagar Suranjana Studio" at Sunderbans near Kolkata. Your Company is projecting steady consistent growth due to its presence in various spheres of media business.

Your Company has a substantial scope for future diversification and expansion in the same verticals and other related areas. Constant acquisition of the Intellectual Property Rights will continuously increase the intrinsic value of the business. There is an enormous scope for increasing tourist traffic in around the Studio Location at Sunderbans (Kolkata) and therefore substantial scope for future growth with aggressive marketing.

**FINANCIAL OVERVIEW**

During the year under review, M/s Visagar Media Limited has merged with your Company and its business operations are now a part of your Company. The Company's Gross Income has been Rs. 97.08 Lacs.

**D. RISK MANAGEMENT**

**I) INTERNAL**

The Market are getting increasingly competitive, Technological obsolescence and lack of skilled & trained human resources demand sustained and enhanced levels of investment in both depreciating as well as appreciating assets but company will formulate favorable policy to overcome the problem. Market acceptance on studio activity depends on many external factors mainly on development of surrounding infrastructure which is not within the scope of the Company.

**II) EXTERNAL**

Advancement of the technology for creation of the content is necessary with the new technologies being adopted by the competitors. The business may have a positive or a negative impact on the revenues in futures due to changes in the Regulatory framework and tax law as compared to the current scenario. Management continuously monitors and makes efforts to arrest decline or adverse Output on any of these factors.

Due to these factors we may not be able to sustain our previous profit margins or levels of profitability.

**FUTURE OUTLOOK**

The future outlook of your company is very prospective and it urges to diversify and specialise the various media and Media Products. The future of the media industry lies in media convergence, regionalization and adoption of new generation user devices in order to deliver enhanced experience to the users and offer a sound value proposition to them. Your management is optimistic about the sustainable business opportunities in the financial year 2013-2014 on the back of positive macro economic factors, robust content pipeline and so on. Barring the unforeseen circumstances, Future outlook for your Company is positive.

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**CERTIFICATES**

**TO,  
THE MEMBERS,  
SHALIMAR PRODUCTIONS LIMITED**

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Stock Exchange of India, for the financial year ended 31<sup>st</sup> March, 2013.

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 conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review and the information and explanation given to us by the Company.

Based on such a review, in our opinion the Company has complied with the condition of Corporate Governance, as stipulated in Clause 49 of the Listing Agreements.

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

For M/S Lakhpat M Trivedi & Co.  
Chartered Accountants  
Sd/-  
**Lakhpat M. Trivedi**  
Proprietor  
M.No: 109047

Place: Mumbai  
Date: 29.08.2013

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**CORPORATE GOVERNANCE REPORT**

The detailed report on Corporate Governance as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below:

**MANDATORY REQUIREMENTS**

**A. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company's Philosophy on Corporate Governance envisages the attainment of the high level of transparency and accountability in the functioning of the Company and assist the top management of the Company in the efficient conduct of its business internally and externally, including its inter-action with employees, shareholders, creditors, consumers and institutional and other lenders and place due emphasis on regulatory compliance.

The Company believes that its system and actions must be dovetailed for enhancing corporate performance and maximizing shareholder value in the long term.

**B. BOARD OF DIRECTORS**

**COMPOSITION AND CATEGORY**

1. Executive Directors.
2. Independent, Non-Executive Directors.

The Board represents an optimum mix of professionalism, knowledge and experience. As on 31st March, 2012, the total strength of the Board is 4 Directors with an Executive Directors. The Board comprises of 2 Independent Directors (50%), 2 Executive Directors (50.00%).

During the year, due to the resignation of Shri Pankaj Kumar Daga, the composition of Board of Directors has been changed.

The Company has benefited from the professional expertise of the Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges

The composition of the Board of Directors and also the number of other Board of Directors or Board Committees of which he is a member/Chairman are as under.

<b>Sr.No.</b>	<b>Name of Director</b>	<b>Category of Directorship</b>	<b>Number of other Directorships (i)</b>
001	Mr. Tilokchand Kothari	Executive Director	5
002	Mr. Pankaj Kumar Dave	Managing Director	2
003	Mr. Chandra Shekhar Sharma	Independent, Non-Executive Director	Nil
004	Mr. Abhishek Palaparthi	Independent, Non-Executive Director	1

(i) Excludes Directorship in Indian Private Limited Companies, membership of Managing Committees of various bodies.

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**ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING**

During the financial year ended 31<sup>st</sup> March, 2013 Eight Board Meeting were held on 05/04/2012, 29/05/2012, 14/08/2012, 31/10/2012, 15/11/2012, 07/12/2012, 19/12/2012, and 14/02/2013. The attendance of each Director at Board Meetings and the last Annual General Meeting (AGM) is as under.

Sr.No.	Name of Directors	No. of Board Meetings attended	Attendance at last AGM held on 28.09.2012
001	Mr. Tilokchand Kothari	8	Present
002	Mr. Chandra Shekhar Sharma	8	Present
003	Mr. Abhishek Palaparthi	8	Present
004	Mr. Pankaj Kumar Daga #	7	Present
005	Mr. Pankaj Kumar Dave ##	2	N.A.
	# resigned w.e.f. 19.12.2012		
	## appointed w.e.f. 19.12.2012		

**C. AUDIT COMMITTEE**

**BOARD TERMS OF REFERENCE**

The terms of reference of this Committee cover the matters specified for Audit Committee under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956.

The terms of reference of the Audit Committee include the following :

- ❖ Reviewing the Company's financial reporting process and the disclosure of its financial information.
- ❖ Recommending the appointment and removal of statutory auditors, fixation of audit fees and also to approve payment for other services.
- ❖ Reviewing the quarterly and annual financial statements with primary focus on accounting policies and practices, compliance with accounting standards and legal requirements concerning financial statements.
- ❖ Reviewing the adequacy of internal control systems and internal audit function, ensuring compliance of internal control systems and reviewing the Company's financial and risk management policies.
- ❖ Reviewing the reports furnished by the statutory auditors and ensure suitable follow-ups thereon.

**COMPOSITION**

The Audit Committee of the Company comprises three Directors, of which, one is Non-Executive Director and rest are Independent, Non-executive Directors. All these Directors possess knowledge of corporate finance, accounts and Company law. The Chairman of the Committee is a Non-Executive, Independent Director nominated by the Board. The statutory Auditors and the Executives in the Finance Department are invitees to the Meetings.

The Board of Directors at the subsequent Board Meeting notes the minutes of the Audit Committee Meetings.



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The constitution of the Audit Committee is as follows :

1. Mr. Abhisekh Palaparthi : Chairman.
2. Mr. Pankaj Kumar Dave : Member.
3. Mr. Chandra Shekhar Sharma : Member.

**MEETINGS AND ATTENDANCE**

During the financial year ended 31<sup>st</sup> March, 2013, Four Audit Committee Meetings were held on 29/05/2012, 14/08/2012, 15/11/2012 and 14/02/2013.

The attendance at the Audit Committee Meetings is as under :

Sr. No	Name of the Directors	No. of Meeting attended
001	Mr. Abhisekh Palaparthi	4
002	Mr. Pankaj Kumar Daga #	3
003	Mr. Chandra Shekhar Sharma	4
004	Mr. Pankaj Dave ##	1
	# resigned w.e.f. 19/12/2012	
	## appointment w.e.f. 19/12/2012	

**INTERNAL AUDITORS**

The Company has in-built system of internal checks and to review the internal control systems of the Company and to report thereon. The report of such reviews is being submitted to the Audit Committee.

**D. REMUNERATION COMMITTEE**

The Remuneration Committee of the Company comprises Three Directors.

The Present composition of the Remuneration Committee is as follows:

1. Mr. Tilokchand Kothari : Chairman.
2. Mr. Pankaj Kumar Dave : Member.
3. Mr. Chandra Shekhar Sharma : Member.

The remuneration committee mainly looks after fixation of salary, perquisites and commissions etc. to the directors of the company.

**SITTING FEES PAID TO NON-EXECUTIVE INDEPENDENT DIRECTORS FOR THE FINANCIAL YEAR 2010-2011:**

The remuneration of Non-Executive Independent Directors consists of sitting Fees not exceeding the limits prescribed under Section 309 of the Companies Act 1956, which is decided by the Board within limits approved by the shareholders. The Non-Executive Independent Directors would be paid sitting fees of Rs. 2500/- per Board Meeting or any other Committee Meetings of the Company attended subject to necessary approvals of the Board/ Regulators/ Shareholders.

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**E. SHAREHOLDERS' COMMITTEE**

The Board has constituted a Committee of Directors consisting of three members, chaired by a Executive Director. The Committee meets twice a month to approve inter-alia, transfer/transmission of shares, issue of duplicate share certificates and reviews the status of investors' grievances and redressal mechanism and recommend measure to improve the level of investor services. Details of shares, transfers/transmissions approved by the Committee are placed at the Board Meetings from time to time.

**COMPOSITION**

The constitution of the Committee of Directors is as under :

1. Mr. Tilokchand Kothari : Chairman.
2. Mr. Abhisekh Palaparthi : Member.
3. Mr. Chandra Shekhar Shrma : Member.

**COMPLIANCE OFFICER**

Shri Pankaj Dave is the compliance officer in terms of the listing agreement executed by the Company with the Stock Exchange.

**DETAILS OF SHAREHOLDERS COMPLIANCE RECEIVED, NOT SOLVED AND PENDING SHARE TRANSFERS.**

Number of shareholders complaints received so far and number of complaints solved to the satisfaction of shareholders.

Sr.No.	Nature of Complaints	Received	Replied	Balance	No. of Days Taken
1.	Received from Share Holders	NIL	NIL	NIL	N.A.
	Revalidation of Dividend	NIL	NIL	NIL	N.A.
	Non receipt of Warrants	NIL	NIL	NIL	N.A.
	Non receipt of Dividend	NIL	NIL	NIL	N.A.
	Non receipt of Share Certificates	NIL	NIL	NIL	N.A.
2.	Received from SEBI/Stock Exchange	NIL	NIL	NIL	N.A.
	Revalidation of Dividend	NIL	NIL	NIL	N.A.
	Non receipt of Warrants	NIL	NIL	NIL	N.A.
	Non receipt of Dividend	NIL	NIL	NIL	N.A.
	Non receipt of Share Certificates	NIL	NIL	NIL	N.A.

There were no outstanding complaints, pending share transfers or pending requests for dematerializations as on 31<sup>st</sup> March, 2013.

**SHALIMAR PRODUCTIONS LIMITED**  
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**F. GENERAL BODY MEETINGS :**

(a) Location and time, where last three Annual General Meetings were held is given below :

Financial Year	Date	Location of Meeting	Time
2009-2010	30/09/2010	Agarwal Bhawan, 21/08, Shanti Nagar, Delhi - 07	11.00 a.m.
2010-2011	30/09/2011	Agarwal Bhawan, 21/08, Shanti Nagar, Delhi - 07	10.00 a.m.
2011-2012	28/09/2012	1008/1009, Gold Crest Business Centre, L T Road, Borivali (W), Mumbai – 400092	11.00 a.m.

**G. Certification**

The company is not having the Chief Financial Officer, the Managing Director, Pankaj Dave have certified on behalf of the Board of Directors of the Company that :

- A. He have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief :
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.
- C. He accept responsibility for establishing and maintaining internal controls for Financial Reporting and that they have evaluated the effectiveness of the internal controls systems of the Company pertaining to Financial Reporting and they have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. He have indicated to the Auditors and the Audit Committee :
- (i) significant changes in internal control over Financial Reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's Internal Control System over Financial Reporting.

**H. DISCLOSURES**

- A. The Company has not entered into any transaction of as material nature with the Promoters, Directors or Management, their subsidiaries or relative that may have potential conflict with the interest of the Company at large. The register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval.
- B. During the last three years, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital market.

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**I. IMPLEMENTATION OF CODE OF CONDUCT FOR INSIDER TRADING:**

SHALIMAR PRODUCTIONS LIMITED has adopted Code of Conduct for Insider Trading and is based on the SEBI framework and is stringent than the statutory code being enforced by the SEBI. SHALIMAR PRODUCTIONS LIMITED follows strict guidelines in respect of insiders' stock trading and related disclosures. Managing Director is designated as the Compliance Officer to oversee its implementation. Periodic disclosures have been obtained from all the Directors and 'designated employees'. Under the aforesaid code, all Directors and Designated Employees are required to conduct all their dealing in securities of the Company only in valid trading window after obtaining pre clearance from the Company as per the pre dealing procedure described in the Code.

**J. SECRETARIAL AUDIT FOR RECONCILIATION OF CAPITAL:**

As stipulated by SEBI, a Compliance officer carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) limited and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchange as well as placed before the Board of Directors. The audit confirms that the total Listed and paid up capital is in agreement with the aggregate of the total number of Shares in dematerialized form (held by NSDL and CDSL) and total number of Shares in physical form.

**K. MEANS OF COMMUNICATION :**

- a. The quarterly and half yearly results are forthwith communicated to all the Stock Exchange with whom the Company has listing agreement as soon as they are approved and taken on record by the Board of Directors of the Company. Further the results are published in the newspapers English and Hindi.
- b. Management discussion and analysis forms part of the Annual Report, which is posted to the shareholders of the Company.

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**L. GENERAL SHAREHOLDERS INFORMATION :**

*	Annual General Meeting	
	Date	30TH SEPTEMBER, 2013
	Time	10.00 A.M.
	Venue	1008/1009, Gold Crest Business Centre, L T Road, Borivali (West), Mumbai – 400 092.
*	Financial Calendar	
	Financial reporting for the quarter ending June, 2013	SECOND WEEK OF AUGUST 2013
	Financial reporting for the quarter ending September, 2013	SECOND WEEK OF NOVEMBER 2013
	Financial reporting for the quarter ending December, 2013	SECOND WEEK OF FEBRUARY 2013
	Financial reporting for the quarter ending March, 2014	FOURTH WEEK OF MAY 2014
*	Date of Book Closure	26 <sup>TH</sup> SEPTEMBER, 2013 TO 30 <sup>TH</sup> SEPTEMBER, 2013 (BOTH DAYS INCLUSIVE)
*	Dividend Payment date	NOT APPLICABLE
*	Registered office	A-9, Shree Siddhivinayak Plaza, Plot No. B – 31, Off Link Road, Andheri (W), Mumbai – 400 053.
*	Listing on Stock Exchange	The Bombay Stock Exchange Limited
*	Stock Code	
	The Stock Exchange, Mumbai	512499

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Month wise Stock Market Data (BSE) Relating To Equity Shares Of The Company

Date	Open (Rs.)	High (Rs.)	Low (Rs.)	Close (Rs.)
April 2012	1.16	1.45	0.97	1.17
May 2012	1.13	1.43	1.13	1.32
June 2012	1.26	1.54	1.22	1.34
July 2012	1.34	1.42	1.15	1.30
August 2012	1.36	1.59	1.27	1.35
September 2012	1.35	1.40	1.09	1.19
October 2012	1.19	1.42	1.10	1.22
November 2012	1.20	1.65	1.12	1.45
December 2012	1.52	1.66	1.40	1.61
January 2013	1.60	1.69	1.40	1.51
February 2013	1.45	1.74	1.39	1.44
March 2013	1.37	1.49	1.12	1.20

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**Registrar and Share Transfer Agent**

**Adroit Corporate Services Pvt Ltd.**

Jaferbhoy Industrial Estate, 1<sup>st</sup> Floor,  
Makwana Road, Marol Naka,  
Andheri (West), Mumbai – 400 059.  
Tel Nos – 2859 6060.  
Fax : 2850 3748.

**Share Transfer System**

Share certificates received for transfer in physical form and requests for Demat are generally registered / confirmed within 15 days of receipt of the same, provided documents are clear in all respects. The Company also provides simultaneous transfer cum Demat facility to its equity shareholders.

**Distribution of holding and share holding pattern after merging.**

<b>No. of Equity Shares held</b>	<b>No of Holders</b>	<b>% of Holders</b>	<b>No. of Shares</b>	<b>% of Shares</b>
Upto 5000	4252	74.22	5826402	0.59
5001-10000	354	6.18	2878882	0.29
10001-20000	155	2.71	2327417	0.24
20001-30000	66	1.15	1703623	0.17
30001-40000	44	0.77	1610243	0.16
40001-50000	25	0.44	1179998	0.12
50001-100000	105	1.83	8432399	0.86
100001 and above	728	12.71	960369349	97.57
Total	5729	100.00	984328313	100.00

**SHALIMAR PRODUCTIONS LIMITED**  
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**Categories of Shareholding after merging.**

Sr. No	Category	No. of Shares held	Percentage Of Shareholding
<b>A</b>	<b>Promoter's Holding</b>		
1.	Promoters		
	Indian Promoters	169379995	17.21
	Foreign Promoters	NIL	NIL
2	Persons acting in concert		
	<b>Sub-Total</b>	<b>169379995</b>	<b>17.21</b>
<b>B</b>	<b>Non-Promoters Holding</b>		
3	Institutional Investors	NIL	NIL
a.	Mutual Funds and UTI	NIL	NIL
b.	Banking, Financial Institutions/Insurance Companies	NIL	NIL
c.	FII's	NIL	NIL
	<b>Sub-Total</b>	<b>NIL</b>	<b>NIL</b>
4	Others		
a.	Private Corporate Bodies	70856432	7.20
b.	Indian Public	743864338	73.40
c.	NRIs/OCBs	204623	0.02
d.	Any other (Please Specify)	22925	0.00
	<b>Sub-total</b>	<b>814948318</b>	<b>82.79</b>
	<b>Grand Total</b>	<b>984328313</b>	<b>100.00</b>

**Particulars of Shares held in physical / Electronic form after merging.**

Category	No. of shares	% of shares
PAPER MODE	64963	0.01
NSDL	605979419	38.43
CDSL	378283931	61.56
TOTAL	984328313	100.00

**Outstanding GDRs/ADRs/Warrants or any convertible instruments.**

The Company has not issued any GDR/ADR/Warrants etc.

**M. MANAGEMENT DISCUSSION AND ANALYSIS**

A statement of Management Discussion and Analysis is appearing elsewhere in this Annual Report in terms of the requirement of the Code of Corporate Governance.

**NON-MANDATORY REQUIRMENTS**

**CHAIRMAN OF THE BOARD:**

The Company has a Non-Executive Chairman and reimburses expenses incurred by him in performance of his duty.



**SHALIMAR PRODUCTIONS LIMITED**  
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**SHAREHOLDER RIGHTS:**

As the Company's half yearly results are published in English newspapers having circulation all over India and in Marathi newspapers widely circulated in Mumbai, the same are not sent to each household of shareholders.

**POSTAL BALLOT:**

The provision relating to Postal Ballot will be complied with in respect of matters where applicable.

On the behalf of the Board of Directors

Sd/-

**(Pankaj Dave**

Director

Place: - Mumbai

Dated: - 29.08.2013

**SHALIMAR PRODUCTIONS LIMITED**  
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**AUDITORS' REPORT**

To,  
THE MEMBERS,  
**SHALIMAR PRODUCTIONS LIMITED**

We have audited the attached Balance Sheet of **SHALIMAR PRODUCTIONS LIMITED** as at 31<sup>st</sup> March, 2013 and Profit & Loss A/c for the year ended on that date annexed thereto. 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.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standard require that, we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor Report) order, 2003 (amended) by the central Gov. of India in terms of Section 227(4A) of the Companies Act, 1956. We give in the annexure hereto a statement on the matters specified in the said order.

1. 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.
2. In our opinion, the company has maintained proper record as required by law so far as it appears from our examination of the books of accounts.
3. The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of accounts and comply with the accounting standards referred to in sub-section [3C] of Section 211 of the Companies Act. 1956.
4. On the basis of written representation received from Director and taken on record by the Board of Directors, we report that none of the Directors are disqualified from being appointed as a Director in terms of Clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
5. In our opinion and according to the information and explanations given to us, the said accounts read together with the notes thereon, gives the information required by the Companies Act, 1956 and in the manner as required and give a true and fair view:
  - a. In the case of the Balance Sheet of the state of affairs of the Company as on 31<sup>st</sup> March, 2013.
  - b. In the case of Profit & Loss Account of the Profit of the Company for year ended that date.
  - c. In the case of Cash Flow statement, of the cash flow for the year ended on that date.

For M/S Lakhpat M Trivedi & Co.  
Chartered Accountants  
Sd/-  
**Lakhpat M Trivedi**  
**Proprietor**  
M.No: 109047

Place : Mumbai  
Date : 30.05.2013

**SHALIMAR PRODUCTIONS LIMITED**  
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**ANNEXURE TO THE AUDITORS REPORT**

(Statement referred to in paragraph 1 of our Report of even date on the Accounts of SHALIMAR PRODUCTIONS LIMITED for the year ended 31<sup>st</sup> March, 2013.)

- 1) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed Assets, which is in the process of updation. The fixed assets of the Company have been physically verified by the management during the year in accordance with the regular program which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification. The Company has not disposed off any Fixed Assets during the year.
- 2)
  - a) The inventories have been physically verified by the management at reasonable intervals during the years and at the close of the year.
  - b) As explained to us, the procedure followed by Management for physical verification of the above referred stocks are in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) According to the records produced to us for our verification, there were no material discrepancies noticed on physical verification of the inventory as compared to book records and the same have been properly dealt with in the books of account.
- 3) The Company has not taken any loan secured or unsecured from Companies, Firms and other parties listed in the register maintained under section 301 and/or from the Companies under the same Management as defined under section 370 (1B) of the Companies Act, 1956. In view of this sub clause (b), (c) and (d) of the clause (iii) of the Companies (Auditors' Report) Order, 2003 are not applicable.
- 4) In our opinion and according to the information and explanation given to us there are adequate Internal Control procedures commensurate with the size of the Company and the nature of its business.
- 5) In our opinion and according to the information and explanations given to us The Company has not done any transaction that needs to be entered in the register maintained under Section 301 of the Act.
- 6) In our opinion and according to the information and explanations given to us The Company has not accepted any deposit from the public during the year as stated in the provisions of Section 58 A , 58AA and other relevant provision of the Companies Act, 1956.
- 7) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- 8) The provisions of Section 209 (1) (d) of the Companies Act, 1956 are not applicable to the Company.
- 9)
  - a) According to the records of the Company, there were no undisputed statutory dues including Provident Fund, , Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, and other Statutory dues applicable to it as at 31st March,2013 for a period of more than six months from the date they became payable.
  - b) According to the records of the company and the information and explanations given to us upon our inquires in this regards, disputed amount payable in respect of Income Tax as at the last date of the financial year are as follows:

Statues	Forums before whom pending	Total
Income Tax	Commissioners Appeals	13,33,952/-

**SHALIMAR PRODUCTIONS LIMITED**  
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- 10) The company has not taken any loans from Bank or Financial Institution.
- 11) The Company has not made any loans and advances granted on the basis of security by way of pledge of shares and other securities.
- 12) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/mutual benefit fund, Societies.
- 13) The Company has, in our opinion, maintained proper records and contracts with respect to its investments where timely entries of transactions are made in the former. All investments at the close of the year are held in the name of the Company.
- 14) The Company has not given any guarantee for loan taken by others from bank or financial institutions.
- 15) The company has not taken any term loan, during the financial year.
- 16) The Company has not raised any fund, long term or short term during the year.
- 17) The Company has not made any preferential allotment during the year..
- 18) The Company has not issued any debentures during the year.
- 19) Based upon the audit procedures performed by us for expressing our opinion on these financial statements and information and explanations given by the Management, we report that no fraud on or by the Company has been noticed or reported during the year.

For M/S Lakhpat M Trivedi & Co.  
Chartered Accountants  
Sd/-  
**Lakhpat M Trivedi**  
**Proprietor**  
M.No: 109047

Place : Mumbai  
Date : 30.05.2013

**SHALIMAR PRODUCTIONS LIMITED**  
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**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2013.**

PARTICULARS	NOTE NO.	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
<b>I EQUITY AND LIABILITIES</b>			
<b>1. SHAREHOLDER'S FUNDS</b>			
(a) Share Capital	1	984,328,313	222,720,313
(b) Reserve & Surplus	2	23,403,856	10,934,819
<b>2. NON-CURRENT LIABILITIES</b>			
(a) Deferred Tax Liability (net)	3	362,807	342,117
(b) Long-term provisions	4	201,460	39,440
<b>3. CURRENT LIABILITIES</b>			
(a) Short-term borrowings	5	-	-
(b) Trade Payables	6	11,734	11,734
(c) Other current liabilities	7	735,399	8,273
<b>TOTAL</b>		<b>1,009,043,569</b>	<b>234,056,696</b>
<b>II ASSETS</b>			
<b>1. NON-CURRENT ASSETS</b>			
(a) Fixed Asset	8		
(i) Tangible assets		54,128,831	2,743,728
(ii) Intangible assets		594,740,002	928,136
(b) Non-current investments	9	28,355,702	12,825,702
(c) Long-term loans and advances	10	39,035,146	13,868,670
<b>2. CURRENT ASSETS</b>			
(a) Inventories	11	265,520,445	155,359,498
(b) Trade receivables	12	250,000	11,285,000
(c) Cash and cash equivalents	13	1,079,094	478,292
(d) Short-Term Loans and Advances	14	18,158,000	29,303,000
(d) Other current assets	15	7,776,347	7,264,670
<b>TOTAL</b>		<b>1,009,043,569</b>	<b>206,602,624</b>

See accompanying notes to the financial statements

as per our report of even date

For **Lakhapat M. Trivedi & Co.**

Chartered Accountants

Sd/-

**Lakhapat M. Trivedi**

Proprietor

M. No: 109047

Place : Mumbai

Dated : 30.05.2013

For **Shalimar Productions Limited**

Sd/-

**(Tilok Kothari)**

Director

Sd/-

**(Pankaj Daga)**

Director

**SHALIMAR PRODUCTIONS LIMITED**  
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**PROFIT & LOSS ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013.**

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2013 (RS.)	YEAR ENDED 31.03.2012 (RS.)
<b><u>INCOME</u></b>			
Revenue from operations	16	9,708,674	7,686,200
Other Income	17	-	115,027
<b>Total Revenue</b>		<b>9,708,674</b>	<b>7,801,227</b>
<b><u>EXPENDITURE</u></b>			
Cost of material consumed		-	-
Purchases of Media products/Manufactured		994,500	14,719,000
Direct Expenses		713,851	-
Change in inventories	18	2,321,553	(8,150,000)
Employees benefit expenses	19	1,430,408	485,450
Depreciation & amortization		1,691,648	531,896
Other expenses	20	2,506,254	1,801,810
Preliminary Expenses W.off		807,185	-
<b>Total expenses</b>		<b>10,465,399</b>	<b>9,388,156</b>
<b>Profit / (Loss) before tax</b>			
Current tax		-	-
Deferred Tax		(11,370)	(10,204)
<b>Profit / (Loss) before exceptional item</b>		<b>(768,095)</b>	<b>(1,597,133)</b>
Earning per equity shares			
(1) Basic		-	-

See accompanying notes to the financial statements  
as per our report of even date

For **Lakhapat M. Trivedi & Co.**

Chartered Accountants

Sd/-

**Lakhapat M. Trivedi**

Proprietor

M. No: 109047

Place : Mumbai

Dated : 30.05.2013

For **Shalimar Productions Limited**

Sd/-

**(Tilok Kothari)**

Director

Sd/-

**(Pankaj Daga)**

Director

**SHALIMAR PRODUCTIONS LIMITED**  
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CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2013.

PARTICULARS	31/03/2013	31/03/2012
<b>A. Cash Flow from operating activities :</b>		
Net Profit before Tax as per P & L A/c		
Adjusted for	-756,725	-1,586,921
Misc Income	NIL	NIL
Interest Income	NIL	NIL
Depreciation	1,691,648	531,896
Proposed Dividend & Tax	NIL	NIL
<b>Operating Profit Before Working Capital Changes</b>	<b>934,923</b>	<b>-1,055,025</b>
<b>Add : Adjusted for</b>		
Other Current Assets	-511,677	-22,263,668
Sundry Debtors	11,035,000	1,325,000
Inventory	-110,160,947	-9,573,100
Current Liabilities	1,000,390	18,000
Loans & Advances	-14,021,476	NIL
<b>Net Cash Inflow/Outflow Operations ( A )</b>	<b>-111,723,787</b>	<b>-31,548,793</b>
<b>B. Cash Flow from Investing Activities :</b>		
Fixed Assets	-646,356,723	NIL
Preliminary Expenses	NIL	624,145
Receipt of unsecured loan	NIL	-156,000
Investments	-15,530,000	-2,000,000
<b>Net Cash Flow from Investing Activities ( B )</b>	<b>-661,886,723</b>	<b>-1,531,855</b>
<b>C. Cash Flow from Financial Activities:</b>		
Share Capital	761,608,000	94,800,000
Share Application Money	11,880,000	-65,551,000
Income Tax Paid	-101,338	-62,368
<b>Net Cash Flow from Financing Activities ( C )</b>	<b>773,336,662</b>	<b>29,186,632</b>
<b>Net Cash Increase in Cash &amp; Cash Equivalents</b>		
(A + B + C)	-122,510	-3,894,016
Opening Balances of Cash & Cash Equivalents	478,292	4,372,308
Closing Balances of Cash & Cash Equivalents	-600,802	478,292
<b>NET INFLOW</b>	<b>-122,510</b>	<b>-3,894,016</b>

See accompanying notes to the financial statements  
as per our report of even date

For **Lakhapat M. Trivedi & Co.**  
Chartered Accountants

Sd/-

**Lakhapat M. Trivedi**

Proprietor

M. No: 109047

Place : Mumbai

Dated : 30.05.2013

For **Shalimar Productions Limited**

Sd/-

**(Tilok Kothari)**

Director

Sd/-

**(Pankaj Daga)**

Director

**SHALIMAR PRODUCTIONS LIMITED**  
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**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

<b>NOTE NO.</b>	<b>PARTICULARS</b>	<b>AS AT 31.03.2013 (RS.)</b>	<b>AS AT 31.03.2012 (RS.)</b>
<b>1</b>	<b>SHARE CAPITAL</b>		
	<b>AUTHORISED</b>		
	1,350,000,000 Equity Shares of Re. 1/- Each (P.Y. 1,150,000,000 Equity Shares of Re. 1/- Each)	1,350,000,000	1,150,000,000
	<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
	984328313 Equity Shares of Re. 1/- Each (P.Y. 222720313 Equity Shares of Re. 1/- Each)	984,328,313	222,720,313
		<b>984,328,313</b>	<b>222,720,313</b>
1.1	The reconciliation of the number of shares outstanding is set out below :	As at 31.03.2013	As at 31.03.2012
		No of Shares	No of Shares
	Equity Shares at the beginning of the year	222,720,313	127,920,313
	Add: Shares issued during the year	761,608,000	94,800,000
	Equity Shares at the end of the year	984,328,313	222,720,313
1.2	Terms / rights attached to equity shares		
	The company has only one class of equity shares having a par value of Re. 1/- per share.		
1.3	Details of shareholders holding more than 5% shares in the company		
	Name of shareholder	As at 31 <sup>st</sup> March 2013	As at 31 <sup>st</sup> March 2012
		No of shares held % of Holding	No of shares held % of Holding
	Osiajee Housing Developers Limited	- -	- -
	Santoki Merchandise Pvt Ltd	- -	- -



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**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

<b>PARTICULARS</b>	<b>AS AT 31.03.2013 (RS.)</b>	<b>AS AT 31.03.2012 (RS.)</b>
<b>2 RESERVE &amp; SURPLUS</b>		
Capital Reserve		
As per last Balance Sheet	-	-
(a)		
Security Premium Account		
As per last Balance Sheet	8,000,000	4,208,000
Add :	11,880,000	3,792,000
(b)	<b>19,880,000</b>	<b>8,000,000</b>
Share Application Money		
As per last Balance Sheet	-	-
(c)	-	-
Statement of Profit & Loss		
As per last Balance Sheet	4,291,951	4,531,952
Add : profit / (Loss) for the year	(768,095)	(1,597,133)
(d)	<b>3,523,856</b>	<b>2,934,819</b>
Total reserve & surplus (a+b+c+d)	<b>23,403,856</b>	<b>10,934,819</b>

<b>PARTICULARS</b>	<b>AS AT 31.03.2013 (RS.)</b>	<b>AS AT 31.03.2012 (RS.)</b>
<b>3 DEFERRED TAX ASSET / (LIABILITY) NET</b>		
i. Deferred Tax liability on account of:		
Timing Difference on Depreciation	362,807	342,117
ii. Deferred Tax Asset on account of:		
Disallowances under Income Tax Act:		
Unabsorbed Depreciation Allowance	-	-
Business Loss	-	-
	<b>362,807</b>	<b>342,117</b>

<b>PARTICULARS</b>	<b>AS AT 31.03.2013 (RS.)</b>	<b>AS AT 31.03.2012 (RS.)</b>
<b>4 LONG TERM PROVISIONS</b>		
Provision for Tax	201,460	39,440
Provision for sub-assets	-	-
	<b>201,460</b>	<b>39,440</b>

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**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
<b>5 SHORT TERM BORROWINGS</b>		
Unsecured		
Inter Corporate Loan (refer note 5.1)	-	-
Total	-	-
	-	-
5.1 – Loans are repayable on demand.		

PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
<b>6 TRADE PAYABLES</b>		
Due to Micro small & medium Enterprises	-	-
Due to others	11,734	11,734
	<u>11,734</u>	<u>11,734</u>

PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
<b>7 OTHER CURRENT LIABILITIES</b>		
Outstanding Expenses	735,399	8,273
	<u>735,399</u>	<u>8,273</u>

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**8 FIXED ASSETS**

PARTICULARS	GROSS BLOCK		DEPRECIATION		NET BLOCK			
	AS AT 01.04.2012	ADD/DED DURING	AS AT 31.03.2013	UPTO 01.04.2012	PROVIDED DURING	UPTO 31.03.2013	AS AT 31.03.2013	AS AT 31.03.2012
<b>Tangible Assets</b>								
Building	3,208,517	-	3,208,517	715,587	124,647	840,234	2,368,284	2,492,930
Free Hold Land		41,095,000	41,095,000				41,095,000	
Building		8,705,000	8,705,000		782,676	782,676	7,922,324	
Electric Installation		937,000	937,000		65,168	65,168	871,832	
Office Equipments		1,984,665	1,984,665		396,933	396,933	1,587,732	
Computer		123,053	123,053		24,611	24,611	98,442	
Computer	563,576	-	563,576	526,563	11,614	538,177	17,420	29,035
Electrical Installation	61,110		61,110	51,539	1,331	52,870	8,240	9,571
Furniture & Fixture	121,664	-	121,664	103,283	3,327	106,610	15,054	18,381
Office Equipments	82,941	-	82,941	75,666	1,012	76,678	6,263	7,275
Vehicle	807,142	-	807,142	620,606	48,295	668,902	138,240	186,536
<b>Total</b>	<b>4,844,950</b>	<b>52,844,718</b>	<b>57,689,668</b>	<b>2,093,244</b>	<b>1,459,614</b>	<b>3,552,859</b>	<b>54,128,831</b>	<b>2,743,728</b>
<b>Intangible Assets</b>								
Rights of Parai Beti	4,888,948	-	4,888,948	3,960,813	232,034	4,192,846	696,102	928,136
Rights		687,900	687,900				687,900	
Wip		22,150,000	22,150,000				22,150,000	
Goodwill - Merger							571,206,000	
	<b>4,888,948</b>	<b>22,837,900</b>	<b>27,726,848</b>	<b>3,960,813</b>	<b>232,034</b>	<b>4,192,846</b>	<b>594,740,002</b>	<b>928,136</b>
<b>TOTAL RS.</b>	<b>9,733,898</b>	<b>75,682,618</b>	<b>85,416,516</b>	<b>6,054,057</b>	<b>1,691,648</b>	<b>7,745,705</b>	<b>648,868,833</b>	<b>3,671,864</b>

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**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

<b>PARTICULARS</b>	<b>AS AT 31.03.2013 (RS.)</b>	<b>AS AT 31.03.2012 (RS.)</b>
<b>9 NON CURRENT INVESTMENTS</b>		
Unquoted	21,595,000	12,825,000
Quoted	4,760,702	702
Share Application money	2,000,000	-
	<b>28,355,702</b>	<b>12,825,702</b>

<b>PARTICULARS</b>	<b>AS AT 31.03.2013 (RS.)</b>	<b>AS AT 31.03.2012 (RS.)</b>
<b>10 LONG-TERM LOANS AND ADVANCES</b> (Unsecured and Considered good)		
Loans (Inclusive interest accrues thereon)	38,893,205	13,726,729
Deposit	100,722	100,722
Advance Payment of Tax (Net of provision)	41,219	41,219
	<b>39,035,146</b>	<b>13,868,670</b>

<b>PARTICULARS</b>	<b>AS AT 31.03.2013 (RS.)</b>	<b>AS AT 31.03.2012 (RS.)</b>
<b>11 INVENTORIES</b>		
Work in Progress	219,487,278	28,118,167
Stock in Hand	46,033,167	127,241,331
	<b>265,520,445</b>	<b>155,359,498</b>

<b>PARTICULARS</b>	<b>AS AT 31.03.2013 (RS.)</b>	<b>AS AT 31.03.2012 (RS.)</b>
<b>12 TRADE RECEIVABLES</b> (Unsecured and Considered good)		
Outstanding for a period exceeding Six Months	250,000	11,285,000
Others	-	-
	<b>250,000</b>	<b>11,285,000</b>

<b>PARTICULARS</b>	<b>AS AT 31.03.2013 (RS.)</b>	<b>AS AT 31.03.2012 (RS.)</b>
<b>13 CASH AND BANK BALANCES</b>		
Cash in Hand	977,686	76,052
Balance with bank in current account	101,409	402,240
	<b>1,079,095</b>	<b>478,292</b>

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**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
<b>14 SHORT-TERM LOANS AND ADVANCES</b> (Unsecured and Considered good)		
Advance for Productions	17,383,000	28,528,000
Advance for Constructions	775,000	775,000
	<u>18,158,000</u>	<u>29,303,000</u>

PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
<b>15 OTHER CURRENT ASSETS</b>		
Pre operative expenses	7,776,347	7,264,670
	<u>7,776,347</u>	<u>7,264,670</u>

PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
<b>16 REVENUE FROM OPERATIONS</b>		
Operating Income	9,363,274	6,835,000
Other Operating Income		
Income from Movie Release	-	-
Receipt of Dance Classes	345,400	851,200
	<u>9,708,674</u>	<u>7,686,200</u>

PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
<b>17 OTHER INCOME</b>		
Interest on Non Current Investments	-	115,027
	<u>-</u>	<u>115,027</u>

PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
<b>18 CHANGE IN INVENTORIES</b>		
Balance as of commencement of the Year :		
Stock of Media Products	221,808,831	119,091,331
Less:		
Balance as of end of the Year :		
Stock of Media Products	219,487,278	127,241,331
	<u>2,321,553</u>	<u>(8,150,000)</u>

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PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
<b>19 EMPLOYEE BEBEFIT EXPENSES</b>		
Salaries	1,384,400	455,920
Staff Welfare Expenses	46,608	29,530
	<b>1,430,408</b>	<b>485,450</b>

PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
<b>20 OTHER EXPENSES</b>		
Advertisement Expenses	63,408	33,060
Conveyance Expenses	-	21,480
General Expenses	1,031,343	684,723
Insurance Premium	-	-
Legal & Professional Charges	1,152,901	58,830
Printing & Stationary	81,647	47,349
Rent, Rates & Taxes	168,682	140,550
Preliminary Expenses	-	807,185
<b>Remuneration to Auditors</b>		
Audit Fees	8,273	8,273
	<b>2,506,254</b>	<b>1,801,810</b>

**SHALIMAR PRODUCTIONS LIMITED**  
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**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

**NOTE – 21**

**NOTES TO ACCOUNT & SIGNIFICANT POLICIES**

1. Significant Accounting Policies

**FIXED ASSETS**

Fixed Assets are stated at cost of acquisition, inclusive of inward freight, duties and taxes and incidental expenses related to acquisition.

**DEPRECIATION**

Depreciation is calculated on Fixed Assets on straight line method in accordance with schedule XIV of the Companies Act, 1956.

**INVENTORIES**

Stock is Valued at cost. The closing stock of film produced is valued at Actual Cost by allocating all direct expenses which are related to the production. The fixed expenses under which the allocation was necessary as per the management discretion is allocated to the respective projection to arrive at its Actual cost of production

The Work – in – Progress is valued accordingly as per the completion of the projection. All expenses which can be related directly are all Capitalised and added to the cost.

**INVESTMENTS**

Investments are valued at cost, any diminution in the value of investments, if considered permanent, is provided for.

**INCOME FROM INVESTMENTS / DEPOSITS**

Income from investments / Deposits is credited to revenue in the year in which it accrues expect Dividend which is accounted for on Cash basis.

**RECOGNITION OF INCOME & EXPENDITURE**

All income and expenditure are accounted for on accrual basis.

**RETIRMENT BENEFITS**

Provision for Payment of Gratuity Act, 1972 is not applicable and as such no provision is made. Leave Encashment, if any, would be accounted for as and when paid.

2. In the opinion of the Board the value of Current Assets, Loans & Advances have a value in ordinary course of business at least equal to that stated in the Balance Sheet except in case of those show in doubtful. Loans & Advances, Sundry Debtors & Sundry creditors are subject to confirmation from the parties.

3. No Interest has been provided for the year on loans & advances made by the Company during the year in many cases.

**SHALIMAR PRODUCTIONS LIMITED**  
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4. Estimated Amount of Contracts Remaining to be executed on Capital Accounts and not provide for Rs. NIL.
5. Additional information Pursuant to the Provision of Paragraph 3, 4C and 4D of part II of the Schedule VI of the Companies Act, 1956.
- A. Particulars of Purchase, Turnover and Stock of Goods traded in –
- B. Other additional information – NIL (Previous Year NIL)
- C. Earning & Expenditure in Foreign Currency – NIL ( Previous Year NIL)
6. Previous Year’s Figure have been Regrouped and rearrange wherever found necessary.

Signature to the Schedule 1 to 21 forming part of the Balance Sheet & Profit & Loss Account.

As per our Report of even date  
For **Lakhapat M. Trivedi & Co.**  
Chartered Accountants  
Sd/-  
**Lakhapat M. Trivedi**  
Proprietor  
M. No: 109047  
Place : Mumbai  
Dated : 30.05.2013

For **Shalimar Productions Limited**

Sd/-                      Sd/-  
**(Tilok Kothari)**      **(Pankaj Daga)**  
Director                      Director



**SHALIMAR PRODUCTIONS LIMITED**  
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**Shalimar Productions Limited**

Regd. Office : A-9, Shree Siddhivinayak Plaza, Plot No. B – 31, Off Link Road, Andheri (W), Mumbai – 400 053.

**ATTENDANCE SLIP**

PLEASE FILL IN ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. Joint shareholder may obtain additional slip on request.

D.P. Id\*

Folio No.

Client Id\*

No. of Share/(s) held

NAME OF THE SHAREHOLDER:

NAME OF THE PROXY:

I hereby record my presence at 28th ANNUAL GENERAL MEETING of the Company held at 1008/1009, Gold Crest Business Centre, L T Road, Borivali (W), Mumbai – 400092 on 30th September, 2013 at 10.00 a.m.

SIGNATURE OF THE ATTENDING MEMBER/PROXY

\* Applicable for investors holding shares in electronic form.

**Shalimar Productions Limited**

Regd. Office : A-9, Shree Siddhivinayak Plaza, Plot No. B – 31, Off Link Road, Andheri (W), Mumbai – 400 053.

**PROXY FORM**

D.P. Id\*

Folio No.

Client Id\*

No. of Share/(s) held

I/We ..... of ..... in the district of ..... being a Member/Members of the above-named company, hereby appoint ..... of ..... in the district of ..... or failing him ..... of ..... in the district of ..... as my/our Proxy to attend and vote for me/us and on my/our behalf at the 28th ANNUAL GENERAL MEETING of the Company held at 1008/1009, Gold Crest Business Centre, L T Road, Borivali (W), Mumbai – 400092 on 30th September, 2013 at 10.00 a.m.

Signed this .... day of. ... 2013

Affix 15 Paise  
or more  
Revenue  
Stamp

\*Applicable for investors holding shares in electronic form.

NOTE: The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than FORTYEIGHT HOURS before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

Book – Post  
(Under Postal Certificate)

To, \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If Undelivered please return to :  
SHALIMAR PRODUCTIONS LIMITED  
A-9, Shree Siddhivinayak Plaza, Plot No. B – 31,  
Off Link Road, Andheri (W), Mumbai – 400 053.