



Shalimar Productions

SHALIMAR PRODUCTIONS LIMITED

24TH

ANNUAL REPORT

2008-2009

SHALIMAR PRODUCTIONS LIMITED

ANNUAL REPORT 2008 – 2009

BOARD OF DIRECTORS :

Mr. Tilok Chand Kothari
Mr. Rajendra Kumar Rathi
Mr. S. Ramanathan
Mr. J. Manoharan
Mr. Abhishek Palaparthi
Mr. Shekhar Sharma

BANKERS :

HDFC Bank
The Pratap Co-Op Bank Ltd.

AUDITORS :

M/S DINESH C. BANGAR & CO.

REGISTERED OFFICE :

15/76, Old Rajendra Nagar,
2nd Floor, New Delhi – 110 060.
Tel/Fax : 011-25818446

ADMN. OFFICE :

926/R, Navjeevan Comm. Co-Op Hsg Soc Ltd,
Lamington Road,
Mumbai – 400 007.
Tel – 3256 7459, 2309 9318 Fax : 2309 9318

PRODUCTION HOUSE :

- 1) A-9, Shree Siddhivinayak Plaza,
Plot No. B – 31, Off Link Road,
Andheri (W), Mumbai – 400 053.
Tel : 2671 3919 Fax : 2623 5205
- 2) Shalimar House
Near Circuit House,
Bikaner, Rajasthan.
Tel : 0151 3240241

LISTING:

THE STOCK EXCHANGE, MUMBAI

REGISTRAR & TRANSFER AGENT:

ADROIT CORPORATE SERVICES (P) LTD.
19/20, Jafferbhoy Industrial Estate,
1st floor, Makwana Road, Marol Naka,
Andheri (East), Mumbai – 400 059.
Tel.No. 2859 0942/2850 3748

ISIN NO.

INE435E01020

SHALIMAR PRODUCTIONS LIMITED

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DIRECTORS' REPORT

TO,
THE MEMBERS,
SHALIMAR PRODUCTIONS LIMITED.

Your Directors have pleasure in presenting the 24th Annual Report and the Audited Accounts for the year ended on 31st March 2009.

BUSINESS PERFORMANCE:

	Current Year Ended 31-03-2009 (Rs.)	Previous Year Ended 31-03-2008 (Rs.)
Gross Income	19,957,387	27,796,200
Total Expenditure	19,655,554	27,578,790
Profit for the Year	301,833	217,410
Less: Short/ Excess provision for Tax	104,896	63,530
Deferred Tax	(11,628)	3,650
Fringe Benefit Tax	12,878	23,180
Provision for Tax	24,423	(9,693)
Profit after Tax	171,264	136,743
Profit / (Loss) bought from Previous Year	4,425,210	4,288,467
Balance carried to Balance Sheet	4,596,474	4,425,210

PERFORMANCE :

The resources of the Company were optimally utilized to maximize the returns with minimal risk. The proactive and pragmatic approach of the Company has been reflected in the results despite the difficult and turbulent economic conditions prevailing in the country.

During the year, the Company has traded in Serials and Music Albums. The Directors are very keen in absorbing ample opportunities in the Indian market as well as overseas. The company has produced Music Albums and has completed numerous Rajasthani Albums with all the Albums receiving an overwhelming response. The company would like to produce more Serials and Albums in other language in near future.

FUTURE OUTLOOK :

Your company has an In house production at Bikaner, Rajasthan and has a comprehensive set - up of Distribution office of Films and Albums.

The Company is more keen to produce regional films and Hindi & Rajasthani albums.

GLOBAL DEPOSITORY RECEIPTS (GDRs):

Your company has received the in-principal approval from the Stock Exchange, Mumbai for issuance of 91 crore equity shares (9.1 million GDRs). The company is in process to complete the GDR in the present financial year. The GDRs would be listed with the Luxembourg Stock Exchange (LSE).

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Proceedings of the GDRs will be utilized to set up studios and multiplexes within the country. This will strengthen the company's business operations.

DIVIDEND :

Your Directors do not recommend any dividend for the year ended 31st March, 2009 in view to conserve the resources.

DIRECTORS :

Mr. Tilokchand Kothari, Director of the Company retires by rotation and being eligible offers himself for re-appointment.

Mr. Abhishek Palaparthi, Director of the Company retires by rotation and being eligible offers himself for re-appointment.

The Board at its meeting on 12/08/2009 appointed Mr. Pankaj Kumar Daga as Additional Director 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 under review, Mr S. Ramanathan and Mr. J. Manoharan have resigned from the Board. The Board appreciates the valuable services offered by them during the tenure.

FIXED DEPOSITS :

The Company did not invite/accept/renew any fixed deposits during the year under review.

DEMATERIALIZATION OF SHARES :

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

PARTICULARS OF EMPLOYEES :

There is no employee covered pursuant to provisions of section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended vide Notification no. GSR 839 (c) dated 25/10/2000.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE :

Details of Energy, conservation research and development activities undertaken by the Company along with the information in accordance with provisions of Section 217(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in respect of Board of Directors), Rules, 1998 is given in the Annexure.

AUDITORS REPORT :

The observations of the Auditors in their report, read with noted annexed to accounts, are self explanatory and therefore do not call for the any further comment and explanation under section 217(3) of the Companies Act, 1956.

AUDITORS :

M/s Dinesh C. Bangar & Co., the Auditors retire at the ensuing Annual General Meeting but being eligible offer themselves for reappointed. The Company has received the letter from Auditors to the effect that their appointment if made it would be within the prescribed limits under section 224 (1B) of the Companies Act, 1956. Your Directors recommend reappointment of M/s Dinesh C. Bangar & Co. as the Auditors of the Company.

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DIRECTORS RESPONSIBILITY STATEMENT

As required under section 217(2AA) of the Companies Act, 1956 relating to the Directors Responsibility Statement, it is hereby confirmed that:

- 1) In the preparation of the Annual Account for the financial year ended 31st March, 2009 the applicable accounting standard have been followed along with proper explanations relating to material departures.
- 2) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are responsible and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the Profit or Loss of the Company for the year ended on that date.
- 3) The Directors 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.
- 4) The Directors have prepared the Annual Accounts on a going concern basis.

STATEMENT PURSUANT TO LISTING AGREEMENTS

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.

ACKNOWLEDGEMENT

The Directors wish to place on records their appreciation of the contributions made by the employees at the all levels, whose continued commitment and dedication helped the Company to achieve better results. The Directors also wish to thank customers, bankers, etc. for their continued support. Finally your Directors would like to express their sincere & whole-hearted gratitude to all of you for your faith in us in your Co-operation & never failing support.

For and on behalf of Board of Directors

Sd/-

DIRECTORS

Place: New Delhi

Date : 24.08.2009

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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 31st March, 2009.

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 explanations 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 Dinesh C. Bangar & Co.
Chartered Accountants
Sd/-
Dinesh C. Bangar
Proprietor

Place: Vasai
Date: 10.08.2009

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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 REQUIRMENTS

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 followed for enhancing corporate performance and maximizing shareholder value in the long term.

B. BOARD OF DIRECTORS

COMPOSITION AND CATEGORY

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

Independent Directors are Directors, who apart from receiving Directors' remuneration do not have any other material pecuniary relationship or transactions with the Company.

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.

Sr.No.	Name of Director	Category of Directorship	Number of other Directorships (i)
001	Mr. Tilok chand Kothari	Non Executive Chairman	3
002	Mr. Rajendra Kumar Rathi	Executive Director	Nil
003	Mr. Shekhar Sharma	Executive Director	Nil
004	Mr. Abhishek Palaparthi	Independent Director	1
005	Mr. S. Ramanathan	Independent Director	1
006	Mr. J. Manoharan	Independent Director	Nil

- (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 31st March, 2009 Six Board Meeting were held on 19/05/2008, 07/07/2008, 30/07/2008, 02/08/2008, 31/10/2008 and 31/01/2009. 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 01.09.2008
001	Mr. Rajendra Kumar Rathi	6	Present
002	Mr. Tilokchand Kothari	6	Present
003	Mr. Abhishek Palaparthi (Appointment w.e.f. 02.08.2008)	3	Present
004	Mr. Shekhar Sharma (Appointment w.e.f. 02.08.2008)	3	Present
005	Mr. S. Ramanathan (Appointment w.e.f. 02.08.2008)	3	Present
006	Mr. J. Manoharan (Appointment w.e.f. 02.08.2008)	3	Present

C. AUDIT COMMITTEE

BROAD 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.

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COMPOSITION

The Audit Committee of the Company comprises Three Directors, of which, One is Non-Executive Chairman, One is Independent Director and other is Executive Director. All these Directors possess knowledge of corporate finance, accounts and Company law. The Chairman of the Committee is a Non-Executive, 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.

The constitution of the Audit Committee is as follows :

1. Mr. Abhisekh Palaparthi : Chairman.
2. Mr. S. Ramanathan : Member.
3. Mr. Shekhar Sharma : Member.

MEETINGS AND ATTENDANCE

During the financial year ended 31st March, 2009, four Audit Committee Meetings were held on 28/04/2007, 30/07/2007, 30/10/2007 and 30/01/2008.

The attendance at the Audit Committee Meetings is as under :

Sr. No	Name of the Directors	No. of Meeting attended
001	Mr. Tilok chand Kothari	4
002	Mr. S. Ramnathan	1
003	Mr. Abhisekh Palaparthi	1

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 Company has not constituted any remuneration Committee.

E. SHAREHOLDERS' COMMITTEE

The Board has constituted a Committee of Directors consisting of three members, chaired by a Non-Executive Director, Executive Director and Independent. 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.

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COMPLIANCE OFFICER

Shri Rajendra K. Rathi 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	1	1	NIL	7 Days
	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 31st March, 2009.

. GENERAL BODY MEETINGS :

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

Financial Year	Date	Location of Meeting	Time
2005-2006	30/09/2006	15/76, Old Rajendra Nagar, 2 nd Floor, New Delhi - 110 060.	03.00 p.m.
2006-2007	29/09/2007	15/76, Old Rajendra Nagar, 2 nd Floor, New Delhi - 110 060.	03.00 p.m.
2007-2008	01/09/2008	Sindhi Bhavan, Block No. 14A, Rajendra Nagar, Gangaram Hospital Marg, Delhi - 110060	12:30 p.m.

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G. CEO & CFO CERTIFICATION

The Managing Director (CEO) and the Chief Financial Officer (CFO) have certified to the Board of Directors of the Company that:

- a) They 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 statement 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) They accept responsibility for establishing and maintaining internal controls for Financial Reporting and that they have evaluated the effectiveness of the internal control 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) They have indicated 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 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.

I. MEANS OF COMMUNICATION :

1. 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.
2. Management discussion and analysis forms part of the Annual Report, which is posted to the shareholders of the Company.

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J. GENERAL SHAREHOLDERS INFORMATION:

* Annual General Meeting	
Date	30 th SEPTEMBER, 2009
Time	11.00 A.M.
Venue	Agarwal Bhawan, 21/08, Shanti Nagar, Delhi - 07
* Financial Calendar	
Financial reporting for the quarter ending June, 2008	JULY END 2008
Financial reporting for the quarter ending September, 2008	OCTOBER END 2008
Financial reporting for the quarter ending December, 2008	JANUARY END 2009
Financial reporting for the quarter ending March, 2009	APRIL END 2009
* Date of Book Closure	28th August, 2009 TO 1 st SEPTEMBER, 2009 (BOTH DAYS INCLUSIVE)
* Dividend Payment date	NOT APPLICABLE
* Registered office	15/76, Old Rajendra Nagar, 2 nd Floor, New Delhi-110 060.
* Listing on Stock Exchange	THE STOCK EXCHANGE, MUMBAI
* Stock Code	
The Stock Exchange, Mumbai	512499

Market Price Data : High Low during each month in last financial year.

Date	Open (Rs.)	High (Rs.)	Low (Rs.)	Close (Rs.)	No of Shares	No of Trades	Net T/O (Rs.)
April 2008	1.28	1.33	1.15	1.25	411,892	416	506,487
May 2008	1.20	1.35	1.05	1.15	453,517	444	532,917
June 2008	1.15	1.26	0.74	0.83	356,458	327	362,279
July 2008	0.76	1.30	0.72	1.00	271,962	261	258,606
August 2008	1.00	1.93	0.92	1.81	1,265,712	692	1,935,536
September 2008	1.90	2.71	1.73	1.73	2,004,297	1,673	4,606,290
October 2008	1.70	1.73	0.78	0.89	332,930	391	380,682
November 2008	0.93	1.07	0.77	0.77	195,177	176	185,907
December 2008	0.75	0.97	0.73	0.92	210,246	233	173,710
January 2009	0.94	1.05	0.67	0.67	259,657	208	218,665
February 2009	0.67	0.70	0.55	0.59	248,730	154	154,555
March 2009	0.58	0.75	0.46	0.73	242,961	165	143,516

The Shares are Re. 1/- paid up

Registrar and Share Transfer Agent

Adroit Corporate Services Pvt Ltd,
19/20, Jaferbhoy Industrial Estate,
1st Floor, Makwana Road,
Marol Naka, Andheri (West),
Mumbai - 400 059.
Tel Nos - 28590942 / 28596060
Fax : 28503748

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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 as on 31st March, 2009.

No. of Equity Shares held	No of Holders	% of Holders	No. of Shares	% of Shares
Upto - 100	438	7.75	25504	0.11
101 - 500	1256	22.22	495928	2.18
501-1000	1422	25.16	1351773	5.95
1001-2000	949	16.79	1674517	7.37
2001-3000	382	6.76	1047855	4.61
3001-4000	203	3.59	745229	3.28
4001-5000	344	6.09	1688742	7.43
5001-10000	376	6.65	2972111	13.08
10001 -20000	159	2.81	2363532	10.4
20001-50000	84	1.49	2677923	11.80
50001 & Above	39	0.69	7677199	33.79
Total	5652	100	22,720,313	100

Categories of Shareholding as on March 31, 2009.

	<u>Category</u>	No. of Shares held	Percentage Of Shareholding
A	Promoter's Holding		
1	Promoters <u>Indian promoters:</u> <u>Foreign Promoters:</u>	1186147	5.22
2	Persons acting in concert	NIL	NIL
	Sub-Total	1186147	5.22
B	Non-Promoters Holding		
3	Institutional Investors	NIL	NIL
a.	Mutual Funds and UTI	NIL	NIL
b.	Banking, Financial Institutions/Insurance Companies (Central/State Govt. Institutions Non-government Institutions)	NIL	NIL
c.	FII's	NIL	NIL
	Sub-Total	NIL	NIL
4	Others	NIL	NIL
a.	Private Corporate Bodies	5816570	25.60
b.	Indian Public	15275165	67.23
c.	NRI's/OCBs	380600	1.68
d.	Any other (Please Specify)	61831	0.27
	Sub-total	21534166	94.78
	Grand Total	22720313	100.00

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Particulars of Shares held in physical / Electronic form as on 31st March, 2009.

Category	No. of shares	% of shares
Paper Mode	64936	0.29
NSDL	12138782	53.42
CDSL	10516595	46.29
TOTAL	22720313	100

Outstanding GDRs/ADRs/Warrants or any convertible instruments.

The Company has not issued any GDR/ADR/Warrants etc. Your company has received the in-principal approval from the Stock Exchange, Mumbai for issuance of 91 crore equity shares (9.1 million GDRs). The company is in process to complete the GDR in the present financial year. The GDRs would be listed with the Luxembourg Stock Exchange (LSE).

K. 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.

REMUNERATION COMMITTEE :

The Company has not constituted remuneration committee.

POSTAL BALLOT:

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

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT

This is to confirm that the Company has adopted NSAIL Code of Conduct for its Directors and Senior Management Personnel.

I confirm that the Company has in respect of the Financial year ended 31st March, 2009, received from the members of the Board and Senior Management Personnel a declaration of Compliance with the Code of conduct as applicable to them.

For the purpose of this declaration, Senior Management personnel means who are of the rank of General Manager and above including all functional heads.

For Shalimar Productions Limited

Sd/-

Rajendra Kumar Rathi

Director

Place: New Delhi

Dated : 24.08.2009

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MANAGEMENT DISCUSSION & ANALYSIS

INTRODUCTION:

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.

INDUSTRIAL STRUCTURE AND DEVELOPMENT

In terms of films produced and released every year, India is considered to be the largest film producing country in the world. At the rate of 800 films a year, the cumulative consumer spending on filmed entertainment products in the country is estimated to be over 60 billion a year of which the Hindi film industry itself attracts 40-50 per cent. Close on the heels follow the Tamil and Telugu language film industry.

Analysing the structural aspects of the Hindi film industry, Hindi films are broadly subdivided into three categories namely High Grade, Medium Grade and Low Grade. Films in all these three categories have different attributes related to cost of production, consumer reach, release windows, library values, proportion of revenue flowback in the first year of its release and marketing support through co-promotions with consumer brands.

The film industry is undergoing rapid changes. Looking at the emerging business trends it is seen that the number of production of High Grade Hindi Films has increased from 60 in 2001 to 89 in 2004. In the same period production and release of Hindi films increased from 157 to 177. Analysing the release of HGHF films between 2001 and 2004 it is seen that such films released per week has grown by 62 per cent.

There can be seen a trend towards producing multiple films every year by select production houses. 63 out of 89 HGHF films released in 2004 were produced by production houses and companies which earlier used to produce one film in a year. There can also be seen a growing trend towards co-productions that have increased from 3 in 2001 to 15 in 2004.

The average number prints on which a film falling in the top 50 Hindi Film Group has increased by 22 % from 310 in 2001 to 377 in 2004 and in the same period average number of domestic prints increased by 18 per cent from 239 to 282 while overseas prints escalated from 71 to 96. It has also been noticed that the number of overseas prints increased in the case of big Hindi films while the number of domestic prints increased for an average film in the top 50 Hindi Film Group.

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Going by the release trend it has been noticed that the number of prints on which a film belonging to the top 50 Hindi Film Group releases increased by 22 per cent from 310 in 2001 to 377 in 2004. In the same period average number of domestic prints increased by 18 % from 239 to 282 while prints for overseas exhibition increased by 36 % from 71 to 96. While it has been found that the number of overseas prints has increased for big-scale Hindi films, that of prints for the domestic market increased for an average film in the top 50 Hindi Film Group.

On the attendance front the opening weekend (Friday-Sunday) constitutes 56% of cinema attendances while 44 % of admissions spread over the remaining four-day period between Monday to Thursday. Going quarterwise the second and third quarter of the calendar year (2004) contributed 57 % (Second-30%) and (Third-27%) as compared to 43 % for the first (19%) and fourth (24%) quarter.

Gross Box Office Collections (GBOC) of Hindi films have increased from Rs 9.29 billion in 2001 to Rs 11.99 billion in 2004 that denotes an increase of 29.08 % between 2001 and 2004. Average GBOC per film amongst the top 50 films have increased from Rs 169 million in 2001 to Rs 200 million in 2004. Since not many other films ran in same theatres for more than three weeks, average collection trends of all Hindi films together show that a higher proportion of their collections coming from the opening weekend and in the first three weeks of release.

Outside the US, India is probably the strongest local film market in the world. Going by the release of foreign films it was noted that such films grossed Rs 1800 million and constituted 15-17% and 20 % of GBOC for all Hindi films and Top 50 Hindi films respectively. It may be noted that the proportion of GBOC for all Hindi films and Top 50 Hindi films respectively.

Source: www.screenindia.com/old/fullstory.php?content_id=10807

The main work of Media industry is to provide information and generate public opinion. The definition of media has changed and media has many sub forms like Broadcasting with the help of TV and radio, Entertainment with use of audio visuals -films and videos, internet that includes blogs, forums, music, news, then Publishing of Books, papers, magazines, and it also includes postal mail, telephony and other interactive Media.

Raised regulations, quality content development, competitive pricing, increased consumer base and significant marketing, creative use of technology and work effectiveness are the key drivers of Indian media industry. Because of varied structure and root presences, many media companies in India have grown up speedily and are recruiting newer young talent for increased efficiency and creativity. Because of this starting a Career in media industry is the latest trend among many youngsters in India. The strong influence that media holds over people's life has also attracted many to start a career in Media. The business opportunities in Indian media and entertainment industry are enormous. There is untapped potential along with the good creativity talent. In addition, good economy, FDI inflow, higher per capita

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income are the main reasons, because of which new media industries are opening up, thus giving good Career in media industry.

FINANCIAL PERFORMANCE

The Company has made an turnover of Rs. 1.99 Crores during the year with net profitability of Rs. 1.71 lacs. The sales have declined YoY due to the adverse economic conditions. However the Management is confident of future business performance.

SEGMENTWISE PERFORMANCE

The Company is dealing in single business segment i.e Media and Media products and all the business dealings are in India only.

FUTURE OUTLOOK

The future outlook of the company is very prospective and it urges to diversify the various media and Media Products.

Based on our high recognition in the Regional music & film markets, the Company is poised for sustained growth in the future years in music albums & film-making business.

Furthermore the company has decided to venture into multiplexes and studios with the proceeds of its planned issue of GDRs.

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OPPORTUNITIES AND THREATS

Opportunities

The company is a well recognized and reputed player in the field of Media and Media Products. The Company is hunting for new talents and with new ideas, the company is exploring its business. The prospects and the probability of earning from the business is huge depending on the success of the product.

Threat

Numerous production houses, music companies have given rise to stiff competition in the market. The company's products always depend on their acceptance by the masses. There is always a threat of rivals in the same line of business,

With new flicks being available online within hours of their big screen release, the film industry is grappling with yet another form of piracy.

With new flicks being available online within hours after they are released in theatres, the film industry is grappling with yet another form of piracy that is rapidly eating into the profits of the industry.

Industry sources say there are quite many websites available that let people download films with crystal clear picture and sound quality for free, within hours of the film's release.

"Piracy has hit the movie business in a big way. Internet film piracy started with the film *Vivah*, which was heavily promoted on the Internet by the pirate websites with a fine print. The film did well in the multiplexes and websites also made huge profits by providing it for free," says Shalu Sabharwal, Vice President, Sales and marketing, PVR Cinemas.

Cyber law expert Pawan Duggal says, "Right now, we don't have any specific cyberlaw for internet film piracy. It comes under copyright infringement and is a serious offence. It's for the film industry to take steps and put pressure on the government to enforce laws to stop this crime".

Films like *Aaja Nachle*, *Jab We Met*, *Om Shanti Om*, *Saavariya* and *Dhan Dhana Dhan Goal* were available on the Net within hours of the release, he adds.

"Globally internet piracy business would be around USD 18-20 billion and film constitute almost 60 per cent to this ever-growing crime. The demand of Bollywood films on Internet is quite high in India as well as abroad, says Neeraj Roy, Managing Director, Hungama mobile and owner of *Indiafm.com*, a leading entertainment portal, while adding that they are working on a mechanism to track and monitor internet piracy.

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OUTLOOK, RISKS AND CONCERNS

The entry of new corporate and star struck NRI producers with deep pockets has impacted the cost of film production to a great extent in recent times. While overheads relating to production has gone up substantially, public response to films has become very unpredictable and lukewarm with pirated CDs hitting rock bottom price and available from the day of release of a film. These are all some of the concerns which the industry has to address immediately. However your company expects reversal in the trend in the years to come.

Thanks to rapidly decreasing internet connectivity costs and increase in connectivity speeds, the potential for web-casting of the films is good. As the company has a large library of films for which it possesses internet rights, it stands to gain in this scenario.

RISK MANAGEMENT

The Company gives importance to risk management in all its business dealings. The company has an enterprise-wide approach to risk management which lays emphasis on identifying major risks in operations and strategic risks. Through this approach it strives to identify opportunities that enhance organizational values while managing or mitigating risks that can adversely impact the company's future performance. Within the organization, every decision taken, is after weighing the pros and cons of such a decision making taking note of the risks attributable.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company has proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported correctly.

The company has effective systems in place for achieving efficiency in operations, optimum and effective utilization of resources, monitoring thereof and compliance with applicable laws. The Board has also constituted an Audit Committee which meets periodically inter-alia to review the financial results, and the accuracy of the financial records.

HUMAN RESOURCES / INDUSTRIAL RELATIONS

The Company believes that the success of an organization largely depends on the quality of its workforce. Employee relations both at the office and at Work site has remained cordial and peaceful throughout the year.

CAUTIONARY STATEMENT

Any statement made in this report relating to Company's perception of future outlook, objectives, expectations etc. may be considered as forward looking within the meaning of applicable Securities Laws and regulations which may differ from the actual results.

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.

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AUDITOR'S REPORT

TO,
THE MEMBERS,
SHALIMAR PRODUCTIONS LIMITED

We have audited the attached Balance Sheet of M/S SHALIMAR PRODUCTIONS LIMITED as at 31st March, 2009 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 standards 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 31st March, 2009.
 - 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 Dinesh C. Bangar & Co.
Chartered Accountants
Sd/-
Dinesh C. Bangar
Proprietor

Place : Vasai
Date : 24.08.2009

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ANNEXURE TO THE AUDITORS REPORT

(On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

- 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,2009 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/-

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- 10) The Company does not have any accumulated losses at the end of the financial year.
- 11) The company has taken loans from Tata Motors Finance Ltd and the company is regular in making of repayment of loan as well as interest.
- 12) The Company has not made any loans and advances granted on the basis of security by way of pledge of shares and other securities.
- 13) 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.
- 14) 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.
- 15) The Company has not given any guarantee for loan taken by others from bank or financial institutions.
- 16) The company has not taken any term loan, during the financial year.
- 17) The Company has not raised any fund, long term or short term during the year.
- 18) The Company has not made any preferential allotment of shares to the parties or Companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19) The Company has not issued any debentures during the year.
- 20) 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 Dinesh C. Bangar & Co.
Chartered Accountants
Sd/-
Dinesh C. Bangar
Proprietor

Place : Vasai
Date : 24.08.2009

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BALANCE SHEET AS AT 31ST MARCH, 2009.

PARTICULARS	SCH	AS AT 31.03.2009 (RS.)	AS AT 31.03.2008 (RS.)
<u>SOURCE OF FUND</u>			
SHAREHOLDERS' FUNDS			
Share Capital	1	22,720,313	22,720,313
Reserve & Surplus	2	4,596,474	4,425,210
LOANS			
Unsecured Loan	3	1,745,000	2,295,000
Secured Loan		212,215	383,752
		29,274,002	29,824,275
<u>APPLICATION OF FUND</u>			
FIXED ASSETS			
Gross Block	4	6,874,737	8,594,336
Addition of Fixed Assets		-	1,119,612
Less: Depreciation		1,134,454	2,839,211
		5,740,283	6,874,737
INVESTMENTS			
	5	742,086	742,086
<u>CURRENT ASSETS, LOANS & ADVANCES</u>			
Cash & Bank Balances	6	520,842	110,605
Deposits	7	100,722	100,722
Loans & Advances	8	3,467,146	7,606,359
Sundry Debtors	9	32,267,422	27,796,593
Work In Progress		8,207,115	5,296,240
Closing Stock	10	4,174,584	4,174,584
		48,737,831	45,085,103
LESS : CURRENT LIABILITIES & PROVISIONS			
Current Liabilities & Provisions	11	25,864,074	22,979,260
Provision for Taxation	12	261,879	186,633
		26,125,953	23,165,893
Net Current Assets		22,611,878	21,919,210
Miscellaneous Expenditure (to the extent not written off or adjusted)		179,755	288,242
		29,274,002	29,824,275
The Schedules referred to herein form an integral part of the Balance Sheet	16		
As per our Report of even date For Dinesh C. Bangar & Co. Chartered Accountants Sd/- Dinesh C. Bangar Proprietor Place : Vasai Dated : 24.08.2009		For Shalimar Productions Limited Sd/- Sd/- Director Director	

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PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009.

PARTICULARS	SCH	AS AT 31.03.2009 RS.)	AS AT 31.03.2008 (RS.)
<u>INCOME</u>			
Sales of Media Products		17,786,500	26,865,000
Parai Beti Release		1,041,200	-
Receipt of Dance Classes		998,550	201,200
Sale of Rights		-	600,000
Other Income	13	131,137	130,000
		19,957,387	27,796,200
<u>EXPENDITURE</u>			
Purchases		17,175,434	24,755,416
Payment to and Provisions for Employees	14	453,500	533,331
Directors' Remuneration		320,000	100,000
Administrative & Other Expenses	15	463,678	636,562
Depreciation		1,134,455	1,444,994
Preliminary Expenses W. Off		108,487	108,487
		19,655,554	27,578,790
Profit / (Loss) before Tax		301,833	217,410
Provision for Tax		104,896	63,530
Deferred Tax		(11,628)	3,650
Fringe Benefit Tax		12,878	23,180
provision for earlier years		24,423	(9,693)
Profit / (Loss) after Tax		171,264	136,743
Profit / (Loss) brought from Prev. Year		4,425,210	4,288,467
Net Profit/(Loss) Carried over to B/sheet		4,596,474	4,425,210

As per our Report of even date

For Dinesh C. Bangar & Co.

Chartered Accountants

Sd/-

Dinesh C. Bangar

Proprietor

Place : Vasai

Dated : 24.08.2009

For Shalimar Productions Limited

Sd/-

Director

Sd/-

Director

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SCHEDULE FORMING PART OF THE BALANCE SHEET.

PARTICULARS	AS AT 31.03.2009 (RS.)	AS AT 31.03.2008 (RS.)
<u>SCHEDULE : 1</u>		
SHARE CAPITAL		
AUTHORISED		
115000000 Equity Shares of Rs. 1/- each (Prev. Year 50000000 Equity Shares of Rs. 1/- Each)	11,500,000,00	50,000,000
	11,50,000,000	50,000,000
ISSUED, SUBSCRIBED & PAID UP		
22720313 Equity Shares of Rs. 1/- Each (P.Y. 22720313 Equity Shares of Rs. 1/- Each.)	22,720,313	22,720,313
	22,720,313	22,720,313
<u>SCHEDULE : 2</u>		
RESERVES & SURPLUS		
Profit & Loss A/c	4,596,474	4,425,210
	4,596,474	4,425,210
<u>SCHEDULE : 3</u>		
SECURED LOAN		
Tata Motors Finance Ltd. (Against Hypothecation of Car)	212,215	383,752
	212,215	383,752
UNSECURED LOAN		
Kapish Packaging Pvt Ltd	1,395,000	595,000
Sibsagar Trade & Agencies Pvt. Ltd.	350,000	800,000
VHM Impex Pvt Ltd	-	900,000
	1,745,000	2,295,000

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SCHEDULE: 4
FIXED ASSETS

PARTICULARS BLOCK	GROSS BLOCK		DEPRECIATION				NET	
	AS AT 31.03.2008	ADD/DED DURING	AS AT 31.03.2009	UPTO 31.03.2008	PROVIDED DURING	UPTO 31.03.2009	AS AT 31.03.2009	AS AT 31.03.2008
Immovable Assets								
Bikaner House	3208517	-	3208517	147852	153033	300885	2907632	3060665
Movable Assets								
FURNITURE & FIXTURES	121664	-	121664	80810	7395	88205	33459	40854
ELECTRIC FITTINGS	28663	-	28663	26759	265	27024	1639	1904
COMPUTER OFFICE EQUIPMENTS	506506	-	506506	323009	73399	396408	110098	183497
AIR CONDITION M/C	19647	-	19647	10343	1294	11637	8010	9304
AIR PURIFYING M/C	12800	-	12800	6584	865	7449	5351	6216
FAX M/C	26416	-	26416	23198	448	23646	2770	3218
MOTOR CAR	807142	-	807142	188757	160100	348857	458285	618385
PRINTER	31440	-	31440	24584	2742	27326	4114	6856
SCANNER	5680	-	5680	5238	177	5415	265	442
Intangible Assets								
Rights of Parai Beti	4888948	-	4888948	1955580	733342	2688922	2200026	2933368
TOTAL RS.	9713948	-	9713948	2839211	1134454	3973665	5740283	6874737
PREVIOUS YEAR RS.	8594336	1119612	9713948	1394217	1444994	2839211	6874737	7200119

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SCHEDULE FORMING PART OF THE BALANCE SHEET.

PARTICULARS	FACE VALUE	AS ON 31.03.2009		AS ON 31.03.2008	
	Rs.	No of Shares	Amount Rs.	No of Shares	Amount Rs.
SCHEDULE : 5					
INVESTMENTS					
LONG TERM TRADE INVESTMENTS					
EQUITY SHARES					
QUOTED					
System Infotech Limited	10/-	50	702	50	702
Birla Power Solutions Ltd.	1/-	26520	111,384	2652*	111,384
UNQUOTED					
Sai Entech Pvt. Ltd.	100/-	250	500,000	250	500,000
Reliable Papers P ltd	100/-	1300	130,000	1300	130,000
			742,086		742,086

*10 paid up

Aggregate Market Value of Quoted Investment Rs. 29,262/-

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SCHEDULE FORMING PART OF THE BALANCE SHEET.

PARTICULARS	AS AT 31.03.2009 (RS.)	AS AT 31.03.2008 (RS.)
SCHEDULE : 6		
CASH & BANK BALANCE		
Cash on Hand	506,761	40,055
Bank Balance (In Current Account)	14,082	70,550
	520,842	110,605
SCHEDULE : 7		
DEPOSITS		
Security Deposit – DVB	1,200	1,200
Security Deposit – Telephone	2,800	2,800
The Mumbai Stock Exchange	96,722	96,722
	100,722	100,722
SCHEDULE : 8		
LOANS & ADVANCES		
Advance recoverable in cash or kind	3,381,004	7,529,167
Advance against Expenses	50,000	50,000
Prepaid Insurance	6,426	-
T.D.S.	29,716	27,192
	3,467,146	7,606,359
SCHEDULE : 9		
SUNDRY DEBTORS		
Debts exceeding Six Months	30,476,422	14,676,473
Other Debts	1,791,000	13,120,120
	32,267,422	27,796,593
SCHEDULE : 10		
CLOSING STOCK		
Stock – in – hand	4,174,584	4,174,584
	4,174,584	4,174,584
SCHEDULE : 11		
CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors	25,808,924	22,962,424
Sundry Creditors for expenses	55,150	16,836
	25,864,074	22,979,260
SCHEDULE : 12		
PROVISION FOR TAXATION		
Provision for FBT	12,878	23,180
Provision for Tax	104,896	-
FBT 2007-08	13,280	-
Tax 2008-09	42,530	63,530
Deffered Tax	88,295	99,923
	261,879	186,633

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SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED
 31.03.2009

PARTICULARS	YEAR ENDED	YEAR ENDED
	31.03.2009 (RS.)	31.03.2008 (RS.)
SCHEDULE : 13		
OTHER INCOME		
Prior Period & Extra Ordinary Item	-	10,000
Interest Received	131,137	120,000
	131,137	130,000
SCHEDULE : 14		
STAFF COST		
Salary Expenses	453,500	502,904
Staff Welfare Expenses	-	30,427
	453,500	533,331
SCHEDULE : 15		
ADMINISTRATIVE EXPENSES		
Advertisement Expenses	16,461	49,745
Audit Fee	55,150	16,836
Bank Charges	10,331	16,070
Books & Periodicals	23,650	20,451
Computer Maintenance	6,821	5,140
Computer Expenses	18,682	6,868
Custodial Fees	29,926	42,027
Filing Fees	-	2,500
Insurance Exp Motor Car	19,285	-
Interest on Motor Car Loan	39,423	-
Interest Paid	-	49,552
Listing Fees	11,184	10,028
Motor Car Exp.	-	19,626
Office Expenses	45,211	52,050
Postage & Telegram Expenses	24,510	49,058
Printing & Stationary	38,260	32,900
Professional Fees	46,000	43,868
Repair & Maintenance	29,990	62,176
ROC Exp.	4,500	-
Share Transfer Agent Fee	18,000	18,000
Sundry Balance W/off	-	4,312
Sundry Expenses	19,932	-
Telephone Charges	6,362	1,0526
Traveling Expenses	-	124,829
	463,678	636,562

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SCHEDULE - 16

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 at Written Down Value 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, in the opinion of management investments made by the company being of long nature, diminution in the value of investments will be made at the time of sell.

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 shown as doubtful.
3. No Interest has been provided for the year on LOANS & ADVANCES made by the Company in few cases.

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4. Estimated Amount of Contracts Remaining to be executed on Capital Accounts and not provide is for Rs. NIL.

5. Related Party Information and transaction with Related Parties

The company has paid remuneration of Rs. 3.20 lac during the year to the Directors of the Company except this no payment is made to any related party.

6. There are no Micro and Small enterprises to whom the company owes amounts which are outstanding for more than 45 days as at 31st March 2009. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of and to the extent information available with the Company.

7. Additional information Pursuant to the Provision of Paragraph 3, §C and §D of part II of the Schedule VI of the Companies Act, 1956.

A. Particulars of Purchase, Turnover and Stock of Goods traded in -

TURNOVER STOCK.

SALES	UNIT IN	FOR THE YEAR ENDED AS ON 31-3-2009		FOR THE YEAR ENDED AS ON 31-3-2008	
		QUANTITY	AMOUNT	QUANTITY	AMOUNT
MEDIA	NOS	0	0	0	0
EPISODES	SERIALS	215	17,786,500	303	26,865,000
CASSETES	NOS	0	0	0	0

PURCHASE.

PURCHASE	UNIT IN	FOR THE YEAR ENDED AS ON 31-3-2009		FOR THE YEAR ENDED AS ON 31-3-2008	
		QUANTITY	AMOUNT	QUANTITY	AMOUNT
MEDIA	NOS	0	0	5	4,174,584
EPISODES	SERIALS	215	17,175,434	303	24,728,416
CASSETES	NOS	0	0	0	0

CLOSING STOCK.

PARTICULARS	UNIT IN	FOR THE YEAR ENDED AS ON 31-3-2009		FOR THE YEAR ENDED AS ON 31-3-2008	
		QUANTITY	AMOUNT	QUANTITY	AMOUNT
MEDIA	NOS	5	4,174,584	5	4,174,584
EPISODES	SERIALS	0	0	0	0
CASSETES	NOS	0	0	0	0

B. Other additional information - NIL (Previous Year NIL)

C. Earning & Expenditure in Foreign Currency - NIL (Previous Year NIL).

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8. In Compliance with AS 20-“Earning per Share” Issued by the Institute or Chartered Accountants of India, the disclosures are as follows:

		31 st March, 2009	31 st March, 2008
Net Profit\ (Loss) for the period attribute to Equity Shareholder	Rs. In Lacs	1,71,262.00	136,743.00
Average number of Equity Shares outstanding during the period	Nos.	22,720,313.00	22,720,313.00
Nominal Value of ordinary share	Rs.	1.00	1.00
Basic/Diluted earning per share	Rs.	0.0075	0.0060

9. Tax expenses comprise both current tax and deferred tax at the applicable enacted or substantively enacted rates. Current tax represents the amount of Income tax payable / recoverable in respect of taxable income / loss for the reporting period. Deferred tax represents the effect of timing difference between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods.
10. Previous Year's Figure have been Regrouped and rearrange wherever found necessary.

Signature to the Schedule 1 to 16 forming part of the Balance Sheet & Profit & Loss Account.

For DINESH C. BANGAR & CO.
 CHARTERED ACCOUNTANTS
 Sd/-
 DINESH C. BANGAR
 Proprietor
 Place : Vasai
 Date : 24.08.2009

FOR SHALIMAR PRODUCTIONS LIMITED.
 Sd/- Sd/-
 (DIRECTOR) (DIRECTOR)

SHALIMAR PRODUCTIONS LIMITED

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REGISTRATION DETAILS

Registration No.	20499	State Code	55
Balance Sheet Date	31-03-2009		

CAPITAL RESERVED DURING THE YEAR (Amount in Rs. Lacs)

Public Issue	NIL	Right Issue	NIL
Promoters Equity	NIL	Bonus Issue	NIL

POSITION OF MOBILIZATION AND DEVELOPMENT OF FUNDS (Amount in Rs. Lacs)

Total Liability	292.74	Total Assets	292.74
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SOURCE OF FUNDS (Amount in Rs. Lacs)

Paid-up Capital	227.20	Application Money	NIL
Reserves and Surplus	45.97	Secured Loan	2.12
Unsecured Loan	17.45		

APPLICATIONS OF FUNDS (Amount in Rs. Lacs)

Fixed Assets	57.40	Capital WIP	NIL
Investments	7.42	Net Current Assets	226.12
Misc. Expenses	1.80		

PERFORMANCE OF COMPANY (Amount in Rs. Lacs)

Income	199.57	Total Expenditure	196.56
Profit before Tax	3.02	Profit after Tax	1.71
Earning per Share	0.007		

GENERIC NAMES OF THEE PRINCIPAL PRODUCTS / SERVICES OF COMPANY :

Product Description: FILM PRODUCTION

As per our Reports of Even Date
For **DINESH C. BANGAR & CO.**
CHARTERED ACCOUNTANTS

Sd/-
DINESH C. BANGAR
Proprietor

FOR SHALIMAR PRODUCTIONS LIMITED.

Sd/- Sd/-
(DIRECTOR) (DIRECTOR)

Place : Vasai
Date : 24.08.2009

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CASH FLOW STATEMENT FOR THE YEAR 2008 – 2009

(Rs. In Million)

Particulars	31/03/2009	31/03/2008
(A) Cash inflow / (outflow) from operating activities		
Net income before tax	0.17	0.09
Adjustments to reconcile net income before tax to net cash provided by operating activities:		
Depreciation and amortization	1.13	1.44
(Profit) / Loss on sale of asset		
Income from deposits and investments	0.13	0.13
Unrealized foreign exchange (gain) / loss		
Interest paid		
Taxes paid		
Allowance for uncollectible amounts		
Loss on equity accounted investments		
Share Issue Expenses W.off	0.11	0.11
Operating Profit before working capital changes	1.54	1.77
Change in operating assets and liabilities		
Accounts receivable	-4.47	-23.09
Inventory	-2.91	-4.44
Current Liabilities	2.88	20.89
Other current assets		
Net changes in operating assets and liabilities	-2.95	-4.86
Net cash provided by operating activities		
(B) Cash inflow / (outflow) from investing activities		
Proceeds from sale/ purchase of fixed assets (Net)		-1.12
Preliminary and Preoperative Expenditure		-0.29
Cash and Bank Balances of amalgamated company at the specified date		
Investment activities		0.50
Receipt of unsecured loan	4.14	0.88
Net cash used in investing activities	4.14	-1.03
(C) Cash inflow / (outflow) from financing activities		
Increase in Share Capital		4.83
Proceeds from Borrowings	-0.72	0.58
Taxes paid	-0.06	-0.27
Interest paid		
Net cash provided by/(used in) financing activities	-0.78	5.15
Net Increase / (Decrease) in cash and cash equivalents	0.41	-0.75
Cash and cash equivalents at the beginning of the year	0.52	0.11
Cash and cash equivalents at the end of the year	0.11	0.86
Cash and cash equivalents comprise	0.41	0.75
Cash on hand	0.51	0.04
Balances with banks	0.01	0.07

SHALIMAR PRODUCTIONS LIMITED
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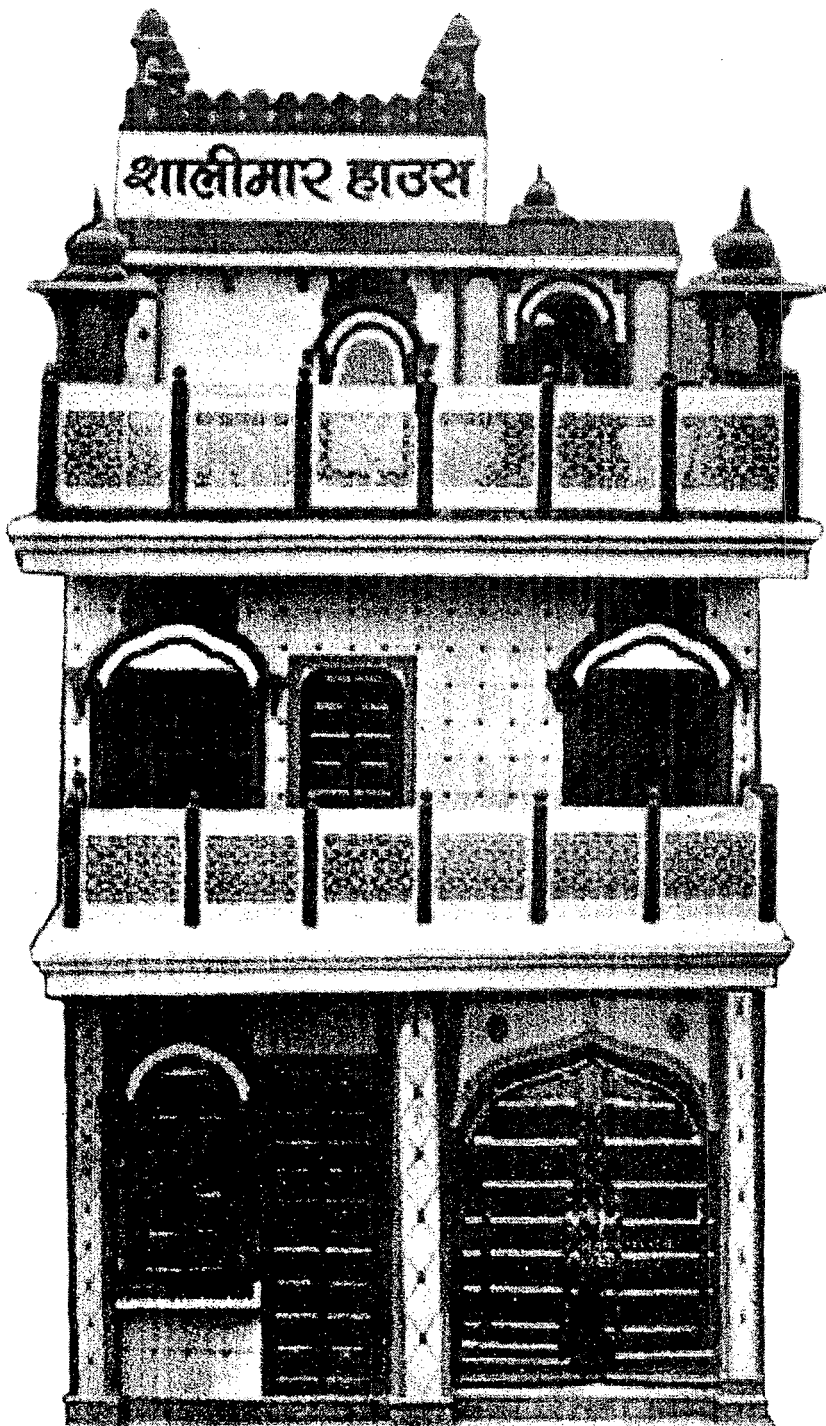
AUDITORS CERTIFICATE

WE HAVE VERIFIED THE ABOVE CASH FLOW STATEMENT OF M/S SHALIMAR PRODUCTIONS LIMITED DERIVED FROM THE AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2009 AND FOUND THEM TO DRAWN IN ACCORDANCE THERE WITH AND ALSO WITH REQUIRMENT OF CLAUSE 32 OF LISTING AGREEMENTS WITH STOCK EXCHANGE.

For M/S Dinesh C. Bangar & Co.
Chartered Accountants

Sd/-
Dinesh C. Bangar
Proprietor

Place : Vasai
Date : 24.08.2009



SHALIMAR HOUSE,
NEAR CIRCUIT HOUSE,
BIKANER,
RAJASTHAN.

Book – Post

(Under Postal Certificate)

To, _____

If undelivered please return to:

SHLIMAR PRODUCTIONS LIMITED

926/R, Navjeevan Commercial Co-op. Hsg. Society Ltd.

Lamington Road, Mumbai – 400 007

Tel : 2307 3138 Fax: 2309 9318