

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report is as under:

COMPANY PROFILE & OVERVIEW

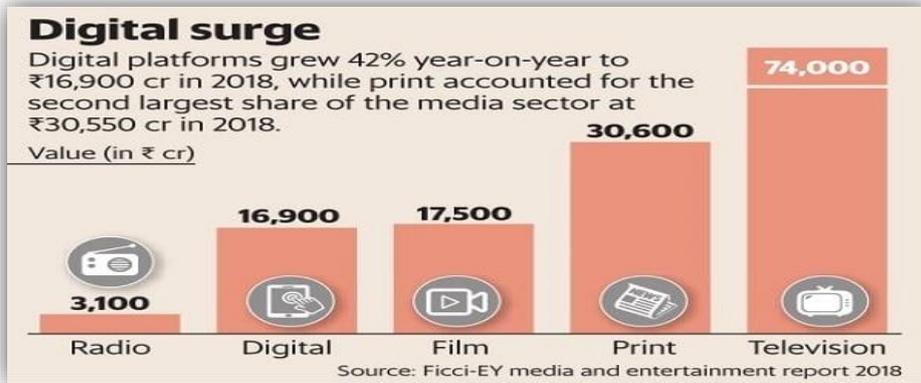
Your Company **M/s. Shalimar Productions Limited** (hereinafter referred as the “Company”) is engaged in the business of Media and Media products. It has produced various regional albums & movies. It is our vision to build on our market position within the film & entertainment arena and expand within the rapidly growing Indian media & entertainment sector by capitalising on our library & distribution network.

INDIAN MACROECONOMIC SCENARIO

Indian media and entertainment (M&E) industry grew at a strong 13.4% in 2018, beating GDP growth rate, and reached Rs 1.67 trillion. India's media consumption has grown at a CAGR of 9 per cent during 2012-18, almost nine times that of US and two times that of China. The industry provides employment to 3.5-4 million people, including both direct and indirect employment in CY 2017.

Increasing disposable income and economic growth and India having second highest number of internet users after China with ~570 million internet subscribers, have worked in the favour of the industry in 2018, and poised to reached Rs 2.35 trillion by 2021.

According to the FICCI-EY report, digital and online gaming have seen the fastest growth, followed by live events and animation. Traditional media including television, music, and films continued to show double digit growth. On the back of subscription-led services like Netflix, Amazon Prime, Hotstar and more, subscription revenue grew by over 262% to Rs 1,420 crore, from just Rs 390 crore in 2017. Television grew at 12% to Rs 74,000 crore, while print sector reached Rs 30,550 crore in 2018. Also, 2018 was the first year when the film sector crossed Rs 100 billion in domestic theatrical revenues. The sector also witnessed growth in Indian film exports, led by China, where 10 Indian films were released IN 2018.



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, 4G/ High speed Internet penetration, etc. is expected to influence the Entertain & Media Industry positively.

FINANCIAL OVERVIEW

Your Company's Total Revenue has been Rs.81,300,000/- in FY 2018-19 as compared to Rs. 101,500,000/- in FY 2017-18. Profits after tax stands at Rs.130,655/- during the year under review vis-à-vis net profit of Rs. 492,943/- in the previous year.

BUSINESS STRATEGY

The competition in Indian media industry remains intense. Your Company aims to further grow its share in the media & entertainment through enhanced content creation, Media-tech Integration, new age value additions, tie ups and taking advantage of the digital media boom, rising penetration of the OTT platforms and the global interest in Indian content. The key elements of our strategy during the year were:

- a. to take appropriate steps to safeguard its leadership position in a fiercely competitive environment;
- b. to concentrate on additional revenues from traditional and non-traditional platforms & to build presence on new / alternate media platforms;
- c. Prudent investments and rationalized cost structures and
- d. Maintain consistently high standards of corporate governance.

RISK FACTORS & UNCERTAINTIES

The management of risk does not imply risk elimination but prudent risk management. We can withstand the competition despite an increasing number of new players. Due to industry specific high attrition of key professionals the quality of the productions and their consistency could suffer. There is a risk of sourcing software at reasonable acquisition costs and the rapid changing market can be a threat. Your company's management is proactive to recognise risks & threats and make use of opportunity. Piracy & Content Litigations is a major hurdle in our segment. Physical format is diminishing to an extent largely due to Piracy. Besides regulatory frame work, subsidies, taxes and related policy can affect our industry.

FORWARD LOOKING STATEMENTS

This report contains forward-looking statements based on certain assumptions and expectations of future events. The Company, therefore, cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's' actual results, performance or achievements can thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events

**By order of the Board of
For Shalimar Productions**

**Sd/-
Tilokchand Kothari
Director
DIN: 00413627**

**Place: Mumbai
Date: 29.05.2019**