

September 15, 2017

To,  
Listing Department  
**BSE Limited**  
P.J Towers, Dalal Street,  
Fort, Mumbai – 400 001

To,  
Listing Department  
**National Stock Exchange of India Limited**  
Exchange Plaza, 5th Floor, Plot No. C/1, G Block,  
Bandra Kurla Complex, Bandra (E), Mumbai – 400 050

Scrip Code: 532375

Symbol: **TIPSINDLTD**

**Sub: Submission of Annual Report 2016-17**


Dear Sir,

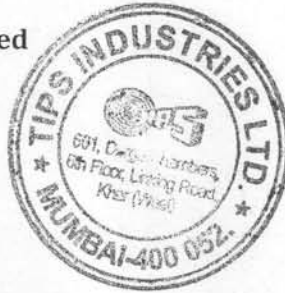
Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Please find attached herewith the Annual Report of the Company for the financial year 2016-17 as approved and adopted in the 21<sup>st</sup> Annual General Meeting of the Company held on September 13, 2017.

Kindly take the same on your record.

Thanking you,

For **Tips Industries Limited**

  
**Bijal R. Patel**  
Company Secretary



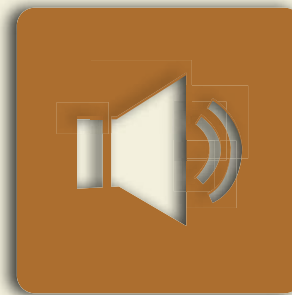
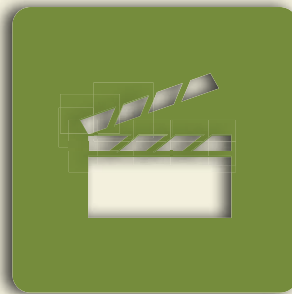
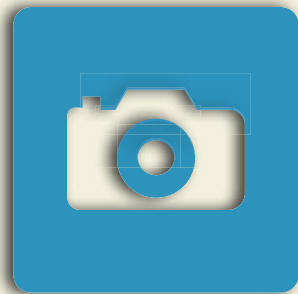
Encl: as above

**TIPS INDUSTRIES LTD.**

601, Durga Chambers, 6th Floor, Linking Road, Khar (West), • Mumbai 400 052.

Tel. : 6643 1188 Email : [response@tips.in](mailto:response@tips.in) Website : [www.tips.in](http://www.tips.in)

CIN: L92120MH1996PLC099359



Tips Industries Limited  
Annual Report 2016-17

CONTENTS

01

Corporate  
Information

02

Chairman’s  
Message to  
Shareholders

04

Key Financial  
Indicators

05

Notice

17

Board’s Report  
& Management  
Discussion and  
Analysis

43

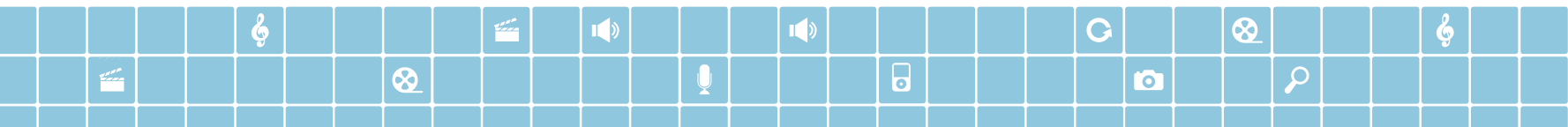
Corporate  
Governance  
Report

55

Auditors’ Report

62

Financial  
Statements



# CORPORATE INFORMATION

## BOARD OF DIRECTORS :

Mr. Kumar S. Taurani  
Mr. Ramesh S. Taurani  
Mr. Amitabh Mundhra  
Mrs. Radhika Pereira  
Mr. Venkitaraman S. Iyer

Chairman & Managing Director  
Managing Director  
Independent Director  
Independent Director  
Independent Director

## CHIEF FINANCIAL OFFICER:

Mr. Ishwar T. Gursahani

## COMPANY SECRETARY & COMPLIANCE OFFICER:

Ms. Bijal R. Patel

## SENIOR MANAGEMENT:

Mrs. Varsha Taurani  
Mr. Sunil Chellani  
Mr. Girish Taurani  
Mr. Kabir Chandra  
Ms. Kavita Lakhani

Vice President – Administration  
Sr. Vice President – Accounts  
Sr. Vice President – Music Business  
Vice President – Digital Business  
Vice President – Film Production & Promotions

## REGISTERED OFFICE:

601, Durga Chambers, Linking Road,  
Khar (West), Mumbai 400 052  
Contact No.: +91 22 6643 1188  
E-mail I.D: response@tips.in  
Website: www.tips.in

## ACCOUNTS OFFICE:

(Virkar Apartments), 17th Road,  
Khar (West), Mumbai - 400052

## STATUTORY AUDITORS:

M/s. SSPA & Associates  
Chartered Accountants

Andheri (West), Mumbai – 400 058

## INTERNAL AUDITORS:

M/s. Maheshwari & Co.  
Chartered Accountant  
3rd Floor, Esplanade Building,  
3, Amrut Keshav Naik Marg  
Fort, Mumbai - 400 001

## SECRETARIAL AUDITORS:

NL Bhatia & Associates  
507, Skyline Wealth Space, 5th Floor,  
C2 Wing, Skyline Oasis Complex,  
Premier Road, Near Vidyavihar Station,  
Ghatkopar (West), Mumbai – 400 086

## REGISTRAR & SHARE TRANSFER AGENT:

Link Intime India Private Limited  
C – 101, 247 Park, LBS Marg,  
Vikhroli (West), Mumbai – 400 083

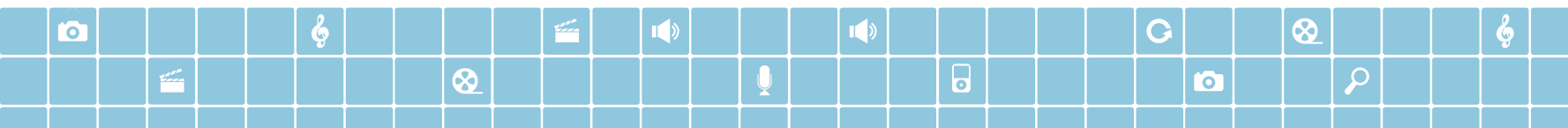
## BANKERS:

Bank of Baroda  
Everest Building, Tardeo Road,  
Mumbai 400 034

Canara Bank  
Maker Chambers-III, 7th Floor,  
Nariman Point, Mumbai 400 021

2nd Floor, Maneckji Wadia Bldg.,  
Nanik Motwane Marg, Fort,  
Mumbai - 400 001

ICICI Bank Limited  
Ground Floor, Indraprastha,  
Linking Road, Santacruz West,  
Mumbai - 400 054





We remain committed  
provide wholesome  
family entertainment.  
We are renowned  
in the industry for  
our professional  
commitment and  
enjoy an excellent  
reputation with artistes,  
studios, directors and  
exhibitors.

## Dear Shareholders,

It has been an interesting and intriguing year that had its share of surprises and shocks. On the global front, the two biggest

it sent across the global markets, followed by the unexpected

– an event whose impact is still to be absorbed or analysed or understood.

Not to be outdone, India too had its share of headline making events. The government took the bold step to demonetize ₹ 500 and ₹ 1,000 currency notes in November 2016, sending shockwaves not only in India, but all over the world. The last time currency was demonetized in India was thirty-nine years earlier. Expectedly, the move was met with a great deal of trepidation and anxiety, but by the beginning of the new year, things were almost back to normal. Another key development during the

Services Tax (GST) bill in the parliament, paving the way for a

Amidst these macro-developments, the Indian M&E industry continued to grow, overcoming the challenges of

quality content with the power to drive footfalls continued to

₹ 1 billion mark in domestic

continued to attract more audiences. In music, the digitisation revolution continues to power the sector, opening up newer revenue streams and models. What has made the sector very exciting is the fast emergence of data as the game-changer – with mobile phones becoming cheaper, data speeds rapidly increasing and more importantly, data rates falling.

These factors are creating a unique spiral that is driving music revenues strongly.

It was a quiet year for TIPS as we took a wait-and-watch approach in an obviously uncertain macro environment. On

by Dheeraj Rattan and starring Gippy Grewal, Monica Gill,

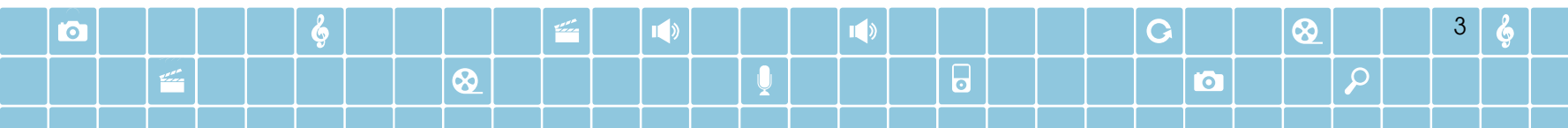
scripts that have the potential of being made into a wholesome

For the year 2016-17, our Total Income was ₹ 6,640.86 lacs compared to ₹ 7,151.45 lacs in the previous year. The ₹ 300.94 lacs compared to ₹ 303.39 lacs last year. The Company has proposed a dividend of 10%, i.e., ₹ 1/- per share of ₹ 10/- each, subject to approval of the shareholders.

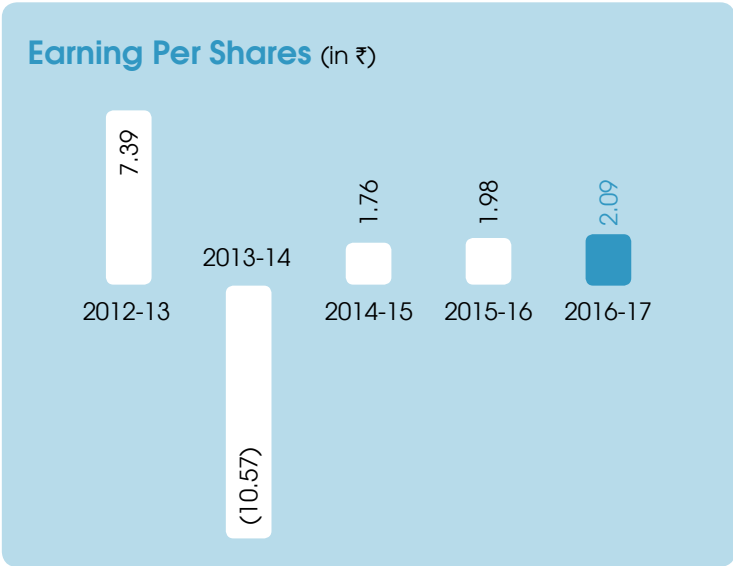
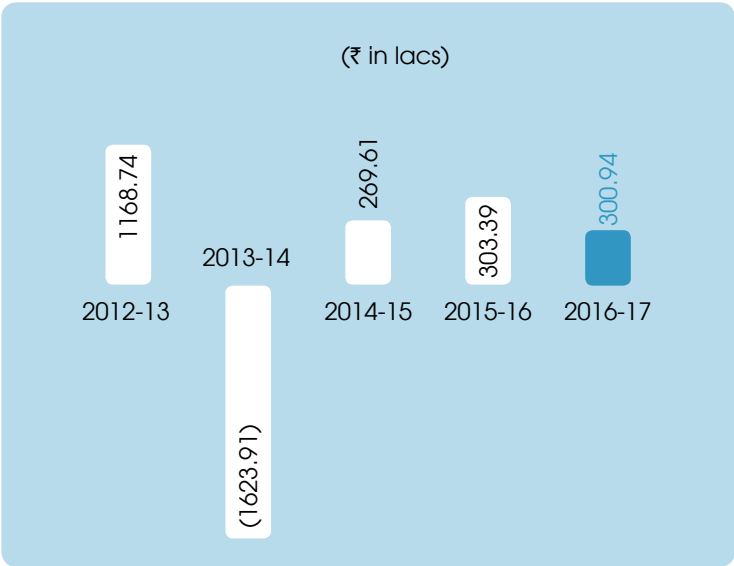
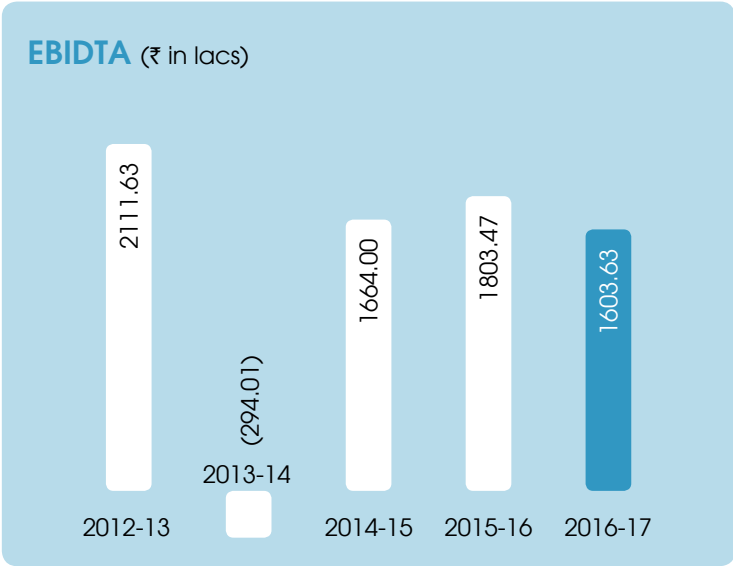
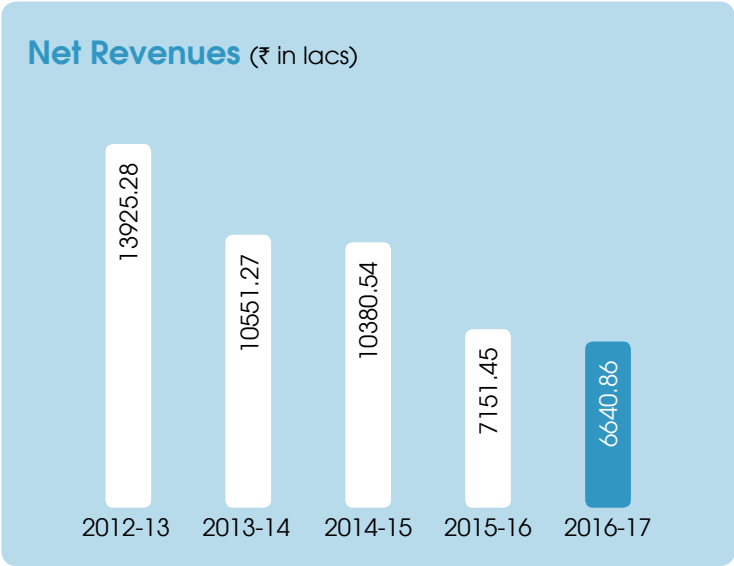
wholesome family entertainment. We are renowned in the industry for our professional commitment and enjoy an excellent reputation with artistes, studios, directors and exhibitors. In our music library, we have a long-term asset that continues to generate a regular revenue stream and which will continue to grow in line with increasing digitisation and content-consumption on mobile devices.

Yours sincerely,

**Kumar S. Taurani**



# KEY FINANCIAL INDICATORS



# NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 21st Annual General Meeting of the Members of Tips Industries Limited will be held on Wednesday, September 13, 2017 at 11.00 a.m. at the Jubilee Room, Hotel Sun-N-Sand, Juhu, Mumbai - 400049, to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2017 together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares for the financial year ended March 31, 2017.
3. To appoint a Director in place of Mr. Kumar Taurani (DIN: 00555831), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. SSPA & Associates, Chartered Accountants (Firm Registration No. 131069W), be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this 21st Annual General Meeting till the conclusion of the 23rd Annual General Meeting to be held in 2019 (subject to annual ratification by the Members at the Annual General Meeting), at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company.”

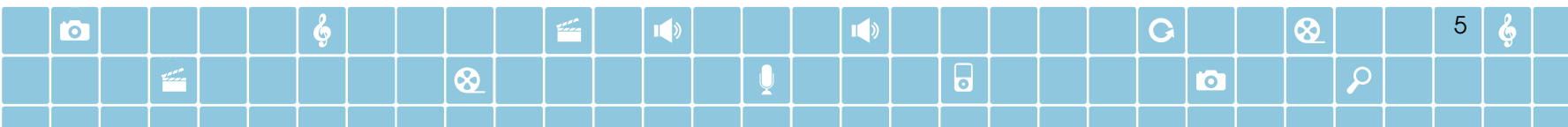
## SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass the following resolution as **Special Resolution**:

**“RESOLVED THAT** in partial modification of the Special Resolution passed by the members at the 19th Annual General Meeting of the Company held on August 14, 2015 and pursuant to provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules made thereunder, as amended from time to time, read with Schedule V of the Act and subject to the approval of Central Government, wherever required, if necessary, consent of the Members be and is hereby accorded to increase in remuneration to Rs.14 lacs per month i.e. Rs.168 lacs per annum of Mr. Kumar Taurani with effect from February 3, 2017 till his remaining term of his tenure i.e. upto May 31, 2018 as Chairman & Managing Director of the Company, as recommended by the Nomination and Remuneration Committee and the Board.

**RESOLVED FURTHER THAT** except for the aforesaid increase in remuneration, all other terms and conditions of his appointment and remuneration as Chairman & Managing Director of the Company, as approved by the members at the 19th Annual General Meeting of the Company held on August 14, 2015, shall remain unchanged.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year(s), during the tenure of Mr. Kumar Taurani as Chairman & Managing Director of the Company, the above mentioned remuneration be paid to him, as minimum remuneration and in accordance with the approval of the Central Government, wherever required, if necessary.





- RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the said revision in the remuneration as it may in its sole and absolute discretion deem fit and to delegate all or any of its powers herein conferred to any director(s) and/or officer(s) of the Company, to give effect to this resolution.”
6. To consider and, if thought fit, to pass the following resolution as **Special Resolution:**
- “RESOLVED THAT** in partial modification of the Special Resolution passed by the members at the 19th Annual General Meeting of the Company held on August 14, 2015 and pursuant to provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules made thereunder, as amended from time to time, read with Schedule V of the Act and subject to the approval of Central Government, wherever required, if necessary, consent of the Members be and is hereby accorded to increase in remuneration to Rs.14 lacs per month i.e. Rs.168 lacs per annum of Mr. Ramesh Taurani with effect from February 3, 2017 till his remaining term of his tenure i.e. upto May 31, 2018 as Managing Director of the Company, as recommended by the Nomination and Remuneration Committee and the Board.
- RESOLVED FURTHER THAT** except for the aforesaid increase in remuneration, all other terms and conditions of his appointment and remuneration as Managing Director of the Company, as approved by the members at the 19th Annual General Meeting of the Company held on August 14, 2015, shall remain unchanged.
- RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year(s), during the tenure of

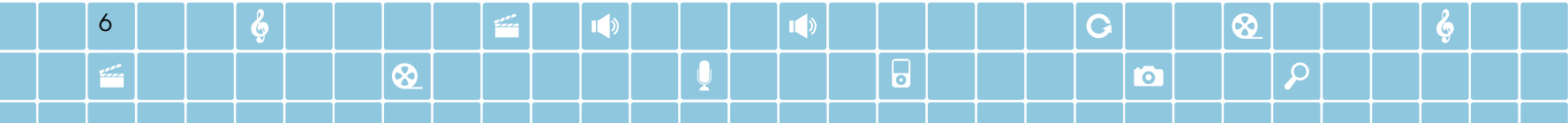
Mr. Ramesh Taurani as Managing Director of the Company, the above mentioned remuneration be paid to him, as minimum remuneration and in accordance with the approval of the Central Government, wherever required, if necessary.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the said revision in the remuneration as it may in its sole and absolute discretion deem fit and to delegate all or any of its powers herein conferred to any director(s) and/or officer(s) of the Company, to give effect to this resolution.”

Place: Mumbai **By Order of the Board of Directors**  
Date: May 30, 2017

**Registered Office:** **Bijal R. Patel**  
601, Durga Chambers, Linking Road, Company Secretary  
Khar (West), Mumbai 400 052

- Notes:**
1. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business under Item No. 5 and 6 are annexed hereto. The relevant details of the Directors seeking re-appointment/ appointment under Item Nos. 3, 5 and 6, pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are annexed.
- 2 **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF.**  
A proxy need not be a member of the Company. The



instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than forty-eight hours before commencement of the AGM. Proxies submitted on behalf of companies, societies, partnership firms etc., must be supported by appropriate resolutions/authority, as applicable.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. A Proxy shall not have a right to speak at the Meeting and shall not be entitled to vote except on a poll.
4. Body Corporate members intending to send their authorised representative to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send a duly certified copy of the Resolution authorizing their representative to attend and vote at the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Members, Proxies and Authorised Representatives are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
7. A route map showing directions to reach the venue of the 21st AGM is given at the end of the Report.
8. The Register of Members and Share Transfer Books of the Company will remain closed from September 7, 2017 to September 13, 2017 (both days inclusive), for determining

the names of members eligible for dividend on Equity Shares, if declared at the AGM.

9. Dividend, if approved by the members at the Annual General Meeting will be paid within a period of 30 days from the date of declaration, to the Members whose names appear on the Register of Members and Register of Beneficial Owners as on September 6, 2017 as per details furnished by the Company's Share Registrars and Transfer Agents and the Depositories for this purpose.
10. Members of the Company are requested to note that as per the provisions of Section 124 of the Companies Act, 2013, dividends not encashed/ claimed by the Members of the Company, within a period of 7 (seven) years from the date of declaration of dividend, shall be transferred by the Company to the Investor Education and Protection Fund (IEPF). **Members are requested to Contact Company or RTA to encash the unclaimed dividend.** The Company has uploaded the details of unpaid / unclaimed dividend on its website [www.tips.in](http://www.tips.in).
11. Members holding shares in Electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company or the Company's Share Registrars and Transfer Agents.
12. As per the provisions of the Companies Act, 2013 facility for making nomination is available for the Members in respect of the shares held by them. Nomination forms can be obtained from the Company's Share Registrars and Transfer Agents by Members holding shares in physical form. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.



13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company and Company's Share Registrars and Transfer Agents.
14. Members seeking any information or clarification on the accounts are requested to send in writing queries to the Company at least seven days before the date of the meeting to enable the Management to keep the information ready at the Meeting. Replies will be provided at the meeting in respect of such queries received.
15. **Electronic copy of the Annual Report for 2016-17 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes, unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2016-17 are being sent in the permitted mode.**
16. To support "Green Initiative", Members are requested to register their e-mail addresses through their Depository Participants for sending the future communications by e-mail. Members holding the shares in physical form may register their e-mail addresses through the Share Registrars & Transfer Agent, giving reference of their Folio Number.
17. **Voting through electronic means:**  
Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations,

2015 as amended from time to time, the Company is pleased to provide its members the facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 21st AGM. The business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL).

The facility for voting, through polling paper shall be made available at the venue of the 21st AGM. The members attending the AGM, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the AGM. The members who have already cast their vote through remote e-voting may attend the AGM but shall not be entitled to cast their vote again at the AGM.

The voting rights of the shareholders (for voting through remote e-voting or by Poll paper at the AGM) shall be in proportion to their share of the paid-up equity share capital of the Company as on September 6, 2017 ('Cut-Off Date'). A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or of voting at the AGM.

Any person who acquires Shares of the Company and becomes a Member of the Company after the dispatch of the AGM Notice and holds shares as on the cut-off date, i.e. September 6, 2017 may obtain the login Id and password by sending a request at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in). However, if you are already registered with CDSL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you may reset your password by using "Forgot Password" option available on [www.evotingindia.com](http://www.evotingindia.com).

The Company has appointed Mr. Shirish Shetye, Practicing

Company Secretary (CP No.: 825) as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.

The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM, and thereafter unblock the votes cast through remote e-voting, in the presence of at least two (2) witnesses not in the employment of the Company and make within 48 hours of the conclusion of the meeting a consolidated scrutinizer's report of the votes cast in favour or against, to the Chairman or to any Director or any person authorized by the Chairman for this purpose, who shall countersign the same.

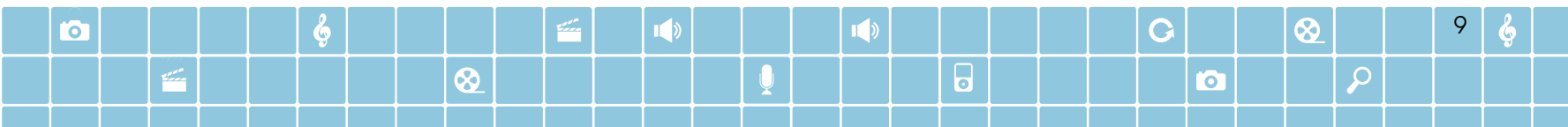
The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.tips.in](http://www.tips.in) and on the website of CDSL and communicated to the Stock Exchanges.

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on September 10, 2017 at 10.00 a.m. and ends on September 12, 2017 at 5.00 p.m. During this period shareholders' of the

Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 6, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.



(vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Envelope indicated in the PAN field.</li></ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"><li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li></ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN of TIPS INDUSTRIES LIMITED.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The
- option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians  
Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on



to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## Explanatory Statement in respect of the Special Business pursuant to Section 102 of the Companies Act, 2013

### Item No. 5:

The Members of the Company, in the 19th Annual General Meeting held on August 14, 2015, re-appointed Mr. Kumar Taurani as Chairman and Managing Director of the Company for a period of three years, with effect from June 1, 2015 at remuneration of Rs.10 lacs per month. The Company has paid the remuneration as per approval obtained from the Central Government vide letter dated May 20, 2016.

Taking into consideration the duties, responsibilities and vast experience in Media and Entertainment Industry of Mr. Kumar

Taurani as Chairman and Managing Director and contribution towards improvement in performance of the Company, the Board of Directors of the Company, on recommendation of the Nomination and Remuneration Committee, at their meeting held on February 3, 2017 approved the revision in the remuneration to Rs.14 lacs p.m. i.e. Rs.168 lacs p.a. of Mr. Kumar Taurani, with effect from February 3, 2017 till his remaining term of his tenure i.e. upto May 31, 2018 as Chairman & Managing Director of the Company, subject to the approval from the members of the Company and Central Government, wherever required, if necessary.

The aggregate of the remuneration as aforesaid shall be within the maximum limits as laid down under Section 197 and all other applicable provisions, if any, of the Act read with Schedule V of the Act, as amended and as in force from time to time. All other terms and conditions of appointment and remuneration of Mr. Kumar Taurani as Chairman & Managing Director of the Company, as approved at the 19th AGM of the Company held on August 14, 2015, remain unchanged.

Mr. Kumar Taurani and his relatives shall be deemed to be concerned or interested in the said resolutions mentioned in Item No. 5 of this notice.

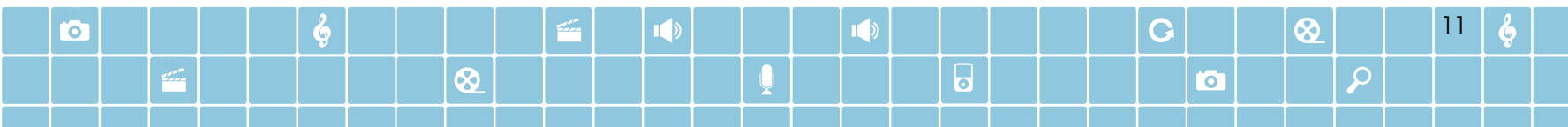
Mr. Ramesh Taurani, being relatives of Mr. Kumar Taurani, is also deemed to be interested in the said Resolutions.

Save and except the above, none of the other Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board of Director recommends the relevant resolution for your consideration and approval as Special Resolution.

### Item No. 6:

The Members of the Company, in the 19th Annual General Meeting held on August 14, 2015, re-appointed Mr. Ramesh Taurani as Managing Director of the Company for a period of



three years, with effect from June 1, 2015 at remuneration of Rs.10 lacs per month. The Company has paid the remuneration as per the approval obtained from the Central Government vide letter dated May 20, 2016.

Taking into consideration the duties, responsibilities and vast experience in Media and Entertainment Industry of Mr. Ramesh Taurani as Managing Director and contribution towards improvement in performance of the Company, the Board of Directors of the Company, on recommendation of the Nomination and Remuneration Committee, at their meeting held on February 3, 2017 approved the revision in the remuneration to Rs.14 lacs p.m. i.e. Rs.168 lacs p.a. of Mr. Ramesh Taurani, with effect from February 3, 2017 till his remaining term of his tenure i.e. upto May 31, 2018 as Managing Director of the Company, subject to the approval from the members of the Company and Central Government, wherever required, if necessary.

The aggregate of the remuneration as aforesaid shall be within the maximum limits as laid down under Section 197 and all other applicable provisions, if any, of the Act read with Schedule V of the Act, as amended and as in force from time to time. All other terms and conditions of appointment and remuneration of Mr. Ramesh Taurani as Managing Director of the Company,

as approved at the 19th AGM of the Company held on August 14, 2015, remain unchanged.

Mr. Ramesh Taurani and his relatives shall be deemed to be concerned or interested in the said resolutions mentioned in Item No. 6 of this notice.

Mr. Kumar Taurani, being relatives of Mr. Ramesh Taurani, is also deemed to be interested in the said Resolutions.

Save and except the above, none of the other Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board of Director recommends the relevant resolution for your consideration and approval as Special Resolution.

Place: Mumbai

**By Order of the Board of Directors**

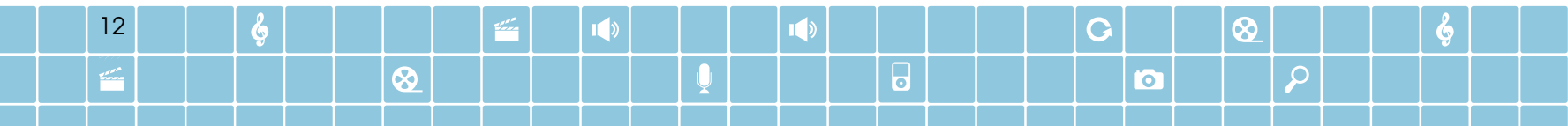
Date: May 30, 2017

**Registered Office:**

**Bijal R. Patel**

601, Durga Chambers, Linking Road,  
Khar (West), Mumbai 400 052

Company Secretary





## THE INFORMATION AS PER POINT (IV) OF SECOND PROVISO OF SECTION II OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013

### I. GENERAL INFORMATION

- Nature of the Industry:** The Company is in the Media & Entertainment Industry. The Company is in the business of production and distribution of Cinematographic Films and exploitation of its content on various platforms.
- Date of expected date of commencement of commercial production:** The Company was incorporated on May 8, 1996. The Company had since commenced its business.
- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** N. A.
- Financial Performance: - (Based on the audited financial statement for the year ended year 2016-17)**

(Rs. in Lacs)	
Turnover	4701.66
Other Income	1939.19
Total Expenditure	6208.27
Net Profit before tax	432.59

- Foreign Investments or Collaborators, if any :** NIL

### II. INFORMATION ABOUT THE APPOINTEE:

#### KUMAR TAURANI

- Background details:**

Mr. Kumar S. Taurani is a Promoter of the Company and since inception he has been guiding the Company to the path of success. He is among the First Directors of the Company and is the Chairman & Managing Director since more than a decade. His 37 years of experience in the industry has brought the Company to its current prominence.

- Past Remuneration :**

As per approval of the Central Government vide letter date May 20, 2016, the Company paid Rs.8.63 lacs per months for the period from June 1, 2015 to May 31, 2016 and Rs.9.92 lacs per month for the period from June 1, 2016 to February 2, 2017.

- Recognition or awards:**

Mr. Kumar Taurani is the Director of Phonographic Performance Limited (PPL), which is a copyright society in respect of sound recording, registered with the Government of India.

- Job profile and his suitability:**

Overall control, management and superintendence of the business of the Company in the ordinary course of business and exercise and perform such powers and duties as the Board may determine from time to time.

- Remuneration proposed:**

The Abstract containing details of remuneration proposed to be paid to the Chairman & Managing Director are contained in the Resolution No. 5 of the Notice of the 21st Annual General Meeting.

- Comparative remuneration profile with respect to industry, size of the Company, profile of the position and the person:**

Considering the vast experience in Industry and responsibility shouldered by him of the enhanced business activities of the Company, the proposed remuneration is reasonable with respect to the industry, size of the company and job profile of the appointee.



**7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel if any:**

Mr. Kumar Taurani is a Director-promoter of the Company. He has no other pecuniary relationship with the Company except to the extent of his remuneration and shareholding in the Company. He is brother of Mr. Ramesh Taurani, Managing Director of the Company.

**MR. RAMESH TAURANI**

**1. Background details:**

Mr. Ramesh S. Taurani is a Promoter-Director of the Company. He is the Managing Director of the Company since 2005. He possesses enriched experience of 36 years in the industry. His leadership and sheer excellence in the field are the attributes of his success as an industrialist which has taken the Company to an immense echelon.

**2. Past Remuneration :**

As per approval of the Central Government vide letter date May 20, 2016, the Company paid Rs.8.63 lacs per months for the period from June 1, 2015 to May 31, 2016 and Rs.9.92 lacs per month for the period from June 1, 2016 to February 2, 2017.

**3. Recognition or awards:**

Under the stewardship of Mr. Ramesh S. Taurani, Tips has released quality films which are remembered and appreciated till date.

**4. Job profile and his suitability:**

Overall control, management and superintendence of the business of the Company in the ordinary course of business and exercise and perform such powers and duties as the Board may determine from time to time.

**5. Remuneration proposed:**

The Abstract containing details of remuneration proposed to be paid to the Managing Director are contained in the Resolution No. 6 of the Notice of the 21st Annual General Meeting.

**6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and the person:**

Considering the vast experience in Industry and responsibility shouldered by him of the enhanced business activities of the Company, the proposed remuneration is reasonable with respect to the industry, size of the company and job profile of the appointee.

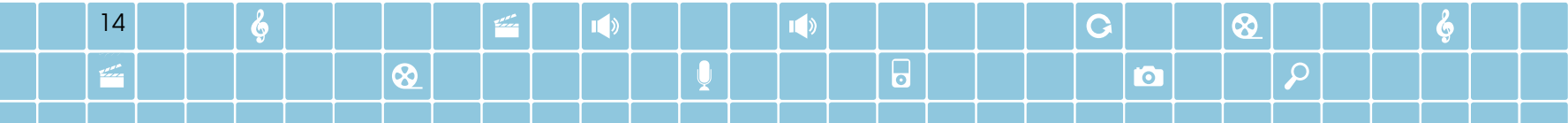
**7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel if any:**

Mr. Ramesh Taurani is a Director-promoter of the Company. He has no other pecuniary relationship with the Company except to the extent of his remuneration and shareholding in the Company. He is brother of Mr. Kumar Taurani, Chairman and Managing Director of the Company.

**III. OTHER INFORMATION:**

**1. Reasons of inadequate profit:**

The Company is engaged in the business of Production and Distribution of film and exploitation of its Audio library. Audience tastes and preferences are subjective and it may not be possible to consistently predict changing audience tastes, therefore the revenue and profit is unpredictable. During the year 2016-17, the Company has released one punjabi film and revenues generated from it were not sufficient to increase the profitability.



**2. Steps taken for improvement:**

The Company is focused on creating high quality movies which appeals to the masses. With regard to music, the Company exploits its wide repertoire of music through various digital platforms, FM Radios, TV Channels etc. which is undergoing continuous innovations thereby enhancing the scope for more revenues.

**3. Expected increase in productivity and profits in measurable terms:**

As expressed above, The Company has a few Hindi and regional films in pipeline which are expected to release in the near future. The Company also

has active participation in exploitation of its music content digitally In India and overseas.

**IV. DISCLOSURES**

The requisite disclosure of remuneration package etc. of Mr. Kumar Taurani and Mr. Ramesh has been made in the Report on Corporate Governance which forms part of the Annual Report.

Place: Mumbai

**By Order of the Board of Directors**

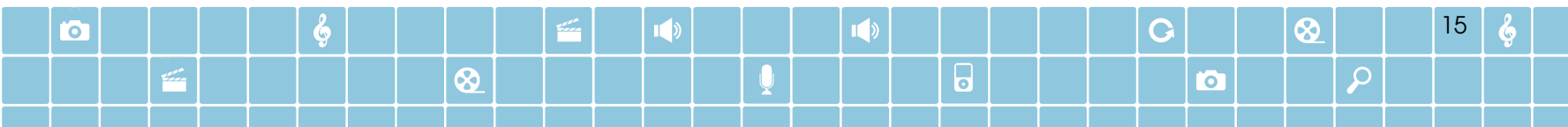
Date: May 30, 2017

**Registered Office:**

601, Durga Chambers, Linking Road,  
Khar (West), Mumbai 400 052

**Bijal R. Patel**

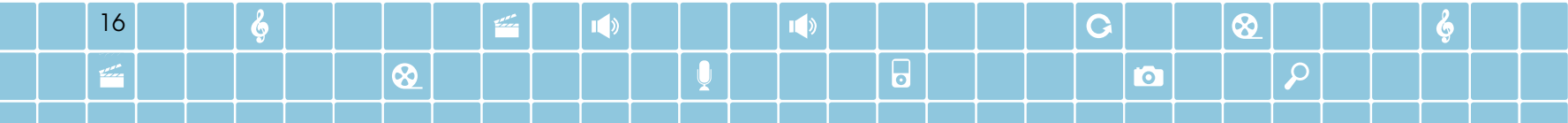
Company Secretary



## Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting

(Pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Name of Director	Mr. Kumar S. Taurani	Mr. Ramesh S. Taurani
Date of Birth	July 5, 1958	January 17, 1960
Date of Appointment	May 5, 1996	September 27, 2005
Qualification & Expertise in specific functional areas	Mr. Kumar Taurani holds the Bachelor degree in commerce. He is promoters and Chairman and Managing Directors of the Company. He possesses immense knowledge and expertise in the field of Entertainment Industry for more than 37 years. He controls the affairs of the Company as a whole. With his significant contribution till date, vision and direction is essential for the progress of the Company.	Mr. Ramesh S. Taurani holds the Bachelor degree in commerce. Mr. Ramesh Taurani is one of the promoters of the Company and comes with a rich experience of almost 36 years in the entertainment industry. He has played a key role in the progress of the Company. He is widely credited for remarkable success with many blockbuster films. His visualisation and dedication support to build success of the business.
Relationships between Directors inter-se	Mr. Kumar S. Taurani, is brother of Mr. Ramesh S. Taurani, Managing Director of the Company	Mr. Ramesh S. Taurani, is brother of Mr. Kumar S. Taurani, Chairman and Managing Director of the Company
Number of Shares held	28,81,915 Equity shares	28,75,911 Equity shares
Names of listed entities in which he holds the directorship as on March 31, 2017	NIL	NIL
Names of listed entities in which he holds Membership of Committees of the Board as on March 31, 2017	NIL	NIL



# BOARD'S REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

## To The Members, Tips Industries Limited

Your Directors are pleased to present the 21st Annual Report on the business and operation of the Company together with the Audited Financial Statements for the financial year ended March 31, 2017. The Management Discussion and Analysis is also included in this Report.

### OVERVIEW OF THE ECONOMY:

The year 2016 will long be remembered for two of the most unexpected events in recent times: the result of the UK's referendum which resulted in Brexit, and the surprise election of the republican candidate as the President of the United States of America. These two events resulted in nervous geo-political sentiments that made recovery more challenging for the global economy. According to the International Monetary Fund (IMF), world economy grew at 3.1% in 2016, compared to 3.4% in the previous year.

In India too, 2016 will be a year that will not be forgotten in a hurry. In November 2016, the government demonetized Rs.500 and Rs.1000 notes that sent shockwaves. However, the resilience of the country's economy ensured that by January 2017, things had more or less normalised. The other big step taken by the government was the passage of the Goods and Services Tax (GST) bill in the parliament, setting the stage for a one-nation, one-tax regime in India. While both these measures had their initial hardships, they are bound to have a positive long-term impact on the economy. Against this backdrop, the Indian economy grew by 7.1% in 2016-17, maintaining its position as the fastest growing major economy in the world. The key factors aiding growth were a satisfactory monsoon, favourable

inflation rate and an overall rise in domestic demand driven by government's focus on core sectors.

With all key factors in place, the IMF has estimated India's growth to touch 7.2% in 2018 and 7.7% in 2019.

### THE INDIAN MEDIA AND ENTERTAINMENT INDUSTRY:

2016 was a mixed year for the Indian M&E industry. While digital segments continued to grow, traditional segments like Films, TV and Music had a lacklustre year. Notwithstanding the effects of demonetization in the latter half of the year, the Indian M&E industry grew at 9.1% for the year 2016 to reach Rs. 1,262.1 billion.

#### The Indian M&E industry: Size

Overall industry size (INR billion) (For calendar years)	2011	2012	2013	2014	2015	2016	Growth in 2016 over 2015
TV	329.0	370.1	417.2	474.9	542.2	588.3	8.5%
Print	208.8	224.1	243.2	263.4	283.4	303.3	7.0%
Films	92.9	112.4	125.3	126.4	138.2	142.3	3.0%
Digital advertising	15.4	21.7	30.1	43.5	60.1	76.9	28.0%
Animation and VFX	31.0	35.3	39.7	44.9	51.1	59.5	16.4%
Gaming	13.0	15.3	19.2	23.5	26.5	30.8	16.2%
OOH	17.8	18.2	19.3	22.0	24.4	26.1	7.0%
Radio	11.5	12.7	14.6	17.2	19.8	22.7	14.6%
Music	9.0	10.6	9.6	9.8	10.8	12.2	13.0%
<b>Total</b>	<b>728.4</b>	<b>821.0</b>	<b>918.1</b>	<b>1025.5</b>	<b>1156.5</b>	<b>1262.1</b>	<b>9.1%</b>

Source: KPMG in India's analysis and estimates, 2016-17

It was a disappointing year for films as there was a marked decline in revenues from domestic theatricals and satellite rights

(C&S), the two key streams, due to poor box office performance of Bollywood and Tamil films. Consequently, the films segment grew by 3% over 2015 to Rs. 142.3 billion. On the positive side, overseas markets, regional films and digital content by Over-the-top applications continued to rise.

However, the Indian M&E continues to be driven by strong fundamentals of the larger Indian consumption story and its long-term prospects remain positive. According to FICCI-KPMG report, the Indian M&E industry is projected to grow at a CAGR of 14% between 2016–21.

The Indian M&E industry: Projections

Overall industry size (INR billion) (For calendar years)	2016	2017P	2018P	2019P	2020P	2021P	CAGR (2016-2021P)
TV	588.3	651.0	750.9	876.8	1,014.5	1165.6	14.7%
Print	303.3	325.0	350.4	378.5	405.6	431.1	7.3%
Films	142.3	155.0	166.0	178.2	191.6	206.6	7.7%
Digital advertising	76.9	101.5	134.0	174.3	226.5	294.5	30.8%
Animation and VFX	59.5	69.5	81.2	95.5	111.9	131.7	17.2%
Gaming	30.8	37.2	44.2	52.2	60.7	71.0	18.2%
OOH	26.1	29.0	32.5	36.4	40.8	45.7	11.8%
Radio	22.7	26.4	30.7	35.9	41.5	47.8	16.1%
Music	12.2	14.0	16.3	19.0	22.1	25.4	15.8%
Total	1262.1	1408.7	1606.2	1846.7	2115.2	2419.4	13.9%

Source: KPMG in India’s analysis and estimates, 2016–17

FILM:

The total gross box office collection in 2016 was Rs. 37 billion. During the year, 225 movies were released of which, top 50 accounted for around 96% of the overall net box office collections. There were only seven movies that crossed the coveted Rs.1 billion mark in net box domestic office collections

in 2016. The trend during the year was clearly the popularity of biopics, with three of the top five movies of the year being biopics: Dangal, M.S. Dhoni: The Untold Story and Rustom.

In spite of a lacklustre 2016, the films segment has a positive long term prospect. The segment is projected to grow at a CAGR of 7.7 per cent for 2016-21 largely on account of broader revenue streams broaden, depth of regional content, expansion in overseas markets and higher contribution of digital revenue streams. Key concerns for the films continue to be slow growth in screen count and the inconsistency in content quality.

Industry performance and projections: Film industry performance

Revenues (INR Billion)	2012	2013	2014	2015	2016	2017 p	2018 p	2019 p	2020 p	2021 p	2015-16 (YoY growth)	CAGR 2016-2021
Domestic Theatrical	85.1	93.4	93.5	101.4	99.8	106.6	111.8	117.9	124.2	131.2	-1.60%	5.6%
Overseas Theatrical	7.6	8.3	8.6	9.6	10.9	11.8	12.5	13.4	14.3	15.3	14.0%	7.2%
Home Video	1.7	1.4	1.2	1.0	0.9	0.8	0.7	0.6	0.6	0.5	-13.0%	-11.2%
Cable & Satellite	12.6	15.2	14.7	15.9	15.3	16.2	17.0	18.0	19.1	20.2	-4.0%	5.7%
Ancillary Revenue	5.4	7.0	8.4	10.2	15.5	19.6	23.9	28.3	33.4	39.4	51.0%	20.6%
Total	112.4	125.3	126.4	138.2	142.3	155.0	166.0	178.2	191.6	206.6	3.0%	7.7%

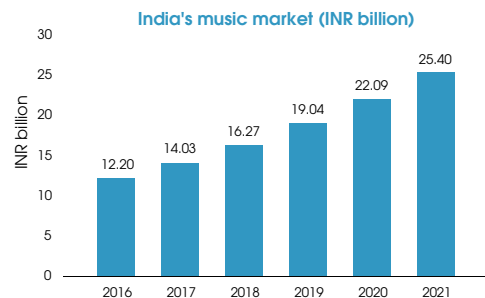
Source: KPMG India’s analysis

MUSIC:

Driven by rapidly increasing proliferation of mobile phone coupled with falling data rates and higher data speeds, the music segment is currently in a sweet spot. India has around 300 million internet enabled phones currently and there were around 50-60 million active users on music streaming applications in 2016. The ease and convenience of downloading music has been a critical factor in rise of digital music, which now generates over 55% of the total revenues of music industry in the country. While Bollywood music genre continues to be a top favourite with nearly 40% share, regional music is a close second at 30% followed by classical and devotional genres, which accounted for about 10%.



Existing players such as Saavn, Gaana, Hungama and Wynn continue to remain popular, whilst new entrants like Google Play and Amazon are also making a steady headway. The entry of Reliance Jio is expected to further boost the prospects of digital music in the near term.



Source: KPMG in India's analysis and estimates, 2017

According to FICCI-KPMG report, the Indian music industry is forecast to double from Rs.12.2 billion in 2016 to Rs. 25.4 billion by 2021 growing at a CAGR of 15.8%. Digitization will continue to dominate as the share of revenues from physical channels continues to decline. Sale of music rights continued to generate robust revenues in 2016, able to recover on an average 5% of the production cost of a movie.

### BUSINESS OVERVIEW:

Tips Industries Limited (TIPS) is a leading company in the media & entertainment industry (M&E). The Company has steadily evolved from music to films over the years. Founded in 1975, by Mr. Kumar Taurani and Mr. Ramesh Taurani, TIPS is today amongst the reputed names in the Indian M&E industry, known for their focus on creating wholesome family entertainment based films. TIPS is also a leading name in Punjabi films having produced some of the biggest hits in recent years.

One of the strongest asset TIPS has is in the form of its music collection. The TIPS music library today is one of the largest in terms of number of songs and most diversified in terms of language and genres. TIPS has also been an early-adopter and leader in digitising its music library, and currently, over 25,000 songs are digitised and available on all the leading online music stores, applications and platforms.

### FINANCIAL RESULTS:

The Company earned total revenue including other income of Rs.6,640.86 lacs as compare to the previous year of Rs.7151.45 lacs. The net profit after tax for the year stood at Rs.300.94 lacs as compared to Rs.303.39 lacs in the previous year.

The highlights of the Financial Results of the Company for the year under review along with the figures for previous year are as follows:—

(Rs. in Lacs)		
Particulars	2016-17	2015-16
Income	6,640.86	7151.45
Profit/(Loss) before Depreciation, Interest, Provision for Contingencies and Taxation	1,603.63	1,803.47
Less: Depreciation and Interest	1,171.04	1,422.37
Profit/(Loss) before Provision for Taxation, Extraordinary and Prior Period year items	432.59	381.09
Less: Provision for Taxation		
Current Tax	88.20	77.71
Wealth Tax	0.00	0.00
Taxes in respect of earlier years	43.44	0.00
Profit/(Loss) after Provision for Taxation but before Extraordinary and Prior Period year items	300.94	303.39
Less: Prior Period Expenses	0.00	0.00
Profit/(Loss) after Taxation	300.94	303.39
Add: Balance Brought Forward	2424.16	2324.88
Profit/(Loss) after Taxation available for Appropriation	2725.11	2628.26
Transfer to General Reserves	15.00	22.75
Share Capital	1431.87	1506.77
Reserves & Surplus	5,367.82	5457.41



PERFORMANCE REVIEW:

During the year 2016-17, TIPS produced and released one Punjabi film “Kaptaan” on May 20, 2016. The film is directed by Mandeep Kumar, written by Dheeraj Rattan and stars Gippy Grewal, Monica Gill, Karishma Kotak and others.

The music revenue for the year 2016-17 was Rs. 3,195.30 lacs as compared to Rs. 4,309.86 lacs in the previous year. While there has been a drop in music revenues, the Company firmly believes that it has one of the most sought after collections of music in the industry that are ever-green with an enduring appeal across generations. Moreover, with major of its collections digitised and available easily for streaming and/or downloads on leading digital platforms and market-places like iTunes and Google Play, as well as popular streaming platforms like Saavn and Gaana, music will continue to have growing market in both near and mid-terms.

DIVIDEND AND RESERVE:

The Directors recommend final dividend of 10% i.e. Re.1.00/- (one rupee) per share on fully paid-up Equity Shares of Rs.10/- each of the Company. The Company transferred a sum of Rs.15 lacs to the General Reserve and amount of Rs.2,719.12 lacs is retained in the Profit and Loss Account.

SHARE CAPITAL:

The paid up Equity Share Capital as at March 31, 2017 stood at 1,43,18,659 Equity Shares.

Buyback of Equity Shares:

The Buy-back offer commenced on November 26, 2015 and closed on May 25, 2016. The Company has bought back 10,39,981 Equity Shares from the open market using the nationwide electronic trading facilities of the BSE Limited (‘BSE’) and National Stock Exchange of India Limited (‘NSE’) from the existing registered shareholders/beneficial owners, other than the Promoters of the Company. The total fund utilized in the Buy-back is Rs. 6,52,95,997.15 (excluding brokerage, transactional charges and taxes)

which represents 96.02% of the Maximum Buy-back Size of Rs.6,80,00,000/- (excluding brokerage, transactional charges and taxes). The highest price at which the Equity Shares were bought back was Rs.70/- per Equity Share while the lowest price was Rs.51/- per Equity Share. The Equity Shares were bought back at an average price of Rs.62.79 per Equity Share. These prices are based on daily reporting by the broker and exclude brokerage, transactional charges and taxes.

- During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2017, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

The Company does not have any subsidiary, associate and joint venture Company.

CORPORATE GOVERNANCE REPORT:

Pursuant to Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate report on Corporate Governance along with a certificate from the Auditors on its compliance, forms part of this Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Director Retiring by Rotation:

In terms of Section 152 of the Companies Act, 2013, Mr. Kumar Taurani, Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board recommends the same for your approval.

Appointment of Director:

In compliance with the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any,





of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Venkitaraman Iyer, was appointed as Independent Directors on the Board of Directors of the Company at the 20th AGM of the Company held on September 16, 2016, to hold office up to 5 (five) consecutive years.

- **Declaration by Independent Directors:**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- **Key Managerial Personnel:**

Mr. Kumar Taurani, Chairman & Managing Director, Mr. Ramesh Taurani, Managing Director, Mr. Ishwar Gursahani, Chief Financial Officer and Ms. Bijal Patel, Company Secretary, were the Key managerial Personnel during the year under review.

#### **BOARD EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out performance evaluation. The manner in which the evaluation has been carried out has been explained in Corporate Governance Report.

#### **DIRECTOR'S RESPONSIBILITY STATEMENT:**

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013:

- that in the preparation of the Annual Accounts for the year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

- the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit of the Company for the year ended on that date;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis;
- that the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- that the director had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

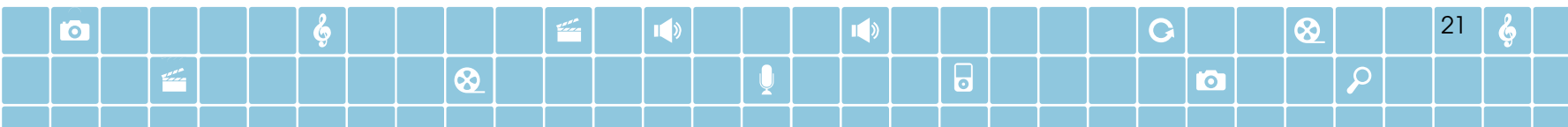
#### **DETAILS OF BOARD AND COMMITTEES MEETING:**

- **Board Meetings:**

The Board of Directors of the Company met five times during the financial year i.e. from April 1, 2016 to March 31, 2017 on May 25, 2016, August 11, 2016, November 10, 2016, and February 3, 2017. The Company has conducted two Board Meetings on May 25, 2016. Details of the Board meetings and attendance of the directors are provided in the Corporate Governance Report, which forms part of this Annual Report.

- **Committees of the Board:**

With a view to have a more focused attention on business and for better governance and accountability, the Board





has constituted the Committees viz. Audit Committee, Stakeholders’ Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Buy-back Committee.

The details with respect to the compositions, roles, terms of reference, etc. of relevant committees are provided in the Corporate Governance Report of the Company, which forms part of this Annual Report.

**RELATED PARTY TRANSCATIONS:**

All Related Party Transactions that were entered into during the financial year were on an arm’s length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations. There were no materially significant Related Party Transactions made by the Company during the year that would have required Shareholder approval under the Listing Regulations.

All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature. A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The Company has adopted a Related Party Transactions Policy. The Policy, as approved by the Board, is uploaded on the Company’s website.

Details of the transactions with Related Parties are provided in the accompanying financial statements. There were no transactions during the year which would require to be reported in Form AOC-2.

**AUDITORS:**

- **Statutory Auditors:**  
The Board of Directors of the Company has recommended the re-appointment of M/s. SSPA & Associates, Chartered

- Accountants, (Firm Registration No: 131069W) as the Statutory Auditors of the Company from the conclusion of this 21st Annual General Meeting till the conclusion of the 23rd Annual General Meeting to be held in 2019, subject to annual ratification by the Members at the Annual General Meeting.
- The consent of the Auditors along with certificate under Section 139 of the Companies Act, 2013 has been obtained from the auditors to the effect that their appointment, if made, shall be in accordance with the prescribed conditions and that they are eligible to hold the office of Auditors of the Company.
- In the opinion of the directors, the notes to financial statement are self-explanatory and adequately explain the matters, which are dealt within the Auditors’ Report. In case of qualified opinion of the Auditors with respect to non-recognition of deferred tax explained in note no. 31 of the notes to Financial Statements. The statement of Impact of the qualification has been disclosed on the website of The Company.
- **Secretarial Auditors:**  
Provisions of Section 204 read with rules made thereunder, M/s. N.L. Bhatia & Associates, Practicing Company Secretaries (C.P No. 422) has been appointed to undertake Secretarial Audit of the Company. The report of the Secretarial Auditor is annexed herewith as **Annexure I** and forms part of this Report.  
  
The said report does not contain any observation or qualification which requires any explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.
  - **Internal Auditors:**  
Pursuant to provisions of Section 138 read with read with rules made thereunder, the Board has appointed M/s. Maheshwari & Co., Chartered Accountants (Firm



Registration No: 105834W), as the Internal Auditors of the Company to check the internal controls and functioning of the activities, and recommend ways of improvement. Internal Audit is carried out on a quarterly basis, the report is placed in the Meetings of the Audit Committee and the Board for their consideration and direction. Their scope of work is as decided by the Audit Committee and the Board of Directors.

### INTERNAL CONTROL & FINANCIAL REPORTING SYSTEMS

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. It has documented the procedures covering all financial and operating functions and processes. These have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations, protecting assets from unauthorized use or losses and compliance with regulations.

Adequate internal control systems commensurate with the nature of the Company's business and size and complexity of its operations have been recognized. Internal control systems ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

During the year under review, no material or serious observations have been received from the Internal Auditors of the Company with respect to inefficiency or inadequacy of the controls.

### RISK MANAGEMENT:

TIPS has a well-defined policy to foresee, identify and analyse risks and take suitable action to mitigate and minimise the impact of such risks. Accordingly, the Company has identified the following risks that can impact its business performance and plans:

- **Piracy:**

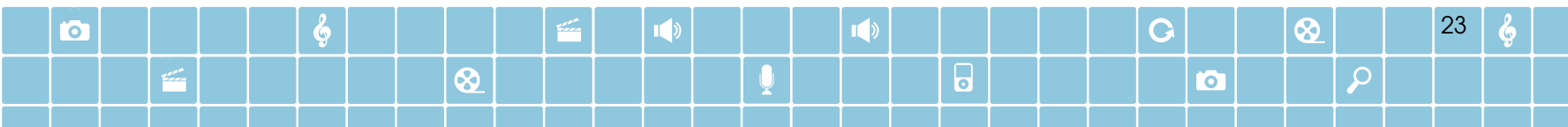
In spite of commendable measures taken by the industry and authorities, piracy still plagues the industry. It has been estimated the Indian films industry suffers a loss of revenues to the tune of around INR180 billion every year as well as loss of 60,000 jobs (FICCI-KPMG report). With the advent of digitisation, piracy has become an increasing menace as seen in 2016 in the case of films such as 'Udta Punjab' and 'Great Grand Masti' faced the issue where a pirated version was available before the release date. Over 90 per cent of new release titles originate from cinemas and these infringing copies appear online within few hours of a film release.

- **Unexpected Macro-Economic changes like Demonetisation:**

Events like demonetization of currency undertaken by the government in November 2016 adversely affect all players in the industry, particularly the film segment. Since a majority of transactions, especially box office collections, are done in cash, demonetization has a major impact on box office collections. This affects the entire value chain of films, and eventually, new releases and new launches are postponed or stalled, resulting in major losses to all sections of the film industry and heavily affecting regional and small budget players.

- **Less than desirable growth in screens**

India still has one of the lowest density of screens per capita in the world. While there has been a significant increase in the number of screens in recent year, the slowdown in real estate of late has affected the film industry in India. In Tier 2 and Tier 3 cities and towns, the slowdown in real estate has had a more profound effect on the number of screens, thus limiting the revenue from box office collections.



• **Regulatory processes :**

The film industry in India is subjected to a myriad of laws and regulations which differ from state to state. This leads to major constraint in scaling up operations on a Pan-India basis. Consequently, players cannot take advantage of economies of size and scale, and are thus, at a higher risk.

• **Single-Screen shutting down :**

With the onslaught of multiplexes, there has been an alarming in the number of single-screens that are shutting down. It is estimated that single screens are shutting down at twice the rate as compared to growth in multiplexes which have been growing at a consistent rate of about 200 screens per year.

**OPPORTUNITIES:**

The long-term Indian consumption story remains robust and intact. In fact, it is growing stronger. The Indian M&E industry is a proxy for the larger Indian growth story, and as such, is poised to grow in the coming years. There are certain interesting opportunities that is driving this sense of positivity and optimism.

Digitisation continues to be the strongest driver for the industry. With rapid growth in mobile penetration and faster data rates at falling prices, it is data that is expected to be the new game changer for the Indian M&E industry in the days to come. During the year 2016, there has been a growing acceptance of 4G, while 3G continues to be adopted by masses. This huge data driven opportunity is expected to open up new models for monetisation of content across platforms and media, and augurs extremely well for music and films in the country.

Another interesting opportunity that has been coming to the fore recently has been in regional films. The audience preference is now clearly witnessing an equal liking for both the mainstream Hindi films as well as regional films. One of the key reasons for this new preference pattern has been the impressive quality of content of regional films, as well as the fact that regional films are faster to produce and are also less risky financially.

Lastly, the implementation of the Goods and Services Tax (GST) across the country will, for the first time, create a one-nation, one-tax regime. This will usher in the much desired uniformity in pricing across states, one of the major issues facing the industry for a long time.

Social Media is fast emerging as an interesting alternative digital platform for marketing and promotions of movies and music. The obvious advantage of digital platform in creating a better targeted promotion as well as in engaging viewers definitely results in higher footfalls.

**OUTLOOK:**

The Indian M&E industry is one of the largest in the world. It is an industry that is built on strong foundations and has demonstrated a remarkable resistance and resilience in overcoming challenges from time and time, and has continued to grow at a remarkable pace. Today, both the mainstream Bollywood films as well as regional films are extremely popular with global audiences and top Indian movie stars are as sought after as their Hollywood counterparts.

According to the latest report by FICCI-KPGM, the Indian M&E industry is projected to growth at a CAGR of over 14% over the period 2016-2021. During this period, and in line with the global trend, digital sectors like Digital Advertising (30.8%) Animation and VFX (17.2%) are projected to grow at a much higher rate than traditional segments like Films (7.7%) and Music (15.8%).

**HUMAN RESOURCES:**

TIPs has always believed that its people are its most valuable assets. The Company ensures that all its employees enjoy a safe and health working environment. The Company has a strong emphasis on values based on integrity, excellence and passion. It has always had a mutually respectful and appreciative relationship with all its employees.

As of March 31, 2017, the number of employees on the payroll of the Company was 49.



## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

The information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is provided in **Annexure II** forming part of this report.

## WHISTLE BLOWER POLICY/ VIGIL MECHANISM POLICY:

The Company has adopted a Whistle Blower Policy/Vigil Mechanism Policy for directors and employees to report their genuine concerns. Details of the policy are provided in the Corporate Governance Report, which forms part of this Annual Report.

## CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Corporate Social Responsibility Committee is constituted in accordance with the provisions of Section 135 of the Companies Act, 2013 read with rules made thereunder.

Considering the aggregate net loss of preceding three financial years and other applicable provisions mentioned in Section 135 of the Companies Act, 2013 read with and Schedule VII of the Companies Act, 2013, the Company is not required to contribute any amount on CSR activities during the Financial Year 2016-17.

## EXTRACT OF ANNUAL RETURN:

Extract of the Annual Return in form MGT-9 pursuant to Section 92(3) of the Companies Act, 2013 for the financial year ended March 31, 2017 is provided in **Annexure III** forming part of this report.

## DEPOSITS:

The Company has not accepted any deposit from public/ shareholders in accordance with section 73 of the Companies Act, 2013 and, as such, no amount on account of principal or interest on public deposits was outstanding on the date of the Balance Sheet.

During the year 2016-17, the Company has accepted deposits only from directors of the Company which are exempted as per the provision of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. The declarations have been obtained from the directors in terms of Rule 2(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014. Details of the deposits accepted from directors are provided in notes to financial statement.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY:

Details of Loans, Guarantees and Investments are provided in the notes to Financial Statement.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

### • Conservation of Energy:

The particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy have not been provided considering the nature of activities undertaken by the Company during the year under review.

### • Technology Absorption:

During the year, Company has not absorbed or imported any technologies.

### • Foreign exchange earnings & outgoings:

Details of foreign exchange earnings & outgoings of the company made during the year are provided in notes to financial Statement.

## OTHER DISCLOSURES:

The Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- No material changes and commitments which could affect the Company’s financial position have occurred between the end of the financial year of the Company and date of this report.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company’s operations in future.
- No complaint received from any employee, pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder.

**CAUTIONARY STATEMENT:**

Statements in this Board’s Report and Management Discussion and Analysis describing the Company’s objectives, projections, estimates, 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 could influence

the Company’s operations include change in government regulations, tax laws, economic & political developments within and outside the country and such other factors.

**ACKNOWLEDGEMENTS AND APPRECIATION:**

The Directors wish to convey their warm gratitude and place on record their appreciation for all the employees at all levels for their hard work, solidarity, co-operation and dedication during the year.

The Directors sincerely convey their appreciation to customers, shareholders, vendors, bankers, business associates and government authorities for their continued support and overwhelming co-operation.

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

Place: Mumbai  
Date: May 30, 2017

**Kumar S. Taurani**  
Chairman and Managing Director  
DIN: 00555831



**Annexure I**  
**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,

The Members,

**Tips Industries Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Tips Industries Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Tips Industries Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Tips Industries Limited ("the Company") for the financial year ended on March 31, 2017 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;

- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
  - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable during the financial year**
  - e. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable during the financial year**
  - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable during the financial year**
  - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable during the financial year**





- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi. Other Laws applicable to the Company;
  - a) Income Tax Act, 1961
  - b) Finance Act, 1994
  - c) Maharashtra Value Added Tax Act, 2002
  - d) Profession Tax Act, 1975
  - e) The Payment of Bonus Act, 1965
  - f) The Payment of Gratuity Act, 1972
  - g) Employees provident Funds & Miscellaneous Provisions Act, 1952
  - h) The Bombay Shop & Establishment Act, 1948
  - i) The Minimum Wages Act, 1948
  - j) The Employee State Insurance Act, 1948
  - k) Copyright Act, 2013
  - l) Sexual Harassment of Women at Workspace (Prevention Prohibition and Redressal) Act, 2013
  - m) Maternity Benefit Act, 1961
  - n) Negotiable Instrument Act, 1881
  - o) The Contract Act, 1872
  - p) Bombay Stamp Act, 1958
  - q) The Cinematograph Act, 1952

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that** The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-

Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. **All the decisions at the Board Meetings were passed unanimously and with requisite majority in General Meeting.**

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that:**

- a. In response to the letter no. SRN C63929996/4/2015-CL-VII and SRN C63930705/4/2015-CL-VII dated April 19, 2016 received on April 26, 2016 from the Central Government, Mr. Kumar Taurani, Chairman & Managing Director and Mr. Ramesh Taurani, Managing Director of the Company have refunded the excess remuneration of Rs. 80 lacs each to the Company vide cheque dated April 30, 2016 bearing no. "000512" and "000570" respectively.
- b. The Company has received the approval vide letter dated May 20, 2016 received on May 27, 2016, to pay the Managerial Remuneration of Rs. 1,03,50,000/- (Rupees One Crore Three Lac and Fifty Thousand Only) for the period from June 01, 2015 to May 31, 2016, Rs. 1,19,03,000/- (Rupees One Crore Nineteen Lac and Three Thousand Only) for the period from June 01, 2016 to May 31, 2017



and Rs. 1,20,00,000/- (Rupees One Crore and Twenty Lac Only) for the period with effect from June 01, 2017 to May 31, 2018, in respect of application made by the Company on September 15, 2015 for payment of managerial remuneration of Rs.10 lac p.m. each i.e. Rs.120 lac p.a. each to Mr. Kumar Taurani, Chairman & Managing Director and Mr. Ramesh Taurani, Managing Director of the Company during the period from June 01, 2015 to May 31, 2018.

- c. Pursuant to the provision of Section 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with rules made thereunder and in compliance of the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 and in accordance with the Article 6 of the Articles of Association of the Company, the Buy Back Committee and the Board of Directors of the Company at their meeting held on Thursday, November 5, 2015 had approved the proposal of Buyback of shares from the "Open Market" through the BSE and the NSE using their nationwide electronic terminals for a maximum amount of Rs.6,80,00,000 (Rupees Six Crore Eighty lacs only) (excluding brokerage, transactional charges and taxes, if any).
- d. The Buy-back offer commenced on November 26, 2015 and closed on May 25, 2016. The Company has bought back 10,39,981 Equity Shares, from the open market using the nationwide electronic trading facilities of BSE Limited

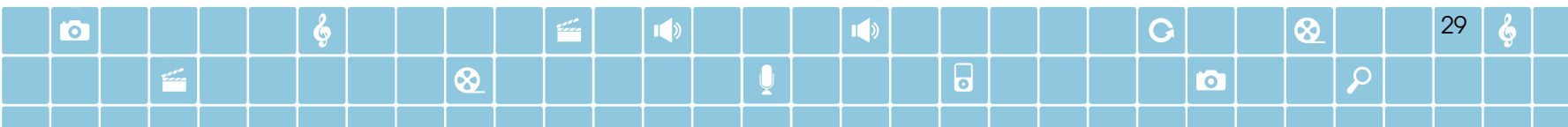
('BSE') and National Stock Exchange of India Limited ('NSE') from the existing registered shareholders/beneficial owners, other than the Promoters of the Company.

- e. The total fund utilized in the Buy-back is Rs.6,52,95,997.15 (excluding brokerage, transactional charges and taxes) which represents 96.02% of the Maximum Buy-back Size of Rs.6,80,00,000/- (excluding brokerage, transactional charges and taxes).
- f. The total number of shares extinguished amounts to 10,39,981 during the period from November 26, 2015 to May 25, 2016. Thus, the paid up capital of the Company stands at 1,43,18,659 equity shares
- g. In its Meeting held on February 03, 2017, consent of the Board was accorded for revision in the remuneration to Rs.168 lakh per annum of Mr. Kumar Taurani, Chairman & Managing Director and Mr. Ramesh Taurani, Managing Director of the Company, with effect from February 3, 2017 upto May 31, 2018, subject to approval of members.

**Date: May 19, 2017**  
**Place: Mumbai**

**For N. L. Bhatia & Associates**  
**Practicing Company Secretaries**  
**UIN: P1996MH055800**

**N. L. Bhatia**  
**Managing Partner**  
**FCS: 1176**  
**CP. No. 422**





ANNEXURE II

INFORMATION REQUIRED UNDER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(a) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

Executive Directors	Ratio
Kumar Taurani	29.21
Ramesh Taurani	29.21

For this purpose, Sitting Fees paid to the Independent Directors have not been considered as remuneration.

(b) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

CEO: 50.62, CFO: NIL, CS: 22.22 %

(c) The percentage increase in the median remuneration of employees in the financial year: 9.18%

(d) The number of permanent employees on the rolls of the Company: 49 Employees as on March 31, 2017.

(e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Average increase in remuneration is 9.97% for Employees other than Managerial Personnel and 50.62% for Managerial Personnel.

(f) Affirmation that the remuneration is as per the remuneration policy of the Company: The Company affirms remuneration is as per the remuneration policy of the Company.



**Statement of particulars of employees pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2017**

Top 10 Employees including Employees employed throughout the financial year under review and in receipt of remuneration aggregating not less than Rs.1.02 crores

Sr. No.	Name of the Employee and Relation	Designation -Nature of Employee	Qualifications	Age Years	Date of commencement	Remuneration Received (Rs. in lacs)	Experience (Years)	Last Employment
1	Kumar Taurani (Brother of Mr. Ramesh Taurani)	Chairman & Managing Director	B.com	59	08.05.1996	135.56	37	—
2	Ramesh Taurani (Brother of Mr. Kumar Taurani)	Managing Director	B.com	57	27.09.2005	135.56	36	—
3	Sahas Malhotra <sup>@</sup>	Senior V. P. Music (Digital)	Economics (Hons)	42	08.10.2010	91.20	23	Sony Music India
4	Kabir Chandra	VP- Digital Business	B.A Hons (History)	33	01.06.2012	20.58	11	Sony Music India
5	Kavita Lakhani	VP- Film Production & Promotions	B.Com	47	02.08.1992	17.75	25	—
6	Kunal K Taurani (Son of Mr. Kumar Taurani )	Senior Manager- Music (Digital)	Graduation	35	01.11.2008	15.00	9	—
7	Jaya R Taurani (Daughter of Mr. Ramesh Taurani)	Sr. Manager- Production	LL.B (U.K)	32	01.04.2016	15.00	5	Costume Stylist
8	Danesh Kumar	Creative Head- Music	Post Graduation	42	02.05.2012	15.00	20	Sony Music India
9	Dhiraj Advani	Senior Manager- Digital	MBA	32	26.10.2009	12.13	11	Zee Entertainment Enterprise Ltd
10	Ekta Kukreja	Secretary to Chairman	B. Com, LL.B	36	01.04.2009	11.16	8	—
11	Prakash Talreja	Line Producer	B. Com	48	30.08.1993	10.50	24	—

@ Resigned w.e.f. December 23, 2016

None of the employee has drawn in excess of remuneration drawn by MD and holds not more than 2% of the Equity Shares of the Company as on March 31, 2017 except Mr. Kumar Taurani and Mr. Ramesh Taurani.

ANNEXURE III

EXTRACT OF ANNUAL RETURN as on financial year ended on March 31, 2017

(Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014)

I. REGISTRATION AND OTHER DETAILS:

CIN	L92120MH1996PLC099359
Registration Date	May 8, 1996
Name of the Company	Tips Industries Limited
Category/Sub-Category of the Company	Company Limited by shares/Indian Non - Government Company
Address of the Registered office and contact details	601, 6th floor, Durga Chambers, Linking Road, Khar (West), Mumbai – 400 052. Contact No.: +91 22 66431188; E-mail i.d: response@tips.in
Whether Listed Company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any:	Link Intime India Private Limited C – 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400 083 Tel. No.:+91 22 4918 6000; Fax No.: +91 22 49186060; E-mail i.d: rint.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1	Audio/Video Products	592	48.12
2	Film Production & Distribution	591	22.68

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

The Company does not have any holding, subsidiary and associate Companies.



## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of total Equity):

### i. Category-wise share holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	10712762	—	10712762	71.04	10712762	—	10712762	74.82	3.78
b) Central Govt	—	—	—	—	—	—	—	—	—
c) State Govt(s)	—	—	—	—	—	—	—	—	—
d) Bodies Corp.	—	—	—	—	—	—	—	—	—
e) Banks / FI	—	—	—	—	—	—	—	—	—
f) Any other	—	—	—	—	—	—	—	—	—
<b>Sub-total(A)(1):</b>	<b>10712762</b>	<b>—</b>	<b>10712762</b>	<b>71.04</b>	<b>10712762</b>	<b>—</b>	<b>10712762</b>	<b>74.82</b>	<b>3.78</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	—	—	—	—	—	—	—	—	—
b) Other - Individuals	—	—	—	—	—	—	—	—	—
c) Bodies Corp.	—	—	—	—	—	—	—	—	—
d) Banks / FI	—	—	—	—	—	—	—	—	—
e) Any other	—	—	—	—	—	—	—	—	—
<b>Sub-total (A)(2):</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>10712762</b>	<b>—</b>	<b>10712762</b>	<b>71.04</b>	<b>10712762</b>	<b>—</b>	<b>10712762</b>	<b>74.82</b>	<b>3.78</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	—	—	—	—	—	—	—	—	—
b) Banks / FI	—	—	—	—	—	—	—	—	—
c) Central Govt	—	—	—	—	—	—	—	—	—
d) State Govt(s)	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
f) Insurance Companies	—	—	—	—	—	—	—	—	—
g) FIs	—	—	—	—	—	—	—	—	—

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):	–	–	–	–	–	–	–	–	–
<b>(2) Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	1693789	–	1693789	11.23	1034328	–	1034328	7.22	(4.01)
ii) Overseas	–	–	–	–	–	–	–	–	–
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	1674087	21561	1695648	11.24	1525231	21511	1546742	10.80	(0.44)
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	925038	–	925038	6.13	988816	–	988816	6.91	0.77
<b>c) Others (specify)</b>									
Clearing Member	29312	–	29312	0.19	20194	–	20194	0.14	(0.05)
Non resident Indians (Repat)	21842	50	21892	0.15	13717	50	13767	0.10	(0.05)
Non resident Indians (Non Repat)	2067	–	2067	0.01	2050	–	2050	0.01	0.00
<b>Sub-total(B)(2):</b>	<b>4346135</b>	<b>21611</b>	<b>4367746</b>	<b>28.96</b>	<b>3584336</b>	<b>21561</b>	<b>3605897</b>	<b>25.18</b>	<b>(3.78)</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>4346135</b>	<b>21611</b>	<b>4367746</b>	<b>28.96</b>	<b>3584336</b>	<b>21561</b>	<b>3605897</b>	<b>25.18</b>	<b>(3.78)</b>
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Total (C)	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	15058897	21611	15080508	100.00	14297098	21561	14318659	100.00	0.00

The Company has bought back and extinguished 10,39,981 Equity Shares, during the buyback offer commenced on November 26, 2015 and closed on May 25, 2016, out of which 7,61,849 Equity Shares has been bought back and extinguished during the Financial year 2016-17. Thus, the paid up capital of the Company has been reduced from 1,50,80,508 Equity shares to 1,43,18,659 Equity shares.

## ii Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year (01.04.2016)			Shareholding at the end of the year (31.03.2017)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Kumar S. Taurani	2881915	19.11	0.00	2881915	20.13	0.00	1.02
2	Ramesh S. Taurani	2875911	19.07	0.00	2875911	20.09	0.00	1.01
3	Varsha R. Taurani	2474718	16.41	0.00	2474718	17.28	0.00	0.87
4	Renu K. Taurani	2468718	16.37	0.00	2468718	17.24	0.00	0.87
5	Shyam M. Lakhani	7000	0.05	0.00	11500	0.08	0.00	0.03
6	Kavita S. Lakhani	4500	0.03	0.00	0.00	0.00	0.00	(0.03)
<b>Total</b>		<b>10712762</b>	<b>71.04</b>	<b>0.00</b>	<b>10712762</b>	<b>74.82</b>	<b>0.00</b>	<b>3.78</b>

The Company has bought back and extinguished 10,39,981 Equity Shares, during the buyback offer commenced on November 26, 2015 and closed on May 25, 2016, out of which 7,61,849 Equity Shares has been bought back and extinguished during the Financial year 2016-17. Thus, the paid up capital of the Company has been reduced from 1,50,80,508 Equity shares to 1,43,18,659 Equity shares. Consequently, the percentage (voting rights) of the promoters has been increased from 71.04% to 74.82%.

## iii. Change in Promoters' Shareholding ( please specify, if there is no change)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ Transfer bonus /sweat equity etc)	Cumulative Shareholding during the year	
		No. of Shares at the beginning / end of the year	% of total shares of the Company		No. of shares	% of total shares of the Company
1	Kumar S. Taurani	2881915	19.11	Due to the Buy-back offer*	2881915	20.13
2	Ramesh S. Taurani	2875911	19.07		2875911	20.09
3	Varsha R. Taurani	2474718	16.41		2474718	17.28
4	Renu K. Taurani	2468718	16.37		2468718	17.24
5	Shyam M. Lakhani#	7000	0.05		11500	0.08
6	Kavita S. Lakhani#	4500	0.03		--	--

\* The Company has bought back and extinguished 10,39,981 Equity Shares, during the buyback offer commenced on November 26, 2015 and closed on May 25, 2016, out of which 7,61,849 Equity Shares has been bought back and extinguished during the Financial year 2016-17. Thus, the paid up capital of the Company has been reduced from 1,50,80,508 Equity shares to 1,43,18,659 Equity shares. Consequently, the percentage (voting rights) of the Promoters has been increased.

# 4500 Equity Shares of Mrs. Kavita S. Lakhani have been transferred to Mr. Shyam M. Lakhani on October 12, 2016.

**iv. Shareholding Pattern of top ten shareholders (other than Directors, Promoters and holders of GDRS and ADRS):**

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No of shares held	% of total shares of the company
1	Inga Advisors Private Limited/ Shastha Advisors Private Limited	557833	3.6990	--	--	557833	3.6990
	At the end of the year					557833	3.8958
2	Riddisiddhi Bullions Limited	225086	1.4926	--	--	225086	1.4926
	At the end of the year					225086	1.5720
3	Amit Ashok Thawani	143335	0.9505			143335	0.9505
	Transfer			17 Jun 2016	4020	147355	1.0291
	Transfer			24 Jun 2016	212	147567	1.0306
	Transfer			30 Jun 2016	3443	151010	1.0546
	Transfer			08 Jul 2016	2562	153572	1.0725
	Transfer			15 Jul 2016	8157	161729	1.1295
	Transfer			22 Jul 2016	6203	167932	1.1728
	Transfer			19 Aug 2016	1090	169022	1.1804
	Transfer			18 Nov 2016	2778	171800	1.1998
	Transfer			23 Dec 2016	13265	185065	1.2925
	At the end of the year					185065	1.2925
4	Damyanti Jivandas Gokalgandhi	122856	0.8147			122856	0.8147
	Transfer			08 Apr 2016	-331	122525	0.8143
	Transfer			15 Apr 2016	-50	122475	0.8221
	Transfer			22 Apr 2016	-1	122474	0.8221
	Transfer			27 May 2016	9519	131993	0.8986
	Transfer			03 Jun 2016	-10003	121990	0.8520
	Transfer			10 Jun 2016	-6	121984	0.8519
	Transfer			17 Jun 2016	-504	121480	0.8484
	Transfer			24 Jun 2016	-4	121476	0.8484
	Transfer			30 Jun 2016	-29	121447	0.8482
	Transfer			01 Jul 2016	-26	121421	0.8480
	Transfer			08 Jul 2016	-95	121326	0.8473
	Transfer			22 Jul 2016	2140	123466	0.8623

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No of shares held	% of total shares of the company
	Transfer			29 Jul 2016	2470	125936	0.8795
	Transfer			05 Aug 2016	-9	125927	0.8795
	Transfer			12 Aug 2016	-6482	119445	0.8342
	Transfer			26 Aug 2016	-1	119444	0.8342
	Transfer			02 Sep 2016	-3	119441	0.8342
	Transfer			16 Sep 2016	-4	119437	0.8341
	Transfer			23 Sep 2016	-3	119434	0.8341
	Transfer			14 Oct 2016	3841	123275	0.8609
	Transfer			21 Oct 2016	5000	128275	0.8959
	Transfer			18 Nov 2016	1475	129750	0.9062
	Transfer			25 Nov 2016	-7	129743	0.9061
	Transfer			23 Dec 2016	988	130731	0.9130
	Transfer			20 Jan 2017	300	131031	0.9151
	Transfer			03 Feb 2017	-2000	129031	0.9011
	Transfer			10 Feb 2017	-97	128934	0.9005
	Transfer			03 Mar 2017	-1999	126935	0.8865
	Transfer			17 Mar 2017	-209	126726	0.8850
	Transfer			24 Mar 2017	-2000	124726	0.8711
	Transfer			31 Mar 2017	6001	130727	0.9130
	At the end of the year					130727	0.9130
5	Ajay Rajaram Londhe	120352	0.7981			120352	0.7981
	Transfer			29 Apr 2016	1067	121419	0.8171
	Transfer			06 May 2016	-1000	120419	0.8114
	Transfer			13 May 2016	-750	119669	0.8076
	Transfer			27 May 2016	14552	134221	0.9138
	Transfer			10 Jun 2016	435	134656	0.9404
	Transfer			30 Jun 2016	-200	134456	0.9390
	Transfer			01 Jul 2016	1050	135506	0.9464
	Transfer			08 Jul 2016	27	135533	0.9465
	Transfer			15 Jul 2016	150	135683	0.9476



Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No of shares held	% of total shares of the company
	Transfer			05 Aug 2016	200	135883	0.9490
	Transfer			12 Aug 2016	115	135998	0.9498
	Transfer			19 Aug 2016	-175	135823	0.9486
	Transfer			26 Aug 2016	-1290	134533	0.9396
	Transfer			09 Sep 2016	-3050	131483	0.9183
	Transfer			16 Sep 2016	-1300	130183	0.9092
	Transfer			23 Sep 2016	-50	130133	0.9088
	Transfer			30 Sep 2016	45	130178	0.9091
	Transfer			07 Oct 2016	-1000	129178	0.9022
	Transfer			21 Oct 2016	35	129213	0.9024
	Transfer			28 Oct 2016	30	129243	0.9026
	Transfer			11 Nov 2016	-174	129069	0.9014
	Transfer			18 Nov 2016	-896	128173	0.8951
	Transfer			25 Nov 2016	-1010	127163	0.8881
	Transfer			09 Dec 2016	20	127183	0.8882
	Transfer			16 Dec 2016	-5609	121574	0.8491
	Transfer			23 Dec 2016	-6416	115158	0.8043
	Transfer			30 Dec 2016	100	115258	0.8049
	Transfer			06 Jan 2017	-110	115148	0.8042
	Transfer			13 Jan 2017	-1639	113509	0.7927
	Transfer			20 Jan 2017	-1378	112131	0.7831
	Transfer			27 Jan 2017	-1952	110179	0.7695
	Transfer			10 Mar 2017	-1000	109179	0.7625
	Transfer			17 Mar 2017	-1000	108179	0.7555
	At the end of the year					108179	0.7555
6	Devidas Jotumal Thawani	99531	0.6600	--	--	99531	0.6600
	At the end of the year					99531	0.6951
7	Gordhan Prabhudas Tanwani	71000	0.4708			71000	0.4708
	Transfer			15 Apr 2016	-4000	67000	0.4497
	Transfer			27 May 2016	388	67388	0.4588
	At the end of the year					67388	0.4588



Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No of shares held	% of total shares of the company
8	Chetan Ratilal Patel	38642	0.2562	--	--	38642	0.2562
	At the end of the year					38642	0.2699
9	Brijdham Commodities Private Limited*	36500	0.2420			36500	0.24203
	Transfer			08 Apr 2016	-2000	34500	0.22928
	Transfer			29 Apr 2016	2000	36500	0.24563
	Transfer			23 Dec 2016	-2000	34500	0.24094
	At the end of the year					34500	0.24094
10	Prachar Communications Ltd*	0	0.0000			0	0.0000
	Transfer			24 Mar 2017	32432	32432	0.2265
	Transfer			31 Mar 2017	1654	34086	0.2381
	At the end of the year					34086	0.2381
11	Amit Capital & Securities Pvt Ltd#	45500	0.3017			45500	0.3017
	Transfer			27 Jan 2017	-34600	10900	0.0761
	At the end of the year					10900	0.0761
12	Finquest Financial Solutions Pvt. Ltd.#	600100	3.9793			600100	3.9793
	Transfer			20 May 2016	-600000	100	0.0007
	At the end of the year					100	0.0007

\* Ceased to be in the list of Top 10 shareholders as on 31-03-2017. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2016.

# Not in the list of Top 10 shareholders as on 01-04-2016. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2017.

Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the beginning of the year was 15080508 Equity Shares and end of the year was 14318659 Equity Shares.

2. The details of holding has been clubbed based on PAN.

## V. Shareholding of Directors and Key Managerial Personnel:

Name of the Shareholder	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.16 to 31.03.17)	
	No. Shares at the beginning of the year(01.04.2016)	% of total shares of the company				No. of Shares	% of total shares of the Company
Mr. Kumar Taurani Chairman & Managing Director	2881915	19.11	N.A	Increase	Due to the Buy-back offer*	28,81,915	20.13
Mr. Ramesh Taurani Managing Director	2875911	19.07	N.A	Increase		28,75,911	20.09
Mr. Ishwar Gursahani Chief Financial Officer	10	0.000066	N.A	Increase		10	0.000070
Ms. Bijal Patel Company Secretary	NIL	N.A	N.A	N.A	N.A	N.A	N.A

Mr. Amitabh Mundhra, Mrs. Radhika Pereira and Mr. Venkitaraman Iyer, Independent Directors of the Company did not hold any share of the Company.

\* The Company has bought back and extinguished 10,39,981 Equity Shares, during the buyback offer commenced on November 26, 2015 and closed on May 25, 2016, out of which 7,61,849 Equity Shares has been bought back and extinguished during the Financial year 2016-17. Thus, the paid up capital of the Company has been reduced from 1,50,80,508 Equity shares to 1,43,18,659 Equity shares. Consequently, the percentage (voting rights) of the Directors and Key Managerial Personnel has been increased.

## V. INDEBTEDNESS

### Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	8736.83	200.00	0.00	8936.83
ii) Interest due but not paid	19.54	0.00	0.00	19.54
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>8756.37</b>	<b>200.00</b>	<b>0.00</b>	<b>8956.37</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	434.65	925.00	0.00	1359.65
• Reduction	2759.32	1125.00	0.00	3884.32
<b>Net Change</b>	<b>(2324.67)</b>	<b>(200.00)</b>	<b>0.00</b>	<b>(2524.67)</b>

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	6412.16	0.00	0.00	6412.16
ii) Interest due but not paid	0.25	0.00	0.00	0.25
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>6412.40</b>	<b>0.00</b>	<b>0.00</b>	<b>6412.40</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. in Lacs)

Sl. No	Particulars of Remuneration	Name of MD & CEO		Total Amount
		Mr. Kumar Taurani	Mr. Ramesh Taurani	
1	<b>Gross salary</b>			
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	135.56	135.56	271.12
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission			
	- as % of profit	NIL	NIL	NIL
	- others, specify	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL
	<b>Total (A)</b>	<b>135.56</b>	<b>135.56</b>	<b>271.12</b>
	Ceiling as per the Act	During the period from April 1, 2016 to February 2, 2017, the Company paid remuneration as per the Central Government approval. Further, the Board upon the recommendation of Nomination and Remuneration Committee at their meeting held on February 3, 2017, subject to approval of the Members, has increased remuneration of Managing Directors to Rs.14 lacs p.m. w.e.f. February 3, 2017.		

B. Remuneration to other directors:

(Rs. in Lacs)

Sl. No	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Amitabh Mundhra	Mrs. Radhika Pereira	Mr. Venkitaraman Iyer	
1	<b>Independent Directors</b>				
	• Fee for attending Board/ Committee Meetings	0.80	1.60	1.20	3.60
	• Commission	NIL	NIL	NIL	NIL
	• Others, please specify	NIL	NIL	NIL	NIL
	<b>Total (B1)</b>	<b>0.80</b>	<b>1.60</b>	<b>1.20</b>	<b>3.60</b>
2	<b>Other Non-Executive Directors</b>	NIL			
	<b>Total (B2)</b>	NIL			
	<b>Total (B=B1+B2)</b>	<b>3.60</b>			
	Overall Ceiling as per the Act	Sitting fees not exceeding rupees one lakh per Board or committee in terms of Rules 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.			

C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD:

(Rs. in Lacs)

Sl. No.	Particulars of Remuneration		Key Managerial Personnel		
			CFO	CS	Total
1	<b>Gross salary</b>				
	a.	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12.00	5.50	17.50
	b.	Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL
	c.	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
2	Stock Option		NIL	NIL	NIL
3	Sweat Equity		NIL	NIL	NIL
4	<b>Commission</b>				
	-	as % of profit	NIL	NIL	NIL
	-	others, specify	NIL	NIL	NIL
5	Others, please specify		NIL	NIL	NIL
	<b>Total C</b>		<b>12.00</b>	<b>5.50</b>	<b>17.50</b>

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for the year ending March 31, 2017.



# CORPORATE GOVERNANCE REPORT

## CORPORATE PHILOSOPHY:

TIPS philosophy on Corporate Governance is to achieve business excellence, enhance long term values for its stakeholders, maintain excellent relations across all levels and proper compliance with all applicable legal and regulatory requirements. In its endeavor to achieve higher standards of governance by adopting the best emerging practices, the company not only adheres to the prescribed Corporate Governance practices in terms of the regulatory requirements but is also committed to sound Corporate Governance principles and practices.

A Report on compliance with the principles of Corporate Governance as prescribed by the Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of Listing Regulations is given below:

- **Category/position of Directors and the number of companies and committees where he/she is Director/Member/Chairman in other companies as on March 31, 2017:**

Name	Category / position	No. of Directorships in other public Ltd Companies (Excluding Tips)	Chairmanship/Membership of Committees in other Public Ltd Companies (Excluding Tips)	
			Chairman	Member
<b>Mr. Kumar Taurani</b> DIN : 00555831	Promoter & Executive (Chairman & Managing Director)	NIL	NIL	NIL
<b>Mr. Ramesh Taurani</b> DIN : 00010130	Promoter & Executive (Managing Director)	1	NIL	NIL
<b>Mr. Amitabh Mundhra</b> DIN : 00014227	Non-Executive Independent Director	3	NIL	NIL
<b>Mrs. Radhika Pereira</b> DIN : 00016712	Non-Executive Independent Director	3	1	3
<b>Mr. Venkitaraman Iyer</b> DIN: 00730501	Non-Executive Independent Director	1	NIL	1

## BOARD OF DIRECTORS:

- **Composition of Board:**

The Company has an optimum combination of Executive and Non- Executive Directors with one woman director. As on March 31, 2017, the Board consists of five Directors comprising of two Executive Directors and three Non-Executive Independent Directors.

The Company has obtained the requisite disclosures from Directors in respect of their directorship in other companies and membership/chairmanship in committees of other companies. The Independent Directors have given declaration pursuant to the provisions of Section 149 of the Companies Act, 2013 that they meet the criteria of independence.

Notes:

- Excludes Directorships in Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.
- Includes only Audit Committee and Stakeholders’ Relationship Committee.
- Mr. Kumar Taurani and Mr. Ramesh Taurani are related to each other. None of other directors are related to each other.
- Independent Directors:**

The Independent Directors fulfil the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulation. As per the provision Companies Act, 2013 and Listing Regulation, terms and conditions of appointment of independent directors has been disclosed on the website of the Company viz: [http://www.tips.in/uploads/pdfupload/corporate\\_governance/Terms\\_and\\_Condition\\_of\\_Appointment\\_of\\_Independent\\_Directors.pdf](http://www.tips.in/uploads/pdfupload/corporate_governance/Terms_and_Condition_of_Appointment_of_Independent_Directors.pdf)

As stipulated by the Code for Independent Directors under the Companies Act, 2013 and the Listing Regulation, a separate meeting of the Independent Directors of the Company was held on February 3, 2017 to review the performance of Non-Independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and it’s Committees which is necessary to effectively and reasonably perform and discharge their duties.

All the Independent Directors were present for the Meeting.
  - Board Meetings:**

The Board of Directors of the Company met five times during the financial year i.e. from April 1, 2016 to March

31, 2017 on May 25, 2016, August 11, 2016, November 10, 2016, and February 3, 2017. The Company has conducted two Board Meetings on May 25, 2016. The maximum time gap between any of two consecutive meetings did not exceed one hundred and twenty days.

Agenda papers containing all necessary information/ documents are made available to the Board in advance to enable the Board to discharge its responsibilities effectively and take informed decisions.

- Attendance of each Director at the Board meetings during the year and last Annual General Meeting and Number of shares held by the directors in the Company:**

Name	No. of Board Meeting		Attendance at last AGM held on September 16, 2016	Number of shares held in the Company
	Held	Attended		
Mr. Kumar Taurani	5	5	Yes	28,81,915
Mr. Ramesh Taurani	5	5	Yes	28,75,911
Mr. Amitabh Mundhra	5	2	Yes	NIL
Mrs. Radhika Pereira	5	5	Yes	NIL
Mr. Venkitaraman Iyer*	4	3	Yes	NIL

\* Appointed as Non-Executive Independent Director w.e.f. May 25, 2016

- Familiarisation Programme for Independent Directors:**

Any new Director who joins the Board is presented with a brief background of the Company, its operations and is informed of the important policies of the Company including the Code of Conduct for Directors and Senior Management, the Code of Conduct for Prevention of Insider Trading, Policy on Related Party Transactions, Nomination and Remuneration Policy, Whistle Blower Policy, Risk Management Policy, Policy for determination of materiality of events or information, Policy on preservation of documents and Archival Policy and Corporate Social





Responsibility policy. The details of the familiarisation programme have been disclosed on website at the below mentioned link: [http://www.tips.in/uploads/pdfupload/corporate\\_governance/Familiarisation\\_programme\\_for\\_Independent\\_Directors1.pdf](http://www.tips.in/uploads/pdfupload/corporate_governance/Familiarisation_programme_for_Independent_Directors1.pdf)

- **Code of Conduct:**

The Board has adopted code of conduct for Directors and senior management of the Company. The code of conduct is available on the website of the Company. The Company has received declaration of compliance with the Code of Conduct from all Directors and senior management. The Declaration by Chairman & Managing Director affirming compliance of the Board of Directors and senior management to the code of conduct is appended to this Report.

- **Insider Trading Code:**

The Company has adopted code of conduct for regulating, Monitoring and reporting of trading by insiders in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code is applicable to designated person as defined in the code. This Code is displayed on the website of the Company.

## BOARD COMMITTEES:

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Buy-back Committee. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. The Minutes of the Committee Meetings are sent to all Directors and tabled at the Board Meetings.

## I. AUDIT COMMITTEE:

The Audit Committee is constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the Listing Regulation.

- **Composition, Meetings and Attendance of each member of the Committee:**

Name of the Members	Designation	Category	Meetings Attended
Mr. Amitabh Mundhra	Chairperson	Independent Director	2
Mrs. Radhika Pereira	Member	Independent Director	4
Mr. Kumar Taurani	Member	Executive Director	4
Mr. Venkitaraman Iyer*	Member	Independent Director	3

\* Appointed as member w.e.f. May 25, 2016.

The Audit Committee met four times during the financial year 2016-17 on May 25, 2016, August 11, 2016, November 10, 2016 and February 3, 2017. The necessary quorum was present for all Meetings. The Chairperson of the Audit Committee was present at the last Annual General Meeting of the Company.

- **Terms of Reference:**

Terms of Reference and role of the Audit Committee includes the matters specified under the Companies Act, 2013 and Listing Regulations, which includes oversight of financial reporting process, recommendation of appointment, re-appointment of statutory auditors, review quarterly financial statements, annual financial statements, internal financial control and audit process etc.

## II. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee is constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the provisions of Regulation 19 of the Listing Regulation.

- Composition, Meeting and Attendance of each member of the Committee:**

Name of the Members	Designation	Category	Meetings Attended
Mrs. Radhika Pereira	Chairperson	Independent Director	2
Mr. Amitabh Mundhra	Member	Independent Director	1
Mr. Kumar Taurani	Member	Executive Director	2
Mr. Venkitaraman Iyer *	Member	Independent Director	1

\* Appointed as a member w.e.f. May 25, 2016.

The Committee met two times during the year on May 25, 2016 and February 3, 2017. The necessary quorum was present for all Meetings. The Chairperson of the Committee was present at the last Annual General Meeting of the Company.

- Terms of Reference:**

Terms of Reference and role of the Nomination and Remuneration Committee includes the matters specified under the Companies Act, 2013 and Listing Regulations, which includes recommendation of appointment Director, KMP and Senior Management personnel, formulation of criteria for evaluation of Individual Directors, Board as a whole, various Committees, Board formulation of remuneration policy etc.

- Performance Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulation, a separate exercise was carried out to evaluate the performance of the Board as a whole, various Committees of the Board and Individual Directors (including Independent Director, Non-Independent Director & Chairman). The criteria of performance evaluation were a). Board experience, skill, role, responsibility b). Attendance and Participation in the meetings c). Suggestion for effective functioning, Board process, policies, strategy and other.

The Board was satisfied with the evaluation results, which reflected the overall engagement of the Boards with the Company.

## REMUNERATION TO THE DIRECTORS:

Detail of Remuneration paid to Non-Executive Independent Directors and Executive Directors of the Company for the year ended March 31, 2017 is as stated below:

- Non-Executive Independent Directors:**

The Non-Executive Independent Directors do not have any material pecuniary relationship or transactions with the Company. Non-Executive Directors do not draw any remuneration from the Company except the sitting fees as permitted under the Companies Act, 2013 for attending the Board and Committee Meetings. During the year 2016-17, the total sitting fees paid to the Non-Executive Independent Directors are as stated below:

Director's Name	Mr. Amitabh Mundhra	Mrs. Radhika Pereira	Mr. Venkitaraman Iyer
<b>Sitting Fees</b>	Rs.0.80 lacs	Rs.1.60 lacs	Rs.1.20 lacs

The Criteria for making payments to non-executive directors has been disclosed on website at the below mentioned link: <http://www.tips.in/uploads/pdfupload/>

corporate governance/Criteria for making payments to non-executive directors.PDF

• **Executive Directors:**

Director's Name	Designation	Bonuses & Stock options	Service contracts	Notice Period
<b>Mr. Kumar Taurani</b>	Chairman & Managing Director	NIL	Appointed for a period of 3 Years	30 days
<b>Mr. Ramesh Taurani</b>	Managing Director	NIL		

Remuneration:

As per approval of the Central Government vide letter date May 20, 2016, the Company has paid of Rs.9.92 lacs per month as managerial remuneration to Mr. Kumar Taurani and Mr. Ramesh Taurani during the period from June 1, 2016 to February 2, 2017. Further, the Board upon the recommendation of Nomination and Remuneration Committee at their meeting held on February 3, 2017, subject to approval of the Members, has increased remuneration of managing director to Rs.14 lacs p.m. per w.e.f. February 3, 2017.

The Nomination and Remuneration Policy has been disclosed on website of the Company viz: [http://www.tips.in/uploads/pdfupload/corporate\\_governance/NOMINATION\\_AND\\_REMUNERATION\\_POLICY.pdf](http://www.tips.in/uploads/pdfupload/corporate_governance/NOMINATION_AND_REMUNERATION_POLICY.pdf)

### III. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee is constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the provisions of Regulation 20 of the Listing Regulation.

• **Composition, Meeting and Attendance of each member of the Committee:**

Name of the Members	Designation	Category	Meetings Attended
Mrs. Radhika Pereira	Chairperson	Non – Executive Independent Director	4
Mr. Kumar Taurani	Member	Executive Director	4
Mr. Ramesh Taurani	Member	Executive Director	4

The Committee met four times during the year on May 25, 2016, August 11, 2016, November 10, 2016, and February 3, 2017. The necessary quorum was present for all Meetings. The Chairperson of the Committee was present at the last Annual General Meeting of the Company.

• **Terms of reference:**

Terms of reference and role of the stakeholders Relationship Committee includes the matters specified under the Companies Act, 2013 and Listing Regulation, which includes to resolve the stakeholder's grievance regarding the transfer of shares, non-receipt of annual report, dividend etc.

• **The details of Complaints received, redressed/ pending during the financial year 2016-17 is given below:**

Pending at the beginning of the year	Received during the year	Redressed / Replied during the year	Pending at the year
<b>NIL</b>	One	One	<b>NIL</b>

The Company has appointed Link Intime India Pvt. Ltd. as its Registrars and Transfer Agents to consider, approve or reject the share transfer, transmission, consolidations, splitting, demat & remat of shares and carry out related functions, documentation and procedures in connection with the same.

• **Compliance officer and Address for Correspondence**

Name & Designation	Address	E-mail I.D	Contact No.
Bijal Patel Company Secretary	601, Durga Chambers, 6th Floor, Linking Road, Khar(W), Mumbai -52	response@tips.in	022-66431188

#### IV. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The Corporate Social Responsibility Committee is constituted in accordance with the provisions of Section 135 of the Companies Act, 2013 read with rules made thereunder.

The Company formulated CSR Policy, which is uploaded on the website of the Company viz. [http://www.tips.in/uploads/pdfupload/corporate\\_csr/Annexure - IV.pdf](http://www.tips.in/uploads/pdfupload/corporate_csr/Annexure - IV.pdf)

• **Composition, Meeting and Attendance of each member of the Committee:**

Name of the Members	Designation	Category	Meetings attended
Mr. Kumar Taurani	Chairperson	Executive Director	2
Mr. Amitabh Mundhra	Member	Independent Director	0

Name of the Members	Designation	Category	Meetings attended
Mrs. Radhika Pereira	Member	Independent Director	2

The Committee met two times during the year on May 25, 2016 and November 10, 2016.

• **Terms of Reference:**

Terms of Reference and role of the Corporate Social Responsibility Committee includes the matters specified under the Companies Act, 2013, which includes recommendation of Corporate Social Responsibility Policy and amount of expenditure to be incurred on the CSR activities, Monitor the CSR Policy etc.

#### V. BUY-BACK COMMITTEE:

The Buyback Committee comprises of 3 members. Mr. Amitabh Mundhra, Mr. Kumar Taurani and Mr. Ishwar T. Gursahani. Mr. Amitabh Mundhra has been designated as Chairman of the committee.

The Buy-back Committee and the Board of Directors of the Company at its meeting held on November 5, 2015 had approved the buy-back of the Company's fully paid-up equity shares of face value of Rs.10/- each from the existing equity shareholders/beneficial owners, other than promoters of the Company, from the open market using nationwide electronic trading terminals of BSE and NSE.

The Buy-back offer commenced on November 26, 2015 and closed on May 25, 2016, the Company has bought back 10,39,981 equity shares of Rs.10/- each. The total amount utilized in the Buy-back is Rs.6,52,95,997.15, which represents 96.02% of the Maximum Buy-back Size of Rs.6,80,00,000/-. The highest price at which the Equity

Shares were bought back was Rs.70/- per Equity Share while the lowest price was Rs.51/- per Equity Share. The Equity Shares were bought back at an average price of Rs.62.79 per Equity Share. These prices are based on daily reporting by the broker and exclude brokerage, transactional charges and taxes.

## GENERAL BODY MEETINGS:

- **The details of date, location and time of the last three Annual General Meetings held are as under:**

Date and Time	Location	Special Resolutions
September 16, 2016 at 11.00 a.m.	The Jubilee Room, Hotel Sun-N-Sand, Juhu, Mumbai-400049	NIL
August 14, 2015 at 11.00 a.m.		Re-appointment of Mr. Kumar Taurani and Mr. Ramesh Taurani, as the Managing Directors of the Company for a period of three years commencing from June 1, 2015 at remuneration of Rs.10 lacs p.m. respectively.
August 8, 2014 at 11.00 a.m.		Borrowing Limit and Creation of Charges in connection with borrowing of the Company

- **Postal Ballot:**

During the year under review, no resolution has been passed through the exercise of postal ballot.

## DISCLOSURES:

- **Related Party Transaction:**

During the year ended March 31, 2017, there were no materially significant related party transactions, which

had potential conflict with the interests of the Company at large. The transactions with related parties are disclosed in the Note to Accounts. Policy on related party transactions has been uploaded on website of the Company at below mentioned link: [http://www.tips.in/uploads/pdfupload/corporate\\_governance/Policy\\_on\\_Related\\_Party\\_Transactions.pdf](http://www.tips.in/uploads/pdfupload/corporate_governance/Policy_on_Related_Party_Transactions.pdf)

- **Disclosure of non-compliance of the Company:**

There were no instances of non-compliance, penalty or strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

- **Details of establishment of Vigil Mechanism/Whistle Blower policy:**

The Board of Directors has adopted a "Whistle Blower Policy/ Vigil Mechanism Policy" for directors and employees of the Company. No employee of the Company was denied access to meet the Chairman of the Audit Committee. A copy of the Whistle Blower Policy is also available on the website of the Company at below mentioned link: [http://www.tips.in/uploads/pdfupload/corporate\\_governance/Whistle\\_Blower\\_Policy-Vigil\\_Mechanism\\_Policy.pdf](http://www.tips.in/uploads/pdfupload/corporate_governance/Whistle_Blower_Policy-Vigil_Mechanism_Policy.pdf)

- **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:**

The Company has complied with all the mandatory requirements of the Corporate Governance as prescribed in Listing Regulation. Adoption of non-mandatory requirements of Listing Regulation is being reviewed by the Board from time-to-time.

- **Web link where policy for determining 'material' subsidiaries is disclosed:**

The Company does not have any 'material' subsidiaries.

## MEANS OF COMMUNICATION:

Quarterly Results of the Company are published in national English newspaper and in local language (Marathi) newspaper. The Financial Results are made available on the corporate website of the Company: [www.tips.in](http://www.tips.in). The Company has not made any presentation to Institutional Investors or to the analysts.

### GENERAL SHAREHOLDERS INFORMATION:

#### • Annual General Meeting:

<b>Date</b>	September 13, 2017
<b>Time</b>	11.00 a.m.
<b>Venue</b>	Jubilee Room, Hotel Sun-N-Sand, Juhu, Mumbai - 400049

#### • Financial Year:

<b>Financial Year</b>	April 1, 2016 to March 31, 2017
<b>Date of Book Closure</b>	September 7, 2017 to September 13, 2017 (both days inclusive)
<b>Dividend Payment Date</b>	On or before October 12, 2017

#### • Listing on Stock Exchanges:

The Company's shares are listed on BSE Limited and National Stock Exchange of India Limited.

BSE Limited	National Stock Exchange of India Limited
P.J Towers, Dalal Steet, Fort, Mumbai – 400 001	Exchange Plaza, Plot No. C/1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 050.

The listing fees for the year 2017-18 has been paid to the above Stock Exchanges.

#### • Stock Code, ISIN & CIN:

<b>Stock Code:</b>	BSE: 532375; NSE : TIPSINDLTD
<b>International Security Identification Number (ISIN)</b>	INE716B01011
<b>Corporate Identification No (CIN)</b>	L92120MH1996PLC099359

#### • Market price data - high, low during each month in last financial year:

Month	Share Prices on the BSE		Share Prices on the NSE	
	Highest (Rs.)	Lowest (Rs.)	Highest (Rs.)	Lowest (Rs.)
Apr-16	82.60	64.00	83.50	62.10
May-16	78.95	51.10	73.70	51.00
Jun-16	69.90	51.00	70.75	52.45
Jul-16	70.00	55.00	71.65	60.15
Aug-16	67.35	52.10	67.65	59.60
Sep-16	66.70	52.00	65.35	56.55
Oct-16	74.50	57.20	75.80	62.00
Nov-16	74.55	56.25	72.00	54.30
Dec-16	85.85	57.75	85.95	57.60
Jan-17	66.80	60.50	66.45	60.00
Feb-17	64.35	56.55	64.25	58.00
Mar-17	64.40	58.00	64.45	58.25

#### • Performance in comparison to the board based indices such as BSE and NSE:

Tips Share Price compared with BSE Sensex and NSE Nifty

Months	Closing Share Price		Closing Share Price	
	Tips (Rs.)	Sensex (Rs.)	Tips (Rs.)	Nifty (Rs.)
Apr-16	70.30	25606.62	69.90	7849.80
May-16	57.00	26667.96	57.70	8160.10
Jun-16	66.75	26999.72	67.60	8287.75
Jul-16	63.00	28051.86	62.70	8638.50
Aug-16	61.25	28452.17	61.45	8786.20
Sep-16	63.00	27865.96	61.50	8611.15
Oct-16	70.40	27930.21	70.55	8625.70
Nov-16	61.50	26652.81	61.20	8224.50
Dec-16	61.50	26626.46	61.35	8185.80
Jan-17	62.50	27655.96	62.50	8561.30
Feb-17	60.65	28743.32	59.55	8879.60
Mar-17	59.20	29620.50	59.30	9173.75



- Share Transfer System:**

The share transfer activities in respect of the shares in physical mode are carried out by Registrar & Transfer Agent. The shares lodged for transfer are processed and share certificates duly endorsed are returned within the stipulated time, subject to documents being valid and complete in all respects. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the Listing Regulation, a Practicing Company Secretary carries out audit of the system of transfer and a certificate to that effect is issued.

- Distribution of Shareholding as on March 31, 2017:**

No. of Equity Share holdings	No. of Share holders	Percentage of share holders	No. of Shares	Percentage of share holding
1 -500	4533	87.26	541784	3.78
501-1000	338	6.51	270590	1.89
1001 -2000	135	2.60	201473	1.41
2001 -3000	53	1.02	135575	0.95
3001 -4000	26	0.50	91592	0.64
4001 -5000	25	0.48	115645	0.81
5001 -10000	43	0.83	312345	2.18
10001-above	42	0.81	12649655	88.34
<b>Total</b>	<b>5195</b>	<b>100.00</b>	<b>14318659</b>	<b>100.00</b>

The Company has bought back and Extinguished 10,39,981 Equity Share, during the buyback offer commenced on November 26, 2015 and closed on May 25, 2016, out of which 7,61,849 Equity Shares has been bought back and Extinguished during the Financial year 2016-17. Thus, the paid up capital of the Company has been reduced from 1,50,80,508 equity shares to 1,43,18,659 equity shares.

- Shareholding Pattern as on March 31, 2017:**

Category	No. of Equity Shares held	Percentage of share held
Promoter & Directors	5757826	40.21
Promoters	4954936	34.60
Public	2442055	17.06
Other Bodies Corporate	1034328	7.22
Hindu Undivided Family	93503	0.65
Clearing Member	20194	0.14
Non-Resident Indians	13767	0.10
Non-Resident (Non-Repatriable)	2050	0.01
<b>Total</b>	<b>14318659</b>	<b>100.00</b>

The Company has bought back and Extinguished 10,39,981 Equity Share, during the buyback offer commenced on November 26, 2015 and closed on May 25, 2016, out of which 7,61,849 Equity Shares has been bought back and Extinguished during the Financial year 2016-17. Thus, the paid up capital of the Company has been reduced from 1,50,80,508 equity shares to 1,43,18,659 equity shares.

- Dematerialization of Shares:**

As on March 31, 2017, 1,42,97,098 shares representing 99.85% of the Company's paid-up share capital (including 74.82% held by the Promoters) were held in dematerialized form with National Securities Depository Limited (NSDL) as well as the Central Depository Services (India) Limited (CDSL).

The break-up of Equity shares held in physical and Demat form as on March 31, 2017 is given below:

Particulars	Shares	%
Physical Shares	21561	0.15
Demat Shares		
NSDL	12796575	89.37
CDSL	1500523	10.48
<b>Total</b>	<b>14318659</b>	<b>100.00</b>

The Company has bought back and Extinguished 10,39,981 Equity Share, during the buyback offer commenced on November 26, 2015 and closed on May 25, 2016, out of which 7,61,849 Equity Shares has been bought back and Extinguished during the Financial year 2016-17. Thus, the paid up capital of the Company has been reduced from 1,50,80,508 equity shares to 1,43,18,659 equity shares.



- **Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any convertible instruments, conversion date and likely impact on equity:**

The Company has not issued any Global Depository Receipts/American Depository Receipts or Warrants and there are no outstanding convertible instruments as on March 31, 2017.

- **Plant locations:**

The Company does not have any plants.

- **Demat Suspense Account/ Unclaimed Suspense Account:**

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

- **CEO and CFO CERTIFICATION:**

As required under Regulation 17 of the Listing Regulations, the CEO and CFO Certificate has been attached as a part of the Annual Report.

- **Address for Correspondence:**

**Compliance Officer**  
**Tips Industries Limited**  
601, Durga Chambers, Linking Road,  
Khar (West), Mumbai 400 052  
**Tel No.:** 022-66431188  
**Fax No.:** 022-66431189  
**Email I.D.:** response@tips.in

**Registrars and Share Transfer Agents:**  
**Link Intime India Pvt. Ltd**  
C -101, 247 Park, L B S Marg,  
Vikhroli West, Mumbai 400 083  
**Tel No.:** 022-49186000  
**Fax No.:** 022-49186060  
**Email I.D.:** rnt.helpdesk@linkintime.co.in

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

Place: Mumbai  
Date: May 30, 2017

**Kumar S. Taurani**  
Chairman and Managing Director  
DIN: 00555831

# DECLARATION FROM THE CHAIRMAN AND MANAGING DIRECTOR

(Pursuant to Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

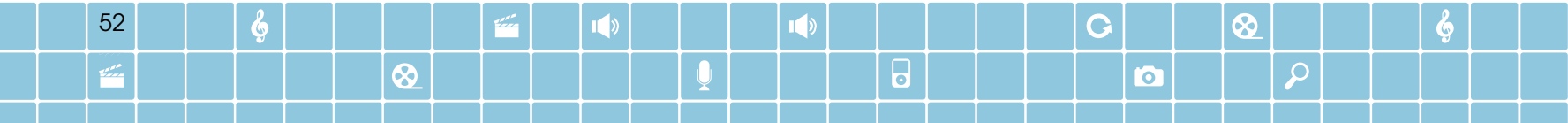
The Members of Tips Industries Limited,

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with the Company's Code of Conduct of Board of Directors and Senior Management for the year ended on March 31, 2017.

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

Place: Mumbai  
Date: May 30, 2017

**Kumar S. Taurani**  
Chairman and Managing Director  
DIN: 00555831



## CEO AND CFO CERTIFICATION

(Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

We, Kumar S. Taurani, Chairman and Managing Director of Tips Industries Limited and Ishwar T. Gursahani, Chief Financial Officer of Tips Industries Limited, do hereby certify to the Board that:

- |  |   |
|--|---|
| <p>(a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2017 and that to the best of our knowledge and belief:</p> <p>(i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;</p> <p>(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.</p> <p>(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.</p> <p>(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee,</p> | <p>deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or we propose to take to rectify these deficiencies.</p> <p>(d) We have indicated to the auditors and the Audit Committee;</p> <p>(i) Significant changes, if any, in internal control over financial reporting during the year;</p> <p>(ii) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and</p> <p>(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.</p> |
|--|---|

**Kumar S. Taurani**

Chairman & Managing Director  
DIN: 00555831

Date: May 30, 2017

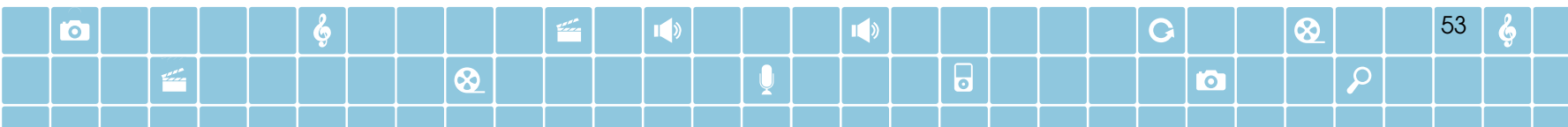
Place: Mumbai

**Ishwar T. Gursahani**

Chief Financial Officer

Date: May 30, 2017

Place: Mumbai



# AUDITORS CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

**To The Members of Tips Industries Limited**

- 1. We have examined the compliance of the conditions of Corporate Governance by Tips Industries Limited (Company) for the year ended on March 31, 2017 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation of 46 and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (Collectively referred to as "SEBI Listing Regulations, 2015).
- 2. The Compliance of the 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 Corporate Governance. It is neither an auditor nor an expression of opinion on the financial statements of the Company.
- 3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.
- 4. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

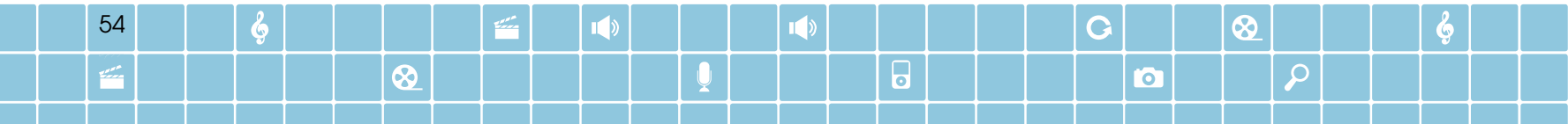
**For SSPA & Associates**

Chartered Accountants  
Firm Registration No. 131069W

**Parag Ved**

Partner  
Membership Number : 102432

Place : Mumbai  
Date : May 30, 2017



# INDEPENDENT AUDITORS' REPORT

## To the Members of Tips Industries Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of **Tips Industries Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

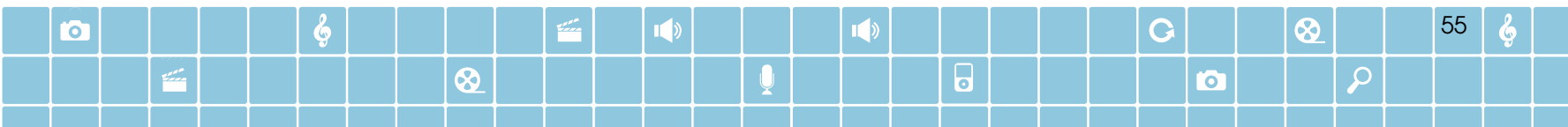
### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncement require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence, about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Financial Statements.

**Basis for Qualified opinion**

*Attention is invited to Note 31 to the financial statements for the year ended March 31, 2017 regarding non recognition of Deferred tax liability on timing differences in accounting of inventory. In the absence of adequate information, we are unable to quantify its impact on the profits for the year and on the reserves as at March 31, 2017.*

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

- 1. As required by 'The Companies (Auditor's Report) Order, 2016' (hereinafter referred to as the "Order"), issued by the Central Government of India in terms of sub - section 11 of section 143 of the Companies Act, 2014, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we give in the "Annexure-A" a statement on the matters specified in paragraph 3 and 4 of the Order.
- 2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and, except for the matters described in the Basis for Qualified Opinion paragraph, obtained

all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a) The Company has disclosed the impact of pending litigations on its financial position in



its financial statements-Refer Note 27 to the financial statements;

- b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31,2017;
- c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.
- d) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30,

2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 35 to the financial statement.

**For SSPA & Associates**

Chartered Accountants  
Firm Registrations No. 131069W

**Parag Ved**

Place : Mumbai  
Date : May 30, 2017

Partner  
Membership Number : 102432



ANNEXURE A TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF TIPS INDUSTRIES LIMITED

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The title deeds of immovable properties are held in the name of the Company.
- ii. As explained to us, the nature of the inventories of the Company are such that clause (ii) of paragraph 3 of the Order is not applicable to the Company.
- iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, clauses 3(iii)(a) to 3(iii)(c) of the Order are not applicable to the Company for the current year.
- iv. In our opinion and according to the information and explanations given to us, the Company has not given any loans, investments, guarantees and security and as such the provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable for the current year.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under.
- vi. In our opinion and according to the information and explanations given to us, the Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income-tax, Sales-tax, Service tax, Value Added tax, cess and other statutory dues as applicable with the appropriate authorities. As explained to us, Duty of Custom and Duty of Excise are not applicable to the Company for the current year.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Sales-tax, Service tax, Value Added tax, cess and other statutory dues were in arrears as at March 31, 2017 for a period more than six month from the date they became payable.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of Sales tax and cess as at March 31, 2017 which have not been deposited on account of disputes are as follow:

Nature of Statute	Nature of Dues	Amount (Rs in Lakhs)	Period to which the amount relate	Forum where the dispute is pending
Maharashtra VAT Act, 2005	Sales tax, interest and penalty	35.66	F.Y 2005-06	Joint Commissioner of Sales Tax (Appeals)
		63.83	F.Y 2006-07	
		148.19	F.Y 2007-08	
		151.30	F.Y 2008-09	
		173.60	F.Y 2009-10	
		410.83	F.Y 2010-11	
		193.84	F.Y.2011-12	
		324.67	F.Y.2012-13	





- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution and bank. The Company has not taken any loan or borrowing from Government nor has issued any debentures during the current year.
- ix. As per information and explanation given to us, on an overall basis, the term loan has been applied for the purposes for which they were obtained. Further, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments).
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the Management.
- xi. The Company has paid/provided for managerial remuneration as per limits specified under Section 197 read with Schedule V of the Act.
- xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3 (xii) of the Order are not applicable to the Company.
- xiii. As per information and explanation given to us, all transactions with the related parties are in

compliance with sections 188 of Companies Act, 2013. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanation given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

**For SSPA & Associates**

Chartered Accountants

Firm Registration No. 131069W

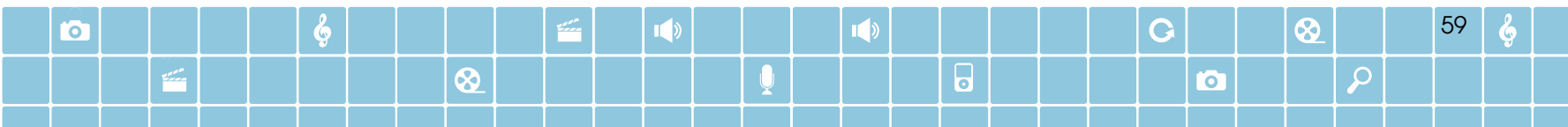
**Parag Ved**

Partner

Place : Mumbai

Date : May 30, 2017

Membership Number : 102432



# ANNEXURE B TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF TIPS INDUSTRIES LIMITED

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Tips Industries Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

## Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

## Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on

our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.



## Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be

detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For SSPA & Associates**

Chartered Accountants

Firm Registration No. 131069W

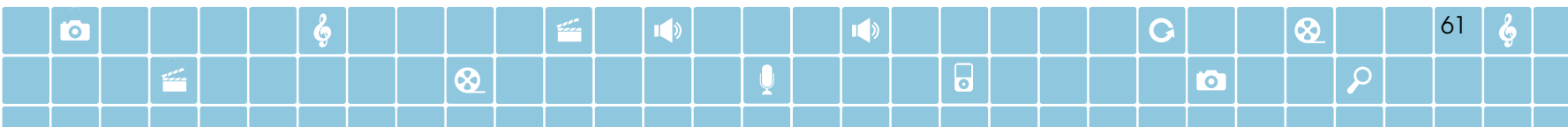
**Parag Ved**

Partner

Place: Mumbai

Date : May 30, 2017

Membership No. 102432



# BALANCE SHEET

AS AT 31ST MARCH, 2017

Particulars	Note No.	As at 31-03-2017	(₹ In Lakhs) As at 31-03-2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share capital	2	1,432	1,507
(b) Reserves and surplus	3	5,368	5,457
(c) Money Received against Share Warrants		-	-
		<b>6,800</b>	<b>6,964</b>
<b>2 Share Application money pending allotment</b>		-	-
<b>3 Minority Interest</b>		-	-
<b>4 Non-Current Liabilities</b>			
(a) Long-term borrowings	4	4,912	6,469
(b) Deferred tax liabilities (net)		-	-
(c) Other Long Term Liabilities	5	25	37
(d) Long-term provisions	6	45	32
		<b>4,982</b>	<b>6,538</b>
<b>5 Current Liabilities</b>			
(a) Short-term borrowings	7	-	200
(b) Trade payables	8	-	-
(i) Due to Micro & Small Enterprises		-	-
(ii) Other than Micro & Small Enterprises		143	827
(c) Other current liabilities	9	1,612	2,664
(d) Short-term provisions	10	1	184
		<b>1,756</b>	<b>3,875</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>13,538</b>	<b>17,377</b>
<b>II. ASSETS</b>			
<b>1 Non-current Assets</b>			
(a) Fixed Assets	11		
(i) Tangible assets		2,460	2,603
(ii) Intangible assets		-	-
(iii) Capital Work-in-Progress		-	-
(b) Non-current investments	12	21	11
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	13	1,153	881
(e) Other Non-Current Assets	14	316	7
		<b>3,950</b>	<b>3,502</b>
<b>2 Current Assets</b>			
(a) Current Investments			
(b) Inventories	15	7,492	10,451
(c) Trade receivables	16	589	1,352
(d) Cash and Bank Balances	17	109	188
(e) Short-term loans and advances	18	1,398	1,847
(f) Other Current assets	19	-	37
		<b>9,588</b>	<b>13,875</b>
<b>TOTAL</b>		<b>13,538</b>	<b>17,377</b>
Significant Accounting Policies	1		
Notes to Financial Statements	2 - 36		

In terms of our report of even date  
**For SSPA & Associates**  
 Chartered Accountants  
 Firm Registration No. 131069W

**Parag Ved**  
 Partner  
 Membership No. 102432

Place: Mumbai  
 Date: May 30, 2017

For and on behalf of Board of Directors of  
**Tips Industries Limited**

**Kumar S. Taurani**  
 Chairman & Managing Director  
 DIN : 00555831

**Bijal Patel**  
 Company Secretary

Place: Mumbai  
 Date: May 30, 2017

**Ramesh S Taurani**  
 Managing Director  
 DIN : 00010130

**I.T Gursahani**  
 Chief Financial Officer

# PROFIT AND LOSS ACCOUNT

AS AT 31ST MARCH, 2017

(₹ In Lakhs)

Particulars	Note No.	Year ended March 31, 2017	Year ended March 31, 2016
I. Revenue from operations	20	4,702	6,844
II. Other income	21	1,939	307
III. <b>Total Revenue (I + II)</b>		<b>6,641</b>	<b>7,151</b>
IV. <b>Expenses:</b>			
Cost of materials consumed	22	0	1
Cost of Production / Distribution of Expenses	23	3,051	1,922
Employee benefits expense	24	657	586
Finance costs	25	1,024	1,261
Depreciation and amortization expense	11	147	161
Other expenses	26	1,330	2,839
<b>Total Expenses</b>		<b>6,209</b>	<b>6,770</b>
<b>V. Profit before Tax</b>		<b>432</b>	<b>381</b>
VI. Tax Expenses:			
(1) Current Tax		88	78
(2) Taxes in respect of earlier years		43	
<b>VII. Profit / (Loss) for the year</b>		<b>301</b>	<b>303</b>
VIII. Earnings per equity share of ₹10/- each			
(1) Basic	31 (b)	2.09	1.98
(2) Diluted	31 (b)	2.09	1.98
Significant Accounting Policies	1		
Notes to Financial Statements	2-36		

In terms of our report of even date  
**For SSPA & Associates**  
 Chartered Accountants  
 Firm Registration No. 131069W

**Parag Ved**  
 Partner  
 Membership No. 102432

Place: Mumbai  
 Date: May 30, 2017

For and on behalf of Board of Directors of  
**Tips Industries Limited**

**Kumar S. Taurani**  
 Chairman & Managing Director  
 DIN : 00555831

**Bijal Patel**  
 Company Secretary

Place: Mumbai  
 Date: May 30, 2017

**Ramesh S Taurani**  
 Managing Director  
 DIN : 00010130

**I.T Gursahani**  
 Chief Financial Officer

# CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2017

(₹ In Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>A. Cash Flow from Operating Activities</b>		
<b>Net Profit before taxation</b>	432	381
<b>Adjustments for:</b>		
Depreciation on fixed assets	148	161
(Profit) / Loss on sale of fixed assets	(1)	(1)
Provision for Doubtful Debts/Advances	-	-
Reversal of Provision for Doubtful Debts	-	-
Interest expenses & Other Finance Cost	1,024	1,261
Foreign Exchange Loss / (Gain)	-	(1)
Interest income	(11)	(20)
<b>Operating Profit before Working Capital changes</b>	<b>1,592</b>	<b>1,781</b>
Adjustments for :		
(Increase) / Decrease in inventories	2,959	(671)
(Increase) / Decrease in trade receivables	763	(1,030)
(Increase) / Decrease in Short Term loans and advances	70	1,188
(Increase) / Decrease in Long Term loans and advances	(271)	(89)
(Increase) / Decrease in Bank Deposits & Others	(2)	(6)
(Increase) / Decrease in Non-Current Assets	(309)	183
Increase/(Decrease) in Current Liabilities	(1,717)	1,741
Increase/(Decrease) in Long Term Liabilities	(11)	20
Increase/(Decrease) in provisions	12	4
<b>CASH GENERATED FROM OPERATIONS</b>	<b>3,086</b>	<b>3,121</b>
Income tax Paid	247	(117)
<b>Net Cash inflow from/ (outflow) from Operating activities</b>	<b>3,333</b>	<b>3,004</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(5)	(5)
Investment in Canara Bank Rebeco Mutual Fund	(10)	0
Intercompany Deposits Receipts	-	50
Intercompany Deposits Given	-	-
Sale Proceeds from fixed assets	1	1
Interest received	48	16
<b>Net Cash inflow from/ (outflow) from Investing activities</b>	<b>34</b>	<b>62</b>

Particulars	(₹ In Lakhs)	
	Year ended March 31, 2017	Year ended March 31, 2016
<b>C. Cash Flow from Financing Activities</b>		
(Repayment)/Proceeds of Long Term Borrowings	(1,557)	(2,501)
(Repayment)/Proceeds of Short Term Borrowings	(200)	150
Interest paid	(1,043)	(1,257)
Dividend paid	(144)	(155)
Buy back of shares	(474)	(183)
Corporate Dividend Tax Paid	(29)	(31)
<b>Net Cash inflow from/ (outflow) from Financing activities</b>	<b>(3,447)</b>	<b>(3,977)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(80)</b>	<b>(911)</b>
<b>Opening Cash and Cash Equivalents</b>		
Cash in hand	7	3
Bank balances	151	1,066
	<b>158</b>	<b>1,069</b>
<b>Closing Cash and Cash Equivalents</b>		
Cash in hand	6	7
Bank balances	72	151
	<b>78</b>	<b>158</b>

**Notes:**

Interest on loans, deposits etc is classified as cash flow from financing activities.

The cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (AS-3) "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.

Previous year figures have been regrouped wherever necessary, to correspond with the figures of the current year.

In terms of our report of even date

**For SSPA & Associates**

Chartered Accountants

Firm Registration No. 131069W

**Parag Ved**

Partner

Membership No. 102432

For and on behalf of Board of Directors of

**Tips Industries Limited**

**Kumar S. Taurani**

Chairman & Managing Director

DIN : 00555831

**Bijal Patel**

Company Secretary

**Ramesh S Taurani**

Managing Director

DIN : 00010130

**I.T Gursahani**

Chief Financial Officer

Place: Mumbai

Date: May 30, 2017

Place: Mumbai

Date: May 30, 2017



# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## 1. SIGNIFICANT ACCOUNTING POLICIES

**i. Accounting Convention:**

The accompanying financial statements have been prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in India. The Company has prepared these financial statements to comply in all material respects with Accounting Standards notified under Section 133 of the Companies Act 2013.

**ii. Use of estimates:**

The preparation of financial statements in conformity with the generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimate results. Differences between the actual results and estimates are recognised in the period in which the results are known / materialised.

**iii. Revenue recognition:**

**a) Turnover:**

Audio Product Sale :

Sale of goods to intermediate parties (distributors) and others is recognised when the significant risks and rewards of ownership are transferred and is disclosed net of returns and trade discount.

Audio Rights Receipts

Revenue from sale of Audio Rights is recognized on transfer / Assignment / Delivery of the masters as per the terms of the Contracts / Agreements with the parties.

Royalty from Music Rights

Royalty is recognized only when it is reasonably certain that the ultimate collection will be made and / or is also recognized on consideration due as per the term of agreement with respect to parties.

Revenue from films:

Income from production of films is recognised in the statement of Profit and Loss on release of films as per the contracts / arrangements with distributors. Revenue from distribution of motion pictures is recognized based on ticket sales on exhibition of motion pictures at exhibition theatres. Recoveries from films as overflows are recognized on the basis of business statements received from the distributors. Revenues from terrestrial rights, video rights, satellite rights etc are recognized on transfer / assignment/ effective date of respective rights in accordance with the respective agreement or on realization of the substantial consideration whichever is earlier and on delivery of the specified telecasting material.

Although revenues are accounted on accrual basis as aforesaid, the cost is charged to profit and loss account based on the amortisation principles stated in the accounting policy under the head ‘cost of feature films’.

**b) Artist Management Receipts:**

Artist Management Receipts are recognized in the statement of Profit & Loss on accrual basis as per the Contracts entered by the Artists with respective parties.

**c) Interest Income:**

Interest Income is accounted on accrual basis, at the contracted rates.



# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## d) Others:

Revenue in respect of insurance/other claims is recognised only when it is reasonably certain that the ultimate collection will be made.

## iv. Fixed Assets:

Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairment losses. Cost includes all expenses incurred to bring the assets to its current location and condition.

## v. Impairment of Assets:

Carrying amount of cash generating units/ assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the net selling price or value in use, whichever is higher. Impairment loss, if any, is recognised whenever the carrying amount exceeds the recoverable amount.

## vi. Investments:

All long term investments are valued at cost. Provision for diminution in the value of each long term investments is made to recognize a decline other than of a temporary nature.

Current investments are carried individually at lower of cost and fair value and the resultant decline if any, is charged to revenue.

## vii. Copyrights (audio film albums):

The cost of copyrights (audio film albums) is charged to revenue on the date of release of audio, considering the uncertainty of future economic benefits and the short duration over which such benefits may accrue.

## viii. In-house music production (Audio non-film albums):

In-house music production costs are charged to revenue on completion/release of albums, considering the uncertainty of future economic benefits and the short duration over which such benefits may accrue.

## ix. Depreciation:

Depreciation is provided for on Straight Line method at the rates prescribed in Schedule II to the Companies Act, 2013.

In respect of depreciable assets for which impairment loss is recognized, depreciation / amortization is charged on the revised carrying amount over remaining useful life of the assets.

Improvements to Leasehold Premises are amortized over the period of lease.

## x. Inventories:

Items of inventory are valued on the basis as given below:

### a) Raw Materials & Packing Materials:

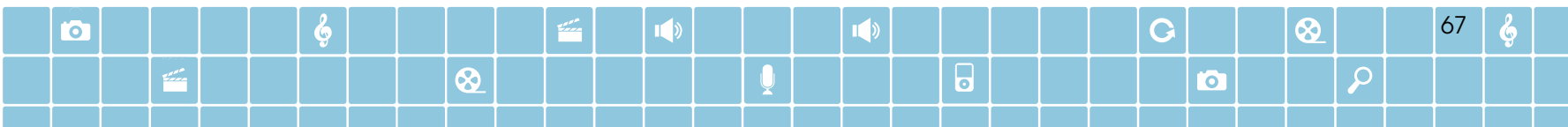
Raw materials and Packing Materials are valued at cost (on First In First Out basis) or net realisable value whichever is lower.

### b) Work-In-Progress:

Work-In-Progress is valued at cost of Raw Materials consumed / used.

### c) Finished Goods:

Finished Goods are valued at cost or net realisable value whichever is lower. Cost comprises of cost of purchase, cost of copyrights (audio/video films), cost of in-house music productions (audio/video-non-films/films), cost of conversion and other costs incurred in bringing the inventory to their present location and condition.



# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

- d) Cost of Feature Films:**

  - The Company amortizes 60% of the cost of movie rights acquired or produced by it, on first theatrical release of the movie. The said amortization is made proportionately based on Management’s estimates of revenues pertaining to Domestic Theatrical Rights, International Theatrical Rights, Television Rights, Video Rights and others over a period of 12 months from the date of theatrical release of the movie.
  - Balance 40% of COP is amortized as per the management estimate / review of future revenues but not exceeding nine years and subject to a minimum of 4.4% in any year.
- e) Cost of under Production Films:**

Expenses of under production films incurred till the films are ready for release are inventorised.

The production of films requires various types of materials in different qualities and quantities. Considering the peculiar nature of those items including their multiplicity and complexity, it is not practicable to maintain quantitative records of those items. Further, in the absence of certainty of reusability of such items, the same are not valued.
- f)** The Company reassesses the realizable value and / or revenue potential of inventory based on market condition and future demand and appropriate write down is made in cases where accelerated write down is warranted.
- xi. Foreign Currency Transactions:**

Transactions in foreign currency are recorded at the original rates of exchange in force at the time transactions are effected. Exchange differences arising on settlement are recognised in the profit and loss account.

Monetary items denominated in foreign currency are restated using the exchange rates prevailing at the date of

- balance sheet and the resulting net exchange difference is recognised in the profit and loss account.
- xii. Borrowing Costs:**

Borrowing costs that are attributable to the acquisition of qualifying assets are capitalized as part of the cost of such assets. Borrowing costs that are directly attributable to production of feature films are inventorised as part of cost of production of films. Other borrowing costs are recognised as expense in the period in which they are incurred.
- xiii. Employee Benefits:**

  - Contribution to Provident Fund is charged to revenue.
  - Defined Benefit Plan

Company’s liabilities towards gratuity is determined on actuarial basis using the projected unit credit method, which consider each period of service as giving rise to an additional unit of benefit and measures each unit separately to build up the final obligation. Past services are recognised on straight-line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognised immediately in the Statement of Profit and Loss Account as income or expense. Obligation is measured at the present value of estimated future cash flow using a discount rate that is determined by reference to market yields at the Balance Sheet date on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

  - In view of the past trends of leave availed, the amount of employee benefit in the form of compensated absences, being in the nature of short term benefit, is accounted for on accrual basis at an undiscounted value.
- xiv. Income Taxes:**

Provision for current income tax is made on current tax rate based on assessable income computed under the





# NOTES TO THE FINANCIAL STATEMENTS

## 2 - SHARE CAPITAL

(₹ In Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Authorised Capital</b>		
20,000,000 Equity Shares of ₹ 10/- each fully paid (Previous Year 20,000,000 Equity Shares of ₹ 10/- each fully paid)	2,000	2,000
<b>Issued, Subscribed and Paid up Capital</b>		
15,067,682 Equity Shares of ₹ 10/- each fully paid (Previous Year 15,358,640 Equity Shares of ₹ 10/- each fully paid)	1,507	1,536
<b>Less: Buy Back of Shares</b>		
7,49,023 Equity Shares of ₹10/- each fully paid (Previous year 2,90,958 @ ₹10/- each)	(75)	(29)
<b>TOTAL</b>	<b>1,432</b>	<b>1,507</b>

### a. Rights/Terms attached to Equity Shares

Company has only one class of shares referred to as equity shares having par value ₹10/- each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors in their meeting held on May 30, 2017, proposed dividend of ₹1/- per equity share (in previous year ₹1/- per equity share). In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential share amounts. However no such preferential shares amount exist currently. The distribution will be in proportion to the number of equity shares held by shareholders.

### b. Reconciliation of number of shares

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number	Amount in Lakhs	Number	Amount in Lakhs
Equity Shares outstanding at the beginning of the year	15,067,682	1,507	15,358,640	1,536
Equity Shares Issued during the year	-	-	-	-
Equity Shares bought back during the year	(749,023)	(75)	(290,958)	(29)
Equity Shares outstanding at the end of the year	14,318,659	1,432	15,067,682	1,507

### c. Information on equity shares allotted without receipt of cash or allotted as bonus shares or shares bought back

During the Financial Year 2010 - 11, the Company had bought back 1,347,200 Equity Shares of ₹10/- each from open market at an average price of ₹47.50/-.

During the Financial Year 2012 - 13, the Company had bought back 600,060 Equity Shares of ₹10/- each from open market at an average price of ₹77.18/-

## NOTES TO THE FINANCIAL STATEMENTS

During the Financial Year 2015 - 16, the Company had bought back 290,958 Equity Shares of ₹10/- each from open market at an average price of ₹62.83/-

During the Financial Year 2016 - 17, the Company had bought back 749,023 Equity Shares of ₹10/- each from open market at an average price of ₹63.34/-

### d. Details of Shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Kumar S. Taurani	2,881,915	20.13	2,881,915	19.13
Ramesh S. Taurani	2,875,911	20.09	2,875,911	19.09
Varsha R. Taurani	2,474,718	17.28	2,474,718	16.42
Renu K. Taurani	2,468,718	17.24	2,468,718	16.38

## 3 - RESERVES AND SURPLUS

(₹ In Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>a. Capital Redemption Reserve</b>		
Opening Balance	224	195
Transfer from Securities Premium on account of buy back of Equity Shares	75	29
Closing Balance	299	224
<b>b. Securities Premium Account</b>		
Opening Balance	2,273	2,456
Less: Share premium paid on buy back of equity shares of 749023 (L/Y 290958)	(399)	(154)
Less: Transfer to Share Premium on account of buy back of equity shares	(75)	(29)
Closing Balance	1,799	2,273
<b>c. General Reserves</b>		
Opening Balance	536	513
Add:- Transfer from Surplus in statement of profit & loss account	15	23
Closing Balance	551	536
<b>d. Surplus in statement of profit &amp; loss account</b>		
<b>Opening Balance</b>	2,424	2,325
Add:- Net Profit/(Net Loss) For the current year	301	303
Add:- Difference in Proposed Dividend of Last Year	7	-
Difference in Tax on Proposed Dividend of Last Year	2	
Less:- Proposed Dividend	0	(151)
Less:- Tax on Proposed Dividend	0	(30)
Less:- Transfer to General Reserve	(15)	(23)
<b>Closing Balance</b>	2,719	2,424
<b>GRAND TOTAL (a+b+c+d)</b>	<b>5,368</b>	<b>5,457</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 4 - LONG-TERM BORROWINGS

(₹ In Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>SECURED</b>		
Term loans		
From Banks	4,612	6,469
From Others	300	-
<b>TOTAL</b>	<b>4,912</b>	<b>6,469</b>

### Nature of Securities and Terms of Repayment

- Term Loan from Life Insurance Corporation of India is repayable on the maturity of Life Insurance Policy taken by the Company. The Loan is secured by Lien on the Employer-Employee Insurance Policy of the Directors and same is being maturing on 28/03/2023.
- Overdraft Facility from Bank, balance outstanding amounting to ₹ 3,734/- (March 31, 2016 ₹ 5,235/-) is secured by way of pari passu first charge alongwith another bank on all the Intellectual Property Rights (IPR) of the audio Library of the company, current and future and is receivable plus personal guarantee of both the directors with exclusive charge on escrow of royalty income from Phonographic Performance Ltd (PPL) and also a charge by way of mortgage of office premises owned by the Company. The overdraft facility is repayable in 7 yearly equal instalments from August 2014. Last instalment due in August 2020.
- Overdraft Facility from Bank, balance outstanding amounting to ₹ 1,580/- (March 31, 2016 : ₹1,857) is secured by way of pari passu first charge alongwith another bank on all the Intellectual Property Rights (IPR) of the audio Library of the company, current and future and also a charge by way of mortgage of Residential Premises owned by promoters. The Term Loan is also secured by lien on Fixed Deposit of ₹ 300 Lakhs. The overdraft facility is repayable in 7 yearly equal instalments from September 2015, Last instalment due in September 2021.
- Term Loan from Standard Chartered Bank is repayable in 116 monthly Instalments of ₹12/- from 01/12/2016 and is secured by hypothecation of Commercial Premises owned by Relatives of Directors.

## 5 - OTHER LONG-TERM LIABILITIES

(₹ In Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Security Deposit	25	37
<b>TOTAL</b>	<b>25</b>	<b>37</b>

## 6 - OTHER LONG-TERM PROVISIONS

(₹ In Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Gratuity	45	32
<b>TOTAL</b>	<b>45</b>	<b>32</b>





# NOTES TO THE FINANCIAL STATEMENTS

## 7 - SHORT-TERM BORROWINGS

(₹ In Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
i) SECURED	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>
Particulars	As at March 31, 2017	As at March 31, 2016
ii) UNSECURED		
<b>Deposits</b>		
From Related Parties	-	200
<b>TOTAL</b>	<b>-</b>	<b>200</b>
Deposits from related parties		
Deposits from related parties include Loans from Directors repayable on demand		
<b>GRAND TOTAL (i+ii)</b>	<b>-</b>	<b>200</b>

## 8 - TRADE PAYABLES

(₹ In Lakhs)

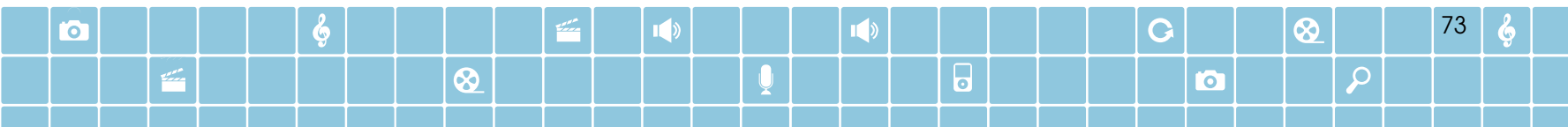
Particulars	As at March 31, 2017	As at March 31, 2016
Trade Payables		
Due to Micro and Small Enterprises *		
Other than Micro and Small Enterprises	143	827
<b>TOTAL</b>	<b>143</b>	<b>827</b>

\* Based on the Information available, no creditors have been identified as "Suppliers" within the meaning of Micro, Small and Medium Enterprises Development Act, 2006.

## 9 - OTHER CURRENT LIABILITIES

(₹ In Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Current maturities of long-term debt *	1,512	2,267
Interest accrued but not due on borrowings	1	19
Unpaid dividends **	6	7
Advance from Customers	60	225
<b>Statutory Liabilities</b>		
TDS	23	46
Service Tax	0	37
Value Added Tax Payable	9	61
Others	1	2
<b>TOTAL</b>	<b>1,612</b>	<b>2,664</b>





# NOTES TO THE FINANCIAL STATEMENTS

\* Refer Note 4 for details of Nature of Securities and Terms of Repayment

\*\* There are no amounts due for payment to the Investors Education and Protection Fund under section 124 of the Companies Act, 2013, as at the year end.

## 10 - SHORT-TERM PROVISIONS

(₹ In Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Gratuity	1	3
Proposed dividend	-	151
Tax on proposed dividend	-	30
<b>TOTAL</b>	<b>1</b>	<b>184</b>

## 11 - FIXED ASSETS

(₹ In Lakhs)

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	As at April 1, 2016	Additions during the Year	Deletions / Adjustments during the Year	As at March 31, 2017	As at April 1, 2016	Depreciation charge for the year	Adjustments / disposals	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
<b>Tangible Assets</b>										
Land & Building - Owned	2,810	-	-	2,810	565	45	-	610	2,200	2,245
Cinematography Machinery	40			40	23	3		26	14	18
Plant & Machinery	5			5	5			5	-	-
Furniture & Fixtures	44	1		45	37	2	-	39	6	7
Vehicles	733		8	725	417	87	8	496	229	316
Office Equipment	121	4		125	110	6		116	9	11
Computer	20	0		20	14	4		18	2	6
<b>TOTAL</b>	<b>3,773</b>	<b>5</b>	<b>8</b>	<b>3,770</b>	<b>1,171</b>	<b>147</b>	<b>8</b>	<b>1,310</b>	<b>2,460</b>	<b>2,603</b>
Previous Year	3,777	6	9	3,774	1,019	161	9	1,171	2,603	

# NOTES TO THE FINANCIAL STATEMENTS

## 12 - NON-CURRENT INVESTMENTS

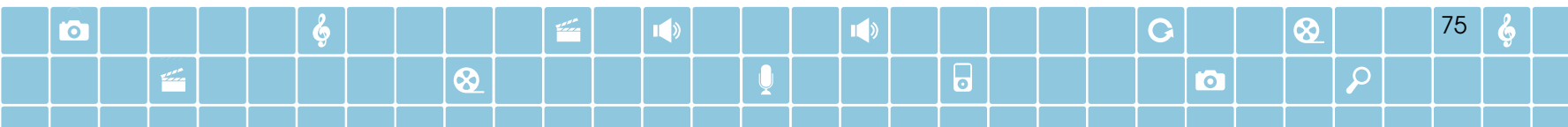
(₹ In Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Trade Investments</b>		
<b>Equity Shares (Unquoted)</b>		
5000 (Previous Year : 5000) Equity Shares of Label Mobile Media Pvt. Ltd. of ₹ 10/- each fully paid	1	1
<b>Mutual Funds (Quoted)</b>		
99990/- (Previous Year : 99990/-) Units of ₹10/- each of Canara Robeco Capital Protection Oriented Fund-Series 3-Regular Growth (NAV ₹ 12.1681 as at March 31, 2017) (Previous year NAV ₹ 11.1489)	10	10
1,00,000/- (Previous Year Nil) Units of ₹10/- each of Canara Robeco Capital Protection Oriented Fund-Series 7-Regular Growth (NAV ₹ 10.3827 as at March 31, 2017)	10	-
<b>TOTAL</b>	<b>21</b>	<b>11</b>

## 13 - LONG-TERM LOANS AND ADVANCES

(₹ In Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>a. Security Deposits</b>		
<u>Unsecured, considered good</u>		
Security Deposit against Premises - Related Party	500	500
Others	24	22
	<b>524</b>	<b>522</b>
<b>b. Other loans and advances</b>		
<u>Unsecured, considered good</u>		
Advances for Forthcoming Films	547	269
Others	82	90
	<b>629</b>	<b>359</b>
<b>TOTAL (a+b)</b>	<b>1,153</b>	<b>881</b>



# NOTES TO THE FINANCIAL STATEMENTS

## 14 - OTHER NON CURRENT ASSETS

(₹ In Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Bank Deposits</b>		
Long Term Fixed Deposits with Banks with maturity period more than 12 months (Refer Note (i) & (ii) below)	316	7
<b>Balance with Banks held as margin money against bank guarantee</b>	0	0
<b>Total</b>	<b>316</b>	<b>7</b>

- i) Fixed Deposits of 305.82 Lakhs held as lien by bank against overdraft facility amounting to ₹2500 Lakhs (Previous Year ₹ Nil)
- ii) Fixed Deposits of ₹ 9.76/- (Previous Year ₹ 6.77/-) includes electricity deposits ₹ 9.65/- (previous year ₹6.66/-) and Sales Tax deposits ₹ 0.12/- (Previous Year ₹ 0.11)

## 15 - INVENTORIES (Valued at Cost or Net Relisable Value whichever is lower)

(₹ In Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
a. Unamortised Cost of Production	7,492	10,028
b. Cost of Films under Production	-	423
<b>TOTAL</b>	<b>7,492</b>	<b>10,451</b>

## 16 - TRADE RECEIVABLES

(₹ In Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Trade receivables outstanding for a period exceeding six months from the date they become due for payment		
Secured, considered good	-	-
Unsecured, considered good	105	45
Doubtful	-	-
Less: Provision for Doubtful debts	-	-
	<b>105</b>	<b>45</b>
<b>Other Trade receivables</b>		
Secured, considered good	-	-
Unsecured, considered good	484	1,307
Doubtful	-	-
Less: Provision for Doubtful debts	-	-
	<b>484</b>	<b>1,307</b>
<b>TOTAL</b>	<b>589</b>	<b>1,352</b>



# NOTES TO THE FINANCIAL STATEMENTS

## 17 - CASH AND BANK BALANCES

(₹ In Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>(i) Cash and Cash Equivalents</b>		
a Balances with Banks In Current Accounts	71	151
b. Cash on hand	6	7
c. Fixed Deposits with Banks		
i) Less Than 3 Months	-	-
ii) More Than 3 Months and Less than 12 Months	-	-
	<b>77</b>	<b>158</b>
<b>Other Bank Balances</b>		
<b>(ii) Earmarked Balances with Banks</b>		
Unpaid Dividends	7	7
<b>(iii) Balance with Banks held as margin money against bank guarantee</b>		
i) Less Than 3 Months	-	-
ii) More Than 3 Months and Less than 12 Months	25	23
<b>TOTAL (ii+iii)=iv</b>	<b>32</b>	<b>30</b>
<b>TOTAL (i+iv)</b>	<b>109</b>	<b>188</b>

## 18 - SHORT-TERM LOANS AND ADVANCES

(₹ In Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Unsecured, considered good</b>		
Advance Income Tax (Net of Provision for taxation)	299	677
Loans to Employess	4	11
Advances for Film Projects in Hand	914	984
Inter Corporate Deposits	-	-
Prepaid Expenses	1	1
Service Tax Credit	58	128
Vat Credit	29	29
Others	93	17
<b>TOTAL</b>	<b>1,398</b>	<b>1,847</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 19 - OTHER CURRENT ASSETS

(₹ In Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Interest Accrued on Loans / Fixed Deposits / Investments	-	37
<b>TOTAL</b>	<b>-</b>	<b>37</b>

## 20 - REVENUE FROM OPERATIONS

(₹ In Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Sale of Audio Products	0	1
Revenue from Film Production & Distribution	1,507	2,534
Royalty Receipts (Net)	3,195	4,309
<b>TOTAL</b>	<b>4,702</b>	<b>6,844</b>

## 21 - OTHER INCOME

(₹ In Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Interest Income	11	20
<b>Other non-operating income (net of expenses directly attributable to such income)</b>		
Sundry Credit Balance Written Back	60	16
Foreign Exchange Difference		1
Interest on Income Tax Refund	65	
Others	1,803	270
<b>TOTAL</b>	<b>1,939</b>	<b>307</b>

## 22 - COST OF MATERIAL CONSUMED

(₹ In Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Opening Stock of Raw Materials	-	1
Add: Purchases of Raw Materials	0	0
Less: Closing Stock of Raw Materials	-	-
<b>TOTAL</b>	<b>0</b>	<b>1</b>



# NOTES TO THE FINANCIAL STATEMENTS

## 23 - COST OF PRODUCTION / DISTRIBUTION OF FILMS

(₹ In Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Opening- <u>Cost of Under Production films</u>	423	56
Unamortised cost at beginning of the year	10,028	9,723
Add: Cost incurred during the year	92	1,029
Add: Cost of Abandoned Films	-	-
Add: Film Acquisition Rights	-	1,565
<u>Closing-</u>		
Less: Unamortised cost at the close of the year	(7,492)	(10,028)
Less: Cost of underproduction films carried forward	-	(423)
<b>TOTAL</b>	<b>3,051</b>	<b>1,922</b>

## 24 - EMPLOYEE BENEFIT EXPENSES

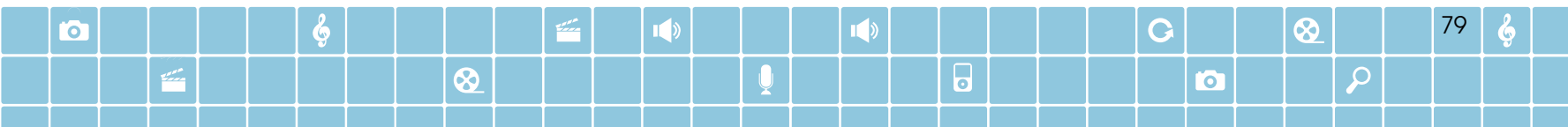
(₹ In Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Salaries and incentives	617	555
Contributions to PF	9	10
ESIC	1	1
Gratuity	14	7
Staff welfare expenses	16	13
<b>TOTAL</b>	<b>657</b>	<b>586</b>

## 25 - FINANCE COST

(₹ In Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Interest expenses	1,024	1,261
<b>TOTAL</b>	<b>1,024</b>	<b>1,261</b>



NOTES TO THE FINANCIAL STATEMENTS

26 - OTHER EXPENSES

(₹ In Lakhs)

Particulars	Year Ended March 31, 2017		Year Ended March 31, 2016	
Electricity Expenses		8		8
Rent		104		103
<b>Repairs &amp; Maintenance :</b>				
-Office Premises	19		23	
-Office Equipments	2	21	1	24
Insurance		130		128
Rates and Taxes		59		155
Legal and Professional		297		276
In-house Music Production/Acquistion Cost		37		325
Films Publicity and Distribution Expenses		262		1,291
Advertisement Expenses		11		31
Travelling and Conveyance		12		12
<b>Audit Fees</b>				
Statutory Audit Fees	8		8	
Auditors Out of Pocket Expenses	0	8	0	8
Donation		6		11
Expenditure towards Corporate Social Responsibility (CSR) activities				2
Bad Debts and Advances Written Off		135	133	133
Miscellaneous Expenses		240		332
<b>TOTAL</b>		<b>1,330</b>		<b>2,839</b>



# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## 27. Contingent Liabilities:

(₹ In Lakhs)

	As on 31-03-17	As on 31-03-16
a) Penalty under FEMA Act *	90.00	90.00
b) Demand by Sales Tax Department **	1583.36	1258.69

\* The Company is hopeful of favorable decisions for the appeal pending before the Hon'able Supreme Court. The Hon'able Supreme Court has granted stay until disposal of petition.

\*\* The management has taken an opinion from the consultant in respect of value added tax demand against the company. The management is confident that the case will be decided in favour of the Company based on its own assessment as well as opinion provided by the consultant.

**28.** Trade Receivables, Trade Payables and advances are subject to confirmations and reconciliation, if any.

## 29. Provision for Tax:

The current tax provision is based on tax payable on book profits computed u/s 115JB of the Income Tax Act, 1961. Credit for set off of this book profit tax is not recognized in the books in view of the uncertainty about future taxable profits.

## 30. DISCLOSURE REQUIRED AS PER ACCOUNTING STANDARDS ISSUED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA.

### a) Gratuity:

#### (i) Description of the Plan:

The Company has covered its gratuity liability by a Group Gratuity Policy named 'Employee Group Gratuity Assurance Scheme' issued by LIC of India. Under the plan, employee at retirement is eligible for benefit, which will be equal to 15 days salary for each completed year of service. Thus, it is a defined benefit plan and the aforesaid insurance policy is the plan asset.

#### (ii) Principal actuarial assumptions:

Particular	2016-17	2015-16	2014-15	2013-14	2012-13
Discount Rate	6.69%	7.46%	7.77%	9.16%	8.57%
Rate of Return on Plan Assets	7.55%	8.75%	9.00%	9.15%	9.15%
Salary Escalation Rate	10.00%	10.00%	10.00%	10.00%	10.00%

Discount Rate is based on prevailing market yields of Indian Government Securities as at the balance sheet date for the estimated term of the obligation.

The salary escalation rate is based on estimate of salary increases, which take into account inflation, promotion and other relevant factors.



# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## (iii) Reconciliation of Benefit Obligation:

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Liability at the beginning of the year	116.19	104.51	73.04	68.01	43.15
Interest Cost	8.20	8.40	7.32	6.02	2.95
Current Service Cost	13.57	21.14	21.15	15.77	13.55
Benefit Paid	(20.55)	(1.97)	(0.82)	(0.61)	(17.30)
Actuarial (Gain) / Loss on Obligations	(2.73)	(15.89)	3.81	(16.15)	7.25
Liability at the end of the year	114.68	116.19	104.51	73.04	68.01
Fair Value of Plan Assets at the end of the year	68.38	81.60	74.33	61.91	52.26
Amount recognized in Balance Sheet as "Liabilities or (Assets)"	(46.30)	(34.59)	(30.18)	11.13	15.74

## (iv) Reconciliation of Fair value of Plan Assets:

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Fair Value of Plan Assets at the beginning of the year	81.60	74.33	61.91	52.26	40.77
Adjustment to Opening Balance	(0.80)	(0.64)	(0.75)	3.77	--
Expected Return on Plan Assets	5.66	6.62	6.01	4.96	4.06
Contributions	1.88	3.04	7.96	5.64	24.71
Benefit Paid	(20.55)	(1.97)	(0.82)	(0.61)	(17.30)
Actuarial Gain / (Loss) on Plan Assets	0.60	0.22	0.02	(4.12)	0.01
Fair Value of Plan Assets at the end of the year	68.38	81.60	74.33	61.91	52.26

## (v) Gratuity Expenses recognized in the Profit and Loss Account under the head "Staff Cost":

Particulars	2016-17	2015-16
Current Service Cost	13.57	21.14
Interest Cost	8.20	8.40
Net Actuarial Gain / (Loss) recognized	(3.33)	(16.11)
Adjustment to Opening Balance	0.80	0.64
Expected Return on Plan Assets	(5.66)	(6.62)
Expenses recognized in Profit & Loss A/c	13.58	7.45

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## b) Earnings per share is calculated as follows:

Particulars	2016-17	2015-16
<b>Profit/(Loss) attributable to equity shareholders</b>	<b>300.94</b>	<b>303.39</b>
Weighted average number of equity shares used in computing basic earnings per share	143.97	153.24
<b>Basic Earnings per share (₹)</b>	<b>2.09</b>	<b>1.98</b>
Weighted average number of equity shares used in computing diluted earnings per share	143.97	153.24
<b>Diluted Earnings per share (₹)</b>	<b>2.09</b>	<b>1.98</b>
Nominal value of equity shares (₹)	10/-	10/-

## c) Leases:

Rent Expense of Rs 104 lacs (Previous year: Rs 103 lacs) in respect of obligation under cancellable operating leases have been charged to the statement of profit and loss.

## d) Related Party Disclosures:

### (i) List of related parties and nature of their relationship is furnished below:

#### a) Subsidiaries: NIL

#### b) Key Management Personnel:

Kumar S. Taurani	Chairman & Managing Director
Ramesh S. Taurani	Managing Director
I. T. Gursahani	Chief Financial Officer
Bijal Patel	Company Secretary

#### c) Relatives of Key Management Personnel :

Mrs. Renu K. Taurani, Mrs. Varsha R. Taurani, Mr. Kunal K. Taurani, Mr. Girish K. Taurani, Ms. Sneha R. Taurani, Ms. Jaya R. Taurani, Ms. Raveena R. Taurani, Ms. Bhagwanti P. Mulani and Ms. Pratima I. Gursahani

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

**(ii) Details of Transactions with Key Management Personnel, relatives of Key Management Personnel and Other Related Parties.**

	Particulars	Key Management Personnel	Relatives of Key Management Personnel	Total
<b>1)</b>	<b>FINANCE</b>			
	a) Loans Taken	1,050.00 (1,295.00)	NIL (NIL)	1,050.00 (1,295.00)
	b) Loan Repayment	1,250.00 (1,145.00)	NIL NIL	1,250.00 (1,145.00)
<b>2)</b>	<b>OTHER EXPENDITURE</b>			
	a) Rent Paid	NIL (NIL)	84.00 (84.00)	84.00 (84.00)
	b) Interest Paid	73.16 (66.97)	NIL (NIL)	73.16 (66.97)
	c) Legal & Prof. Fees paid	12.00 (12.00)	29.00 (24.00)	41.00 (36.00)
<b>3)</b>	<b>REMUNERATION PAID</b>	276.24 (184.50)	30.00 (15.00)	306.24 (199.50)
<b>4)</b>	<b>OUTSTANDING</b>			
	a) Payables Loans	NIL (200.00)	NIL (NIL)	NIL (200.00)
	b) Receivables Deposits	NIL (NIL)	500.00 (500.00)	500.00 (500.00)
<b>5)</b>	<b>REIMBURSEMENT RECEIVABLES</b>	NIL (160.00)	NIL (NIL)	NIL (160.00)
<b>6)</b>	<b>DEPOSITS REPAYMENT</b>	NIL (NIL)	NIL (NIL)	NIL (NIL)
<b>7)</b>	<b>ADVANCE GIVEN</b>	NIL (NIL)	5.00 (NIL)	5.00 (NIL)

Notes: Related party relationship is as identified by the Company and relied upon by the Auditors.

**Other Related Parties - Disclosures**

Out of the above items, transaction with the party in excess of 10% of total related parties.



# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## A) Key Management Personnel

Particulars	Kumar Taurani	Ramesh Taurani	I. T Gursahani	Bijal Patel
<b>1) FINANCE</b>				
a) Loans taken	950.00 (670.00)	100.00 (625.00)	NIL (NIL)	NIL (NIL)
b) Loan Repayment	1,050.00 (620.00)	200.00 (525.00)	NIL (NIL)	NIL (NIL)
<b>2) OTHER EXPENDITURE</b>				
a) Interest Paid	65.96 (37.15)	7.20 (29.83)	NIL (NIL)	NIL (NIL)
b) Legal & Professional Fees	NIL (NIL)	NIL (NIL)	12.00 (12.00)	NIL (NIL)
<b>3) REMUNERATION PAID</b>	135.56 (90.00)	135.56 (90.00)	NIL (NIL)	5.12 (4.50)
<b>4) OUTSTANDING</b>	NIL	NIL	NIL	NIL
a) Payable Loans	(100.00)	(100.00)	(NIL)	(NIL)
<b>5) REIMBURSEMENT RECEIVABLES</b>	NIL (80.00)	NIL (80.00)	NIL (NIL)	NIL (NIL)
<b>6) DEPOSITS REPAYMENT</b>	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)



Amount expressed in INR Lakhs unless otherwise stated

Particulars		Relatives of Key Management Personnel							
		Renu K Taurani	Varsha R Taurani	Kunal K Taurani	Girish K Taurani	Sneha R Taurani	Raveena R Taurani	Jaya R Taurani	Pratima I Gursahani
1)	FINANCE								
	a) Loans taken	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
	b) Repayment of Loans	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
2)	OTHER EXPENDITURE								
	a) Rent Paid	42.00 (42.00)	42.00 (42.00)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
	b) Interest Paid	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
	c) Legal & Prof. Fees Paid	NIL (NIL)	18.00 (18.00)	NIL (NIL)	5.00 (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	6.00 (6.00)
3)	REMUNERATION PAID	NIL (NIL)	NIL (NIL)	15.00 (15.00)	NIL (NIL)	NIL (NIL)	NIL (NIL)	15.00 (NIL)	NIL (NIL)
4)	OUTSTANDING								
	a) Payables Loans	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
	b) Receivables Deposits	250.00 (250.00)	250.00 (250.00)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
5)	REIMBURSEMENT RECEIVABLES	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
6)	DEPOSITS REPAYMENT	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
7)	ADVANCE GIVEN	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	5.00 (NIL)	NIL (NIL)	NIL (NIL)

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## e. Segment Reporting :

Disclosures as per the requirements of Accounting Standard – 17 for 'Segment Reporting' is as under

Particulars	Financial Year Ended	
	31-03-17	31-03-16
<b>1 Segment Revenue:</b>		
Audio Product Sales	3,195.30	4,609.86
Film Distribution	1,506.37	2,234.60
<b>Revenue from Operation</b>	<b>4,701.67</b>	<b>6,844.46</b>
<b>2 Segment Results</b>		
Profit (+) / Loss (-) before interest & Tax		
- Audio Products	2,773.94	3,877.71
- Film Distribution	(2,053.45)	(1,350.25)
- Others		
Less: Interest (Net)	1,023.72	1,260.98
Less: Unallocable Corporate expenses	(735.72)	885.39
Profit (+) / Loss (-) before Tax	432.49	381.09
<b>3 Capital Employed</b>		
(Segment Assets - Segment Liabilities)		
- Audio Products	738.46	625.30
- Film Distribution	8,894.45	11,529.67
- Un-allocable Corporate Assets Less Liabilities	(2,833.23)	(5,190.80)
<b>Total</b>	<b>6,799.68</b>	<b>6,964.17</b>
<b>4 Capital Expenditure</b>		
- Audio Products	NIL	NIL
- Film Distribution	NIL	NIL
- Un-allocable Corporate Assets Less Liabilities	5.25	5.56
<b>Total</b>	<b>5.25</b>	<b>5.56</b>
<b>5 Depreciation and Amortization Expense</b>		
- Audio Products	2.97	2.96
- Film Distribution	3.30	3.30
- Un-allocable Corporate Assets Less Liabilities	141.05	155.13
<b>Total</b>	<b>147.32</b>	<b>161.39</b>
<b>6 Non Cash Expense other than depreciation</b>		
- Audio Products	0.28	6.25
- Film Distribution	NIL	NIL
- Un-allocable Corporate Assets Less Liabilities	NIL	NIL
<b>Total</b>	<b>0.28</b>	<b>6.25</b>

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## 31. DEFERRED TAX ASSETS/ LIABILITIES

Considering the nature of the business of the Company, during the year ended March 31, 2017, Company had not recognised the deferred tax liability for current year and also for earlier years on the timing difference in accounting of inventory for which auditors have qualified their report for the same. Company has not recognised the Deferred tax liability on unamortised cost of production as in the opinion of the management the Company will have sufficient unabsorbed depreciation and business losses in the year in which timing differences will reverse.

## 32. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF SCHEDULE III TO THE COMPANIES ACT, 2013 :

### (i) Turnover

Particulars	Unit	2016-17		2015-16	
		Quantity ('000)	Value in Rupees	Quantity ('000)	Value in Rupees
Pre recorded cassettes	Nos	NIL	NIL	NIL	NIL
Compact Discs	Nos	NIL	NIL	NIL	NIL
<b>Total</b>		<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

Figures in brackets represent excess of goods returned over goods sold during the year.

### (ii) Raw Materials Consumed

Particulars	Unit	2016-17		2015-16	
		Quantity ('000)	Value in Rupees	Quantity ('000)	Value in Rupees
Magnetic Tape	Reel	NIL	NIL	NIL	NIL
Plastics Components	PCs	NIL	NIL	NIL	NIL
Others		NIL	NIL	NIL	NIL
<b>Total</b>		<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

### (iii) Opening and Closing Stock

Class of Goods Manufactured	Opening Stock		Closing Stock	
	Quantity PCs. '000	Value (Rupees)	Quantity PCs. '000	Value (Rupees)
Pre-recorded Cassettes	NIL	NIL	NIL	NIL
Blank Cassettes	NIL	NIL	NIL	NIL
Compact discs/DVD	NIL	NIL	NIL	NIL
<b>Total</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## (iv) Value of Raw Materials Consumed

Particulars	2016-17		2015-16	
	Percentage to total consumption %	Rupees	Percentage to total consumption %	Rupees
Imported	NIL	NIL	NIL	NIL
Indigenous	NIL	NIL	NIL	1.40
<b>Total</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>1.40</b>

## (v) Expenditure In Foreign Currency

Particulars	2016-17	2015-16
Payment To Artist	00.68	NIL
Publicity Expenses	58.99	NIL
Travelling Expenses	01.72	NIL
Advertisement	03.60	09.15
Remake Rights	NIL	06.74
Gym Trainer Charges	NIL	00.43
Lyrics Writing Charges	NIL	00.25
Others (Bad Debts Galani UK)	05.24	NIL
<b>Total</b>	<b>70.23</b>	<b>16.57</b>

## (vi) Earnings In Foreign Currency

Particulars	2016-17	2015-16
Film Distribution Revenue	57.97	NIL
Royalty	850.97	1,054.71
Audio Rights Receipts	NIL	300.00
<b>Total</b>	<b>908.94</b>	<b>1,354.71</b>

## 33. Foreign Currency Exposure:

Particulars	2016-17	2015-16
Amount payable in foreign currency on account of import of Goods/services and its equivalent Indian Rupees.	Rs. 0.28 (Euro 0.004)	Rs. 0.30 (Euro 0.004)
Amount receivable in Foreign Currency on export of goods / services and its equivalent Indian Rupees.	Rs. 109.29 (GBP0.65) (US\$ 0.88)	Rs. 311.35 (GBP2.75) (US\$ 0.76)
Amount payable in foreign currency towards loan / deposits and its equivalent Indian rupees	NIL	NIL
	NIL	NIL



# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

**34.** The Board of Directors recommended a Dividend of Re 1/- (previous year Re 1/- ) per equity share for the financial year ended March 31, 2017. The payment is subject to the approval of shareholders in the ensuing Annual general meeting of the Company.

The Central Government in consultation with National Advisory Committee on Accounting Standards has amended Companies Accounting Standard Rules, 2006 vide notification issued by Ministry of Corporate Affairs dated March 31, 2016. According to the amended rules, the proposed dividend mentioned above, will not be recorded as a liability as at March 31, 2017.

## 35. Disclosure of Specified Bank Notes

Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table Below:

Particulars	Specified Bank Notes	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	19 12 500	38 949	19 51 449
(+) Permitted receipts		9 77 845	9 77 845
(-) Permitted payments		8 12 703	8 12 703
(-) Amount Deposited in Banks	19 12 500		19 12 500
Closing cash in hand as on 30.12.2016		2 04 091	2 04 091

**36.** Previous year's figures have been regrouped wherever necessary.

In terms of our report of even date

**For SSPA & Associates**

Chartered Accountants

Firm Registration No. 131069W

**Parag Ved**

Partner

Membership No. 102432

For and on behalf of Board of Directors of

**Tips Industries Limited**

**Kumar S. Taurani**

Chairman & Managing Director

DIN : 00555831

**Bijal Patel**

Company Secretary

**Ramesh S Taurani**

Managing Director

DIN : 00010130

**I.T Gursahani**

Chief Financial Officer

Place: Mumbai

Date: May 30, 2017

Place: Mumbai

Date: May 30, 2017



## TIPS INDUSTRIES LIMITED

**CIN:** L92120MH1996PLC099359

**Regd. Office:** 601, Durga Chambers, Linking Road, Khar (West), Mumbai – 400 052

**Contact No.:** +91 22 6643 1188 **Fax No.:** +91 22 6643 1189 **Website:** www.tips.in **E-mail:** response@tips.in

### ATTENDANCE SLIP

(To be presented at the entrance)

Folio No.: \_\_\_\_\_ DPID No.: \_\_\_\_\_ Client I.D. No.: \_\_\_\_\_

No. of shares held: \_\_\_\_\_

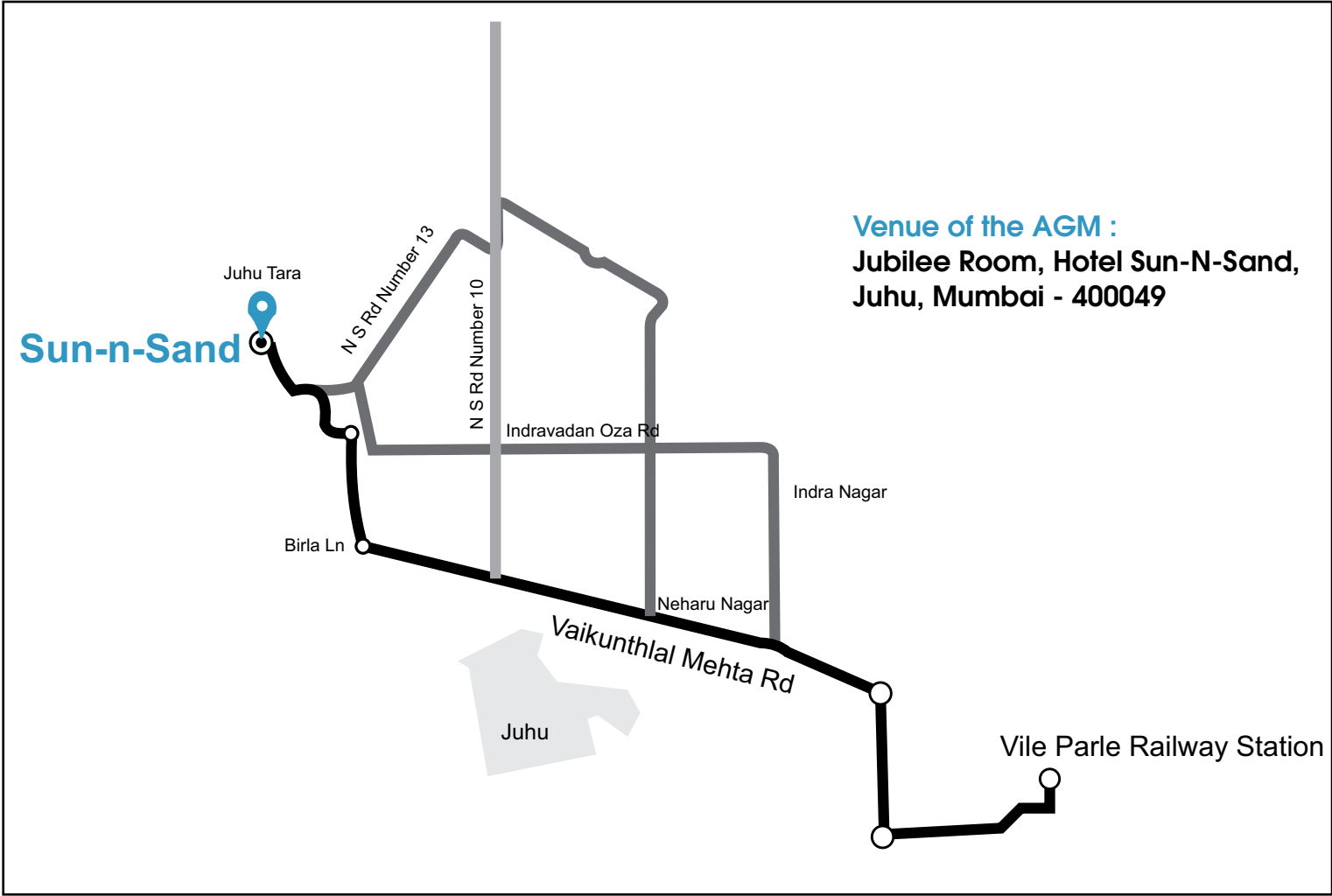
I/ We hereby record my/ our presence at the **21st ANNUAL GENERAL MEETING of the Company at Jubilee Room, Hotel Sun-N-Sand, Juhu, Mumbai 400049, on September 13, 2017 at 11.00 a.m.**

Name of the Member: \_\_\_\_\_ Signature \_\_\_\_\_

Name of the Proxy holder: \_\_\_\_\_ Signature \_\_\_\_\_

NOTE: Please fill this attendance slip and hand it over at the entrance of the hall.

# Route Map



## TIPS INDUSTRIES LIMITED

**CIN:** L92120MH1996PLC099359

**Regd. Office:** 601, Durga Chambers, Linking Road, Khar (West), Mumbai – 400 052

**Contact No.:** 66431188 **Fax No.:** 66431189 **Website:** www.tips.in **E-mail:** response@tips.in

### FORM No. MGT- 11

#### PROXY FORM

(Pursuant to Section 105 (6) of the Companies Act 2013 and rule 19 (3) of the Companies (Management and Administration Rules 2014)

Name of the Member(s)	
Registered Address	
Email ID:	
Folio No./ Client ID:	
DP ID:	

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint:

1. Name : \_\_\_\_\_ Address: \_\_\_\_\_  
Email ID: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;
2. Name : \_\_\_\_\_ Address: \_\_\_\_\_  
Email ID: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;
3. Name : \_\_\_\_\_ Address: \_\_\_\_\_  
Email ID: \_\_\_\_\_ Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21st Annual General Meeting of the Company, to be held on the Wednesday, September 13, 2017 at 11.00 a.m. at Jubilee Room, Hotel Sun-n-Sand, Juhu, Mumbai 400049 and at any adjournment thereof in respect of such resolutions as are indicated below:

Reso. No.	Description
<b>ORDINARY BUSINESS</b>	
1	Adoption of Audited Financial Statements, Reports of the Board of Directors and Auditors for the financial year ended March 31, 2017.
2	Declaration of Dividend on Equity Shares for the financial year ended March 31, 2017.
3	Re-appointment of Mr. Kumar Taurani, who retires by rotation and being eligible, offers himself for re-appointment.
4	Appointment of M/s. SSPA & Associates, Chartered Accountants as Statutory Auditors of the Company.
<b>SPECIAL BUSINESS</b>	
5	To increase in the remuneration of Mr. Kumar Taurani, Chairman & Managing Director of the Company.
6	To increase in the remuneration of Mr. Ramesh Taurani, Managing Director of the Company.

Signed this \_\_\_\_\_ day of, \_\_\_\_\_ 2017

Signature of shareholder: \_\_\_\_\_

Signature of proxy holder(s): \_\_\_\_\_

Affix  
Revenue  
Stamp

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



Notes

Notes







601, 6th Floor, Durga Chambers,  
Linking Road, Khar (West),  
Mumbai - 400 052  
CIN: L92120MH1996PLC099359  
Contact No.: 022-66431188 | Fax No.: 022-66431189  
Email: [response@tips.in](mailto:response@tips.in)  
Website: [www.tips.in](http://www.tips.in)


# Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017

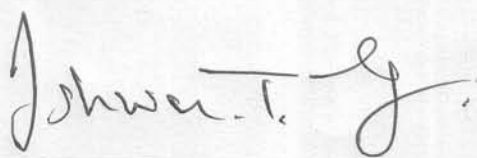
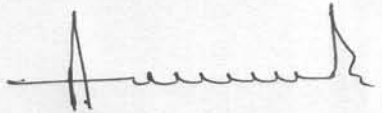

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Rs. in lacs)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	6 640.85	Not Applicable Refer Item II(d) below
	2.	Total Expenditure	6 208.27	
	3.	Net Profit/(Loss)	432.58	
	4.	Earnings Per Share	2.09	
	5.	Total Assets	13 537.65	
	6.	Total Liabilities	6 737.97	
	7.	Net Worth	6 799.68	
	8.	Any other financial item(s) (as felt appropriate by the management)	-	

<b>II. <u>Audit Qualification (each audit Qualification separately):</u></b>	
<b>a. Details of Audit Qualification:</b>	
Qualified Opinion as reported in Auditors' Report dated May 30, 2017 on Standalone Financial Statement of the Company for the year ended March 31, 2017: (Basis for Qualified Opinion)	
Non recognition of deferred tax liability on timing differences in accounting of inventory. In the absence of adequate information auditors unable to quantify its impact on the profits for the year and on the reserves as at March 31, 2017.	
<b>b. Type of Audit Qualification :</b> Qualified Opinion	
<b>c. Frequency of qualification:</b>	
This has been subject matter of qualification in the Auditors' Report on the Standalone Financial Statement of the Company since the financial year ended March 31, 2015.	
<b>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b> N.A	
<b>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</b>	
<b>(i) Management's estimation on the impact of audit qualification:</b> No	
<b>(ii) If management is unable to estimate the impact, reasons for the same:</b>	
Considering the nature of business carried on by the Company, Deferred Tax Liability is not recognised on unamortised cost of production as in the opinion of the Management, the Company will have sufficient unabsorbed depreciation and business losses in the year in which timing difference will reverse.	
<b>(iii) Auditors' Comments on (i) or (ii) above:</b>	
There are no further comment excepted as disclosed under the item No. II(a) of Details of Audit Qualification.	

<b>III. <u>Signatories:</u></b>	
Mr. Ramesh S. Taurani Managing Director	

<b>Mr. Ishwar T. Gursahani</b> Chief Financial Officer	
<b>Mr. Amitabh Mundhra</b> Audit Committee Chairman	
<b>Mr. Parag Ved</b> <b>SSPA &amp; Associates</b> Statutory Auditors Firm Registration No.: 131069W Partner Membership No.: 102432	 Parag S. Ved

Place: Mumbai

Date: May 30, 2017