



September 27, 2018

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 2017-18


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 2017-18 as approved and adopted in the 22nd Annual General Meeting of the Company held on September 25, 2018.

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 Website : www.tips.in
CIN: L92120MH1996PLC099359



IN TUNE. IN SYNC.



CONTENTS



02

Chairman's Message to
Shareholders

39

Corporate Governance
Report

04

Corporate Information

50

Auditors' Report

05

Notice

56

Financial Statements

16

Board's Report &
Management Discussion
and Analysis

At Tips, we continue **focussing** on our core business of music and capitalising on our enviable music **library**.

As the Indian **Media and Entertainment** sector continues to transforming with the **increased digitisation**, we continued with steady steps during the year to deliver a satisfactory performance that is **IN TUNE** and **IN SYNC** with expectations.

We leveraged the **strength of our music collection** comprising over **25,000 songs** across genres and major languages to generate an unprecedented music revenue of over **₹ 42 crores**.

We own one of the most successful franchisee in Hindi cinema - **Race**. This year, we launched the third franchise - **Race3** in association with **Salman Khan Ventures Private Limited**. Race3 is slated for release in June 2018 and is among the most anticipated **big film of the year 2018**.

We continue to build our digital presence. Our **Facebook has over 2.5 lakh** likes and we have over **88 lakh followers on YouTube**. Our social media presence is indeed engrossing and engaging. We request all our stakeholder to **support our digital initiatives** by visiting:



Tips Official



/TipsMusic



@tipsofficial



tips

CHAIRMAN’S MESSAGE TO SHAREHOLDERS





Dear Shareholders,


It is always a pleasure and privilege to share with you the performance and prospects of your Company.

The Indian Media and Entertainment industry has been undergoing a digital transformation for a few years now. This transformation, while disrupting many traditional models, has also opened up new vistas and opportunities. A key trend that has emerged strong last year has been the rising acceptance and growing popularity of OTT platforms like Amazon Prime, Netflix and others. With increasing proliferation of smart devices and falling data rates, content consumption on-the-go on smart devices is emerging as a new growth horizon.

The impact of digitisation is also strongly evident in the music segment, where sales of music through digital channels account for nearly 65 per cent of the total sales in the country. Music videos now have the highest viewership on channels like YouTube.

As far as the performance of your Company is concerned, this year was an year of business-as-usual. On the music business front, our revenue was ₹ 42.59 Crores compared to ₹ 31.95 Crores in the previous year. Our rich and diversified collection of over 25,000 songs across all genres and major languages makes it one of the most evergreen collection in the industry, appealing to wide spectrum of audiences across ages, ethnicities and regions. The fact that over 90 per cent of our music library is digitised means that it is available for streaming and download on industry leading digital music platforms and market-places like iTunes and Google Play, as well as top Indian streaming platforms like Saavn and Gaana.

On the film business front, we launched the third series of our Race franchise during the year in association with Salman Khan Ventures Private Limited. This joint venture film does not entail any investment from the Company. The Company will get free music rights as well as share of profit. The film has top stars like Salman Khan, Anil Kapoor, Bobby Deol, Jacqueline Fernandez, Daisy Shah and others. Race3 is slotted for a pan-India release on Eid, 15 June 2018.



Based on the above, the Company's performance during the year was In Tune and In Sync and as per expectations.

The Total Revenue for the year was ₹ 4,992.85 lakhs compared to ₹ 6,642.26 lakhs in the previous year. Net Profit for the year was ₹ 312.87 lakhs compared to ₹ 299.02 lakhs last year. The Board of Directors have recommended a dividend of ₹ 1/- per share (10%) subject to the approval of shareholders.

The Company continues to be amongst the forerunners in leveraging its presence on the digital platforms using the social media. The Company's FB page has over 5.8 million followers. What is more exciting is the fact that we have over 9 million subscribers on YouTube, quite a significant achievement. We are all set to increase our presence on YouTube to 1 crore subscribers in the next few months. I would request all our stakeholders to support our digital presence by following us on YouTube as well as FB. I assure you the content you will find there is both entertaining and engrossing.

I am quite positive about the next year, when we will see the release of Race3. In addition, we are also looking at securing more music rights at a lower cost that will enrich our music library.

I thank all our stakeholders for their continued support and trust, and assure you we will continue with endeavour to produce films with wholesome family entertainment and capitalise on our significant digital assets in the form of our music library to unlock more value for all the stakeholders.

Thank you,

Yours sincerely,

Kumar Taurani

Chairman and Managing Director

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Kumar S. Taurani
Chairman & Managing Director

Mr. Ramesh S. Taurani
Managing Director

Mr. Amitabh Mundhra
Independent Director

Mrs. Radhika Pereira
Independent Director

Mr. Venkitaraman S. Iyer
Independent Director

CHIEF FINANCIAL OFFICER

Mr. Ishwar T. Gursahani

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Bijal R. Patel

SENIOR MANAGEMENT

Mrs. Varsha Taurani
Vice President – Administration

Mr. Sunil Chellani
Sr. Vice President – Accounts

Mr. Girish Taurani
Sr. Vice President – Music (Digital)

Ms. Jaya Taurani
Sr. Manager – Production

Ms. Kavita Lakhani
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

1st Floor, Asara Co.op Housing Society Ltd,
(Virkar Apartments), 17th Road,
Khar (West), Mumbai - 400 052

STATUTORY AUDITORS

M/s. SSPA & Associates
Chartered Accountants
1st Floor, Arjun, Plot No. 6A, V. P. Road,
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

HDFC Bank Limited

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

NOTICE

Notice is hereby given that the 22nd Annual General Meeting of the Members of Tips Industries Limited will be held on **Tuesday, September 25, 2018 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, 2018 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, 2018.*
3. To appoint a Director in place of Mr. Ramesh Taurani (DIN: 00010130), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to provisions of Sections 196, 197, 198, 203 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") and Schedule V of the Act read with Companies (Appointment and Remuneration of Managerial personnel), Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to other requisite approvals, if any, consent of the Members of the Company be and is hereby accorded for re-appointment of Mr. Kumar Taurani (DIN: 00555831) as Chairman and Managing Director of the Company for a period of three years w.e.f. June 1, 2018 to May 31, 2021 on the terms and conditions as mentioned in the draft Agreement between Mr. Kumar Taurani and the Company including remuneration as mentioned below and as approved by the Board of Directors of the Company on recommendation of the Nomination and Remuneration Committee.

(A) Salary:

Minimum of ₹14 lakh per month only i.e. ₹168 lakh per annum only or 5% of net profit of the Company, whichever

is higher during the year or if there are more than 1 (one) Managing Director and/or Whole Time Directors, then 10% of net profits of the Company during the year for all of them taken together, as laid down in Section 197 of the Act.

(B) Perquisites:

Perquisites shall be provided as per Schedule V of the Act.

In addition to the above, Mr. Kumar Taurani shall be provided with a car and reimbursement of its petrol and Mobile Phone expenses.

Mr. Kumar Taurani shall not be paid any sitting fees for attending the Meetings of the Board of Directors or Committees thereof.

RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of Mr. Kumar Taurani as Chairman & Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified above as minimum remuneration, subject to the provisions prescribed under Section 197 read with Schedule V to the Companies Act, 2013 and rules framed thereunder and any other applicable provisions of the Act or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT as per the Articles of Association of the Company, Mr. Kumar Taurani shall not be subject to retire by rotation unless the total number of Directors (including the Managing Directors) as are not subject to retirement by rotation exceeds one-third of total number of Directors. In such case, Mr. Kumar Taurani shall be liable to retire by rotation so that the total number of Directors not liable to retire by rotation does not exceed one third of total number of Directors and after re-appointment Mr. Kumar Taurani shall automatically continue to hold the office of the Managing Director.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things and execute all such agreements, 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 re-appointment 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.”

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

“RESOLVED THAT pursuant to provisions of Sections 196, 197, 198, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and Schedule V of the Act read with Companies (Appointment and Remuneration of Managerial personnel), Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to other requisite approvals, if any, consent of the Members of the Company be and is hereby accorded for re-appointment of Mr. Ramesh Taurani (DIN: 00010130) as Managing Director of the Company for a period of three years w.e.f. June 1, 2018 to May 31, 2021 on the terms and conditions as mentioned in the draft Agreement between Mr. Ramesh Taurani and the Company including remuneration as mentioned below and as approved by the Board of Directors of the Company on recommendation of the Nomination and Remuneration Committee.

(A) Salary:

Minimum of ₹14 lakh per month only i.e. ₹168 lakh per annum only or 5% of net profit of the Company, whichever is higher during the year or if there are more than 1 (one) Managing Director and/or Whole Time Directors, then 10% of net profits of the Company during the year for all of them taken together, as laid down in Section 197 of the Act.

(B) Perquisites:

Perquisites shall be provided as per Schedule V of the Act.

In addition to the above, Mr. Ramesh Taurani shall be provided with a car and reimbursement of its petrol and Mobile Phone expenses.

Mr. Ramesh Taurani shall not be paid any sitting fees for attending the Meetings of the Board of Directors or Committees thereof.

RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of Mr. Ramesh Taurani as Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified above as minimum remuneration, subject to the provisions prescribed under Section 197 read with Schedule V to the Companies Act, 2013 and rules framed thereunder and any other applicable provisions of the Act or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT as per the Articles of Association of the Company, Mr. Ramesh Taurani shall not be subject to retire by rotation unless the total number of Directors (including the Managing Directors) as are not subject to retirement by rotation exceeds one-third of total number of Directors. In such case, Mr. Ramesh Taurani shall be liable to retire by rotation so that the total number of Directors not liable to retire by rotation does not exceed one third of total number of Directors and after re-appointment Mr. Ramesh Taurani shall automatically continue to hold the office of the Managing Director.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things and execute all such agreements, 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 re-appointment 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

Date: May 28, 2018

By Order of the Board of Directors

Registered Office:

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

Bijal R. Patel

Company Secretary

*The actual equity dividend to be declared by the shareholders at the 22nd Annual General Meeting will be for only equity shares other than the equity shares in respect of which the equity shareholder(s) has/ have waived/forgone his/their right to receive the dividend for the financial year ended March 31, 2018 in accordance with the Rules framed by the Board as per Note No.10 hereinafter appearing.

**Notes:**

1. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business under Item No. 4 and 5 are annexed hereto. The relevant details of the Directors seeking re-appointment/ appointment under Item Nos. 3 to 5, pursuant to Regulations 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and as required under Secretarial Standards - 2 on General Meetings issued by The Institute of Company Secretaries of India, 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. Proxies, 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 authorized 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. **Copies of the Annual Report will not be distributed at the Meeting.**

7. A route map showing directions to reach the venue of the 22nd AGM is given at the end of this Report.
8. The Register of Members and Share Transfer Books of the Company will remain closed from September 19, 2018 to September 25, 2018 (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 18, 2018 as per details furnished by the Company's Share Registrar and Transfer Agent and the Depositories for this purpose.
10. Members had passed the Special Resolution through postal ballot on January 15, 2018 for Alteration of Article of Association relating to waive/forgo his/their right to receive the dividend (interim or final) by the Members of the Company for any financial year effective from the dividend recommended by the Board of Directors of the Company for the year ended March 31, 2018 or any year thereafter, as per the rules framed by the Board of Directors of the Company from time to time for this purpose.

Members, if so wishes to waive/forgo the right to receive dividend for the year ended March 31, 2018 shall fill up the form and send it to the Company's Registrar on or before September 18, 2018 (record date). The form prescribed by the Board of Directors of the Company for waiving/forgoing the right to receive dividend for any year shall be available for download on the Company's website www.tips.in under section "Corporate- Annual Report -2017-18" or can also be obtained from the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited.

THE BOARD OF DIRECTORS OF THE COMPANY AT ITS MEETING HELD ON NOVEMBER 29, 2017 HAVE FRAMED THE FOLLOWING RULES UNDER ARTICLE 111A OF THE ARTICLES OF ASSOCIATION OF THE COMPANY FOR EQUITY SHAREHOLDERS WHO WANT TO WAIVE/ FORGO THE RIGHT TO



RECEIVE DIVIDEND IN RESPECT OF FINANCIAL YEAR 2017-18 OR FOR ANY YEAR THEREAFTER.

- a. A Shareholder can waive/forgo the right to receive the dividend (either final and/or interim) to which he is entitled, on some or all the Equity Shares held by him in the Company as on the Record Date/Book Closure Date fixed for determining the names of Members entitled for such dividend. However, the shareholders cannot waive/forgo the right to receive the dividend (either final and/or interim) for a part of percentage of dividend on share(s).
 - b. The Equity Shareholder(s) who wish to waive/forgo the right to receive the dividend for any year shall inform the Company in the form prescribed by the Board of Directors of the Company only.
 - c. In case of joint holders holding the Equity Shares of the Company, all the joint holders are requested to intimate to the Company in the prescribed form their decision of waiving/forgoing their right to receive the dividend from the Company.
 - d. The Shareholder, who wishes to waive/forgo the right to receive the dividend for any year shall send his irrevocable instruction waiving/ forgoing dividend so as to reach the Company before the Record Date/Book Closure Date fixed for the payment of such dividend. Under no circumstances any instruction received for waiver/forgoing of the right to receive the dividend for any year after the Record Date/ Book Closure Date fixed for the payment of such dividend for that year shall be given effect to.
 - e. The instruction once given by a Shareholder intimating his waiver/forgoing of the right to receive the dividend for any year for interim, final or both shall be irrevocable and cannot be withdrawn for that particular year for such waived/ forgone the right to receive the dividend. But in case, the relevant Shares are sold by the same Shareholder before the Record Date/Book Closure Date fixed for the payment of such dividend, the instruction once exercised by such earlier Shareholder intimating his waiver/forgoing the right to receive dividend will be invalid for the next succeeding Shareholder(s) unless such next succeeding Shareholder(s) intimates separately in the prescribed form, about his waiving/forgoing of the right to receive the dividend for the particular year.
 - f. The Equity Shareholder who wish to waive/forgo their right to receive the dividend for any year can inform the Company in the prescribed form only after the beginning of the relevant financial year for which the right to receive the dividend is being waived/forgone by him.
 - g. The instruction by a Shareholder to the Company for waiving/forgoing the right to receive dividend for any year is purely voluntary on the part of the Shareholder. There is a no interference with a Shareholder's Right to receive the dividend, if he does not wish to waive/forgo his right to receive the dividend. No action is required on the part of Shareholder who wishes to receive dividends as usual. Such Shareholder will automatically receive dividend as and when declared.
 - h. The decision of the Board of Directors of the Company or such person(s) as may be authorized by Board of Directors of the Company shall be final and binding on the concerned Shareholders on issues arising out of the interpretation and/or implementation of these Rules.
 - i. These Rules can be amended by the Board of Directors of the Company from time to time as may be required.
11. All unclaimed dividends up to the final dividend for FY 2009-10 have been transferred to Investor Education and Protection Fund (IEPF) of the Central Government. Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of the unpaid and unclaimed amounts lying with the Company on the website of the Company (www.tips.in), and also on the website of the Ministry of Corporate Affairs (www.mca.gov.in). Unclaimed dividend for the FY 2010-11 will fall due for transfer to the IEPF on August 31, 2018. Those Members, who have not encashed their dividends for the FY 2010-11, are requested to claim it from the RTA of the Company immediately. Those Members who have not so far claimed their dividend for the subsequent financial years are also advised to claim it from the Company or the RTA of the Company.



12. 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.
13. 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.
14. 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 Registrar and Transfer Agent by Members holding shares in physical form. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.
15. 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.
16. 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.
17. **Electronic copy of the Annual Report for 2017-18 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 2017-18 are being sent in the permitted mode.

18. 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 Registrar & Transfer Agent, giving reference of their Folio Number.
19. **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 22nd 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 22nd 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 18, 2018 ('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 18, 2018 may obtain the login Id and password by sending a request at 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.

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 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 22, 2018 at 9.00 a.m. and ends on September 24, 2018 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 18, 2018, 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.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. 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 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	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> 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.
DOB	<p>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.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> 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).



(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 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.
- 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 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, under help section or write an email to helpdesk.evoting@cdslindia.com.

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

Item No. 4:

Mr. Kumar Taurani, founder of the Company, possesses immense knowledge and expertise in the field of Media & Entertainment Industry for more than 38 years. He is highly experienced and controls the affairs of the Company as a whole. With his constant untiring efforts to take Tips to new heights and his significant contribution till date, his vision and direction is essential for the progress of the Company.



Mr. Kumar Taurani was re-appointed as the Chairman and Managing Director of the Company at the 19th Annual General Meeting held on August 14, 2015 for a period of 3 years with effect from June 1, 2015 at remuneration of ₹10 lakh per month. The Company had paid the remuneration as per the Central Government approval received vide letter dated May 20, 2016.

Further, The Members of the Company, at the 21st Annual General Meeting held on September 13, 2017, approved to increase in remuneration to ₹14 lakh p.m. 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. His current term of appointment as Chairman & Managing Director of the Company will expire on May 31, 2018.

Consideration the duties, responsibilities and vast business 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 May 28, 2018 approved the re-appointment of Mr. Kumar Taurani as Chairman and Managing Director of the Company for a period of three years effect from June 1, 2018 at minimum remuneration of ₹14 lakh p.m. i.e. ₹168 lakh p.a.

The above remuneration shall be paid to Mr. Kumar Taurani as the minimum remuneration in the event of absence or inadequacy of profits in any financial year of the Company.

It is proposed to seek the members' approval for the re-appointment and remuneration payable to Mr. Kumar Taurani as Chairman & Managing Director of the Company, in terms of the applicable provisions of the Act as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

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. 5:

Mr. Ramesh Taurani is one of the promoters of the Company and comes with a rich experience of almost 37 years in the Media & Entertainment Industry. He has played a key role in the progress of the Company. His visualisation and dedication support to build success of the business. Under his deep insight knowledge and experience of the industry, Tips has achieved its current position.

Mr. Ramesh Taurani was re-appointed as Managing Director of the Company at the 19th Annual General Meeting held on August 14, 2015 for a period of 3 years with effect from June 1, 2015 at remuneration of ₹10 lakh per month. The Company had paid the remuneration as per the Central Government approval received vide letter dated May 20, 2016.

Further, The Members of the Company, at the 21st Annual General Meeting held on September 13, 2017, approved to increase in remuneration to ₹14 lakh p.m. 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. His current term of appointment as Managing Director of the Company will expire on May 31, 2018.

Consideration the duties, responsibilities and vast business 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 May 28, 2018 approved the re-appointment of Mr. Ramesh Taurani as Managing Director of the Company for a period of three years effect from June 1, 2018 at minimum remuneration of ₹14 lakh p.m. i.e. ₹168 lakh p.a.

The above remuneration shall be paid to Mr. Ramesh Taurani as the minimum remuneration in the event of absence or inadequacy of profits in any financial year of the Company.

It is proposed to seek the members' approval for the re-appointment and remuneration payable to Mr. Ramesh Taurani as Managing Director of the Company, in terms of the applicable provisions of the Act as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

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 28, 2018

Registered Office:

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

Bijal R. Patel

Company Secretary

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

I. GENERAL INFORMATION

- 1. 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.
- 2. Date of expected date of commencement of commercial production:** The Company was incorporated on May 8, 1996. The Company had since commenced its business.
- 3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** N. A.
- 4. Financial Performance:** - (Based on the audited financial statement for the year ended year 2017-18)

	(₹ in Lakh)
Turnover	4749
Other Income	244
Total Expenditure	4593
Net Profit before tax	400

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

II. INFORMATION ABOUT THE APPOINTEE:

➤ **KUMAR TAURANI**

1. Background details:

Mr. Kumar S. Taurani is Chairman and Managing Director of the Company since inception. He is a commerce graduate having rich and varied experience in the Media & Entertainment Industry. His 38 years of experience in the industry has brought the Company to its current prominence.

2. Past Remuneration :

During the Financial Year 2017-18, the Company has paid ₹14 lakh per month vide Special Resolution passed by the Members in the 21st AGM of the Company held on September 13, 2017.

3. 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.

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 Chairman & Managing Director are contained in the Resolution No. 4 of the Notice of the 22nd 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. 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 the Managing Director of the Company since 2005. He has enriched experience of more than 37 years in Media & Entertainment 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 :

During the Financial Year 2017-18, the Company has paid ₹14 lakh per month vide Special Resolution passed by the Members in the 21st AGM of the Company held on September 13, 2017.

3. Recognition or awards:

Under the stewardship of Mr. Ramesh 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. 5 of the Notice of the 22nd 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.

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:

With the launch of the third series of our "RACE" franchise during the year in association with Salman Khan Ventures Pvt. Ltd., the Company expects a good share of profit from the movie. Further on acquisition of music rights of forthcoming films from other producers and also addition of "RACE-3" music, the Company expects to increase the earning from its music repertoire.

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
Date: May 28, 2018

By Order of the Board of Directors

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 Media & Entertainment Industry for more than 38 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. He is one of the promoters of the Company and comes with a rich experience of almost 37 years in the Media & 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, 2018	NIL	NIL
Names of listed entities in which he holds Membership of Committees of the Board as on March 31, 2018	NIL	NIL

BOARD’S REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

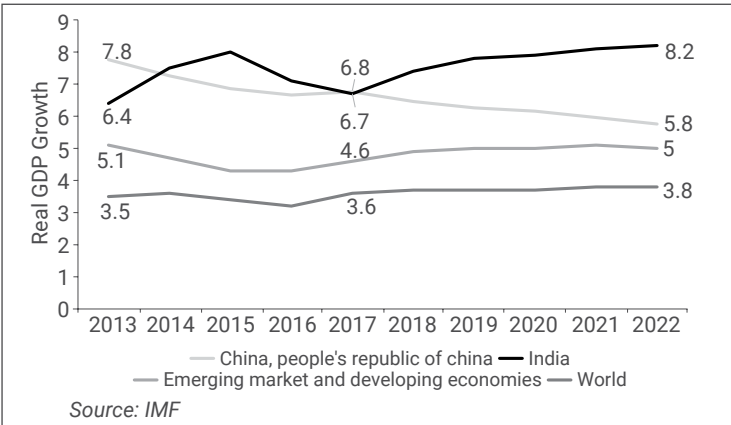
To
The Members
Tips Industries Limited

Your Directors are pleased to present the 22nd Annual Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended March 31, 2018. The Management Discussion and Analysis is also included in this Report.

OVERVIEW OF THE ECONOMY

India has emerged as the fastest-growing major economy in the world as per the Central Statistics Organization (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India’s GDP is estimated to have increased to 6.6 percent in FY 2017-18 and is expected to grow at 7.3 percent in FY 2018-19.

The calendar year 2017 was a great year for the Indian economy. Retail inflation was the lowest in almost four decades, the rupee strengthened against the US dollar for the first time in seven years and several reforms such as the Goods and Services Tax (GST), recapitalization of banks and the Insolvency and Bankruptcy Code were implemented. After enjoying the status of the world’s fastest-growing major economy for a couple of years, India was overtaken by China in 2018.



THE INDIAN MEDIA AND ENTERTAINMENT INDUSTRY

The Year 2017 has been an eventful year for the Indian Media & Entertainment (M&E) industry. The Indian M&E industry witnessed another year of all-round growth. The Indian M&E sector reached ₹1.5 trillion (USD 22.7 billion) in 2017, a growth of almost 13 percent over 2016, according to FICCI-KPMG Report.

Segment	CY2016	CY2017	CY2018E	CY2020E	CAGR 2016 - 20
Television	594	660	734	862	9.8%
Print	296	303	331	369	5.7%
Filmed entertainment	122	156	166	192	11.9%
Digital media	92	119	151	224	24.9%
Animation and VFX	54	67	80	114	20.4%
Live events	56	65	77	109	18.0%
Online gaming	26	30	40	68	27.5%
Out of Home media	32	34	37	43	7.7%
Radio	24	26	28	34	8.6%
Music	12	13	14	18	10.6%
Total	1,308	1,473	1,660	2,032	11.6%

All figures are gross of taxes (₹. in billion)

Source: KPMG India - FICCI Media and Entertainment Report 2017

Television continued its strong run, on the back of digitization of television homes, and tent-pole properties like the IPL and non-fiction programming, particularly in regional languages. The film segment also led on the growth mainly due to the international revenues generated by Indian films and increased technical competence in the segment with higher investment in VFX, Animation and Post production in lines with global trends.

Print accounted for the second-largest share of the Indian M&E sector, growing at 3 percent to reach ₹303 billion in 2017. The Events segment continued its strong run, supported by increased below-the-line spends across Tier II and III cities, growth in sports events, premium properties, and activations.



The advent of large OTT platforms in India such as Google, Netflix, Amazon, Eros Now, Jio Cinema etc., have significantly increased the demand for films' digital rights. Digital revenue generated ₹8.5 billion for the film segment in 2017, an increase of 40 percent over 2016. Netflix has grown from zero to more than 117 million streaming customers globally over the last decade.

India has now overtaken the US to become the world's second-largest smartphone market after China. The continuous growth of digital infrastructure and positive policy implementations by the Government have paved the way for the future growth of digital music. 93 percent of people reported using mobile devices for music consumption in 2017, a rise from 85 percent in 2016, according to the Report.

• FILM

According to FICCI-KPMG Report, the Indian film industry witnessed a growth of 27 percent due to a combination of high growth in overseas theatrical releases (particularly in China), growth in satellite rights values and domestic box office collections. All sub-segments, with the exception of home video, grew, and the film segment reached ₹156 billion in 2017. The success in international markets indicates a promising future.

Revenues	2016	2017	2018E	2020E
Domestic theatricals	85.6	96.3	103.0	118.0
Overseas theatricals	8.5	25.0	25.0	28.0
Broadcast rights	16.0	19.0	20.0	22.0
Digital/OTT rights	6.0	8.5	10.0	14.5
In-cinema advertising	5.9	6.4	7.5	9.0
Home Video	0.4	0.3	0.2	0.2
Total	122.4	155.5	165.7	191.7

(Gross of taxes, ₹ in billion)

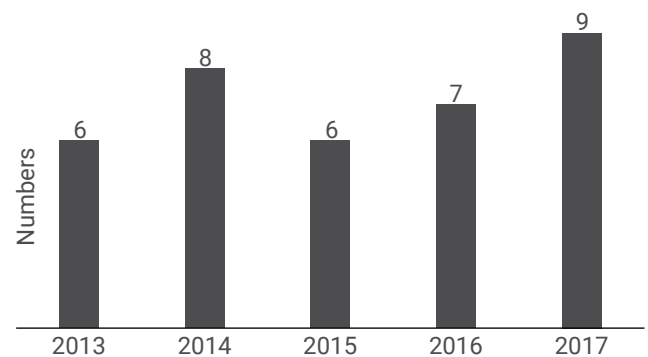
Source: KPMG India - FICCI Media and Entertainment Report 2017

The Indian film production industry has immensely benefited over the past decade due to multiplex proliferation, decline in piracy due to digitized delivery and growth of regional cinema. Digital movie rights and international box office revenue streams have significantly strengthened the economics for Indian movie producers. However, the domestic theatrical collection has been growing at a slower pace even as multiplexes continue to expand. While on the one hand, top movies are taking away a larger share, on the other, niche content is getting wider acceptance from the

audience. For some small budget niche movies, revenue from the sale of digital rights is now equivalent to the box office collections.

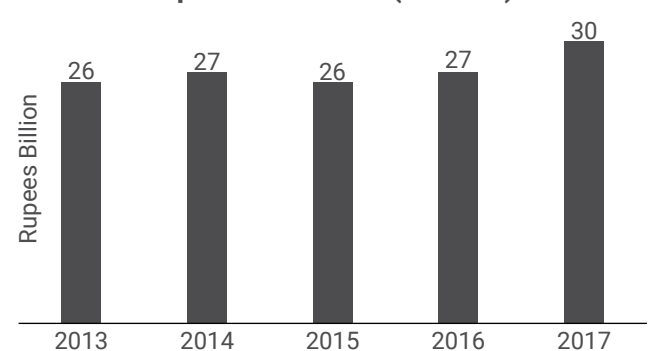
As per the Report, the biggest grosser for the year 2017 was Baahubali 2: The Conclusion which was a Tamil-Telugu bilingual dubbed in Hindi. Tiger Zinda Hai, Golmaal Again, Judwaa 2, Toilet Ek Prem Katha, Fukrey Returns and Badrinath Ki Dulhania were the big hits for Bollywood in 2017. The top 50 films contributed approximately 97.75 percent of the total net box office collection. Box office collections of the top 50 films grew by 11.60 percent in 2017. Further, the number of films crossing the ₹1 billion mark in terms of net box office has also increased in the year 2017 as compared to the previous years.

Number of Hindi films crossing ₹ 1 billion in their domestic box office collections



Source: KPMG India - FICCI Media and Entertainment Report 2017

Domestic net box office collections of the top 50 Hindi films (₹ billion)



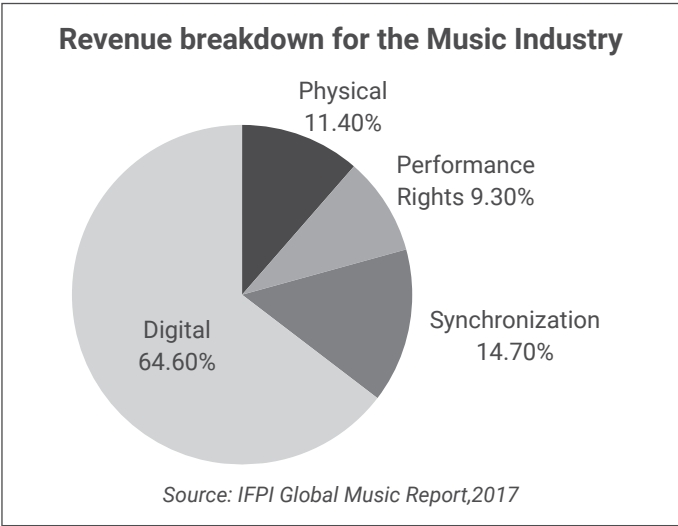
Source: KPMG India - FICCI Media and Entertainment Report 2017



MUSIC

India is one of the countries where digital music sales have overtaken physical sales. Rising smartphone penetration, affordable mobile data, and the growing adoption of music streaming platforms have been the driver for the music industry's growth. As per the Report of Media and Entertainment Industry, sales of digital music through digital channels account for approximately 65 percent of overall music sales in India in 2017.

According to the FICCI-KPMG Report, the paid subscriber penetration among online music users is expected to increase to 5 percent and the number of online music listeners in India is projected to reach 273 million by 2020. India is estimated to have 481 million internet users with a 65 percent urban penetration and 20 percent rural penetration. The increasing penetration of private FM radio stations will increase music consumption and increase revenues accordingly. YouTube is one of the most viewed platforms for music. Music videos have the highest viewership on YouTube as compared to other genres, with over 3 billion views.



Despite the high level of consumption, the music industry accounts for less than 1 percent of the Indian M&E Industry. Revenue leakages through piracy, the steady decline of physical formats, disintermediation due to the emergence of new media, price erosion due to disintermediation and high content-acquisition costs have been roadblocks in the industry's growth.

The internet was not good for the music business due to piracy, but it does drive strength for the broader video entertainment business around the world.

BUSINESS OVERVIEW

Tips Industries Limited (TIPS), one of the most renowned entertainment companies is engaged in the business of Production and Distribution of films and leveraging its Audio content digitally in India and overseas. Mr. Kumar Taurani and Mr. Ramesh Taurani, the co-founders of TIPS, are well-known names in the Indian M&E space with a proven track record of producing films that have a wholesome entertainment for the entire family. TIPS also has one of the largest and diversified music libraries with a collection of over 25,000 songs across all genres and major languages. The Company is also a leading producer of Punjabi films in the country.

With the increased penetration of smartphones and internet to rural areas, there has been an increase in rural population as potential customers. As a result, most digital music companies in India are looking to develop/invest in the regional content library.

FINANCIAL RESULTS

The Company earned total revenue including other income of ₹4992.85 lakh as compared to the previous year of ₹6642.26 lakh. The net profit after tax for the year stood at ₹312.87 lakh as compared to ₹299.02 lakh in the previous year.

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

Particulars	(₹ in Lakh)	
	2017-18	2016-17
Income	4992.85	6,642.26
Profit/(Loss) before Depreciation, Interest, Provision for Contingencies and Taxation	1202.69	1,601.70
Less: Depreciation and Interest	802.64	1,171.04
Profit/(Loss) before Provision for Taxation, Extraordinary and Prior Period year items	400.05	430.66
Less: Provision for Taxation		
Current Tax	87.18	88.20
Wealth Tax	0.00	0.00
Taxes in respect of earlier years	0.00	43.44

Particulars	(₹ in Lakh)	
	2017-18	2016-17
Profit/(Loss) after Provision for Taxation but before Extraordinary and Prior Period year items	312.87	299.02
Less: Prior Period Expenses	0.00	0.00
Profit/(Loss) after Taxation	312.87	299.02
Add: Balance Brought Forward	2,721.66	2,606.65
Profit/(Loss) after Taxation available for Appropriation	3,034.53	2,905.67
Transfer to General Reserves	0.00	15.00
Share Capital	1431.87	1,431.87
Reserves & Surplus	5535.87	5,370.36

PERFORMANCE REVIEW

One of the much-awaited multi-starrer action thriller film “Race 3” is under advanced stages of production in the year, which is produced under the banner of Tips Industries Limited & Salman Khan Films and directed by Remo D’Souza, the film features Salman Khan, Anil Kapoor, Bobby Deol, Jacqueline Fernandez, Daisy Shah and others. Race 3 is expected to hit the silver screens on Eid, June 15, 2018.

The music library of the Company is one of the most exhaustive in the industry comprising a collection of over 25,000 songs, which are available for streaming and download across the leading industry digital marketplaces like iTunes and Google Play, as well as popular streaming platforms like Saavn and Gaana. The music revenue for FY 2017-18 was ₹4258.91 lakh as compared to ₹3195.18 lakh in the previous year.

DIVIDEND AND RESERVES

The Directors recommend a final dividend of 10 percent i.e. ₹1.00/- (one rupee) per share on fully paid-up Equity Share of ₹10/- each of the Company. The Board of Directors has not recommended transfer of any amount to General Reserves and amount of ₹2,887 lakh is retained in the Profit and Loss Account.

SHARE CAPITAL

The paid-up Equity Share Capital as of March 31, 2018, stood at 1,43,18,659 Equity Shares.

During the year under review, there is no change in the share capital of the Company, the Company has not issued shares with differential

voting rights nor has granted any stock options or sweat equity. As of March 31, 2018, 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. Ramesh 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.
- Re-appointment of Managing Directors**
 The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, at their Meeting held on May 28, 2018, approved the re-appointment of Mr. Kumar Taurani as Chairman and Managing Director and Mr. Ramesh Taurani as Managing Director for a period of three years with effect from June 1, 2018. The Board recommends the re-appointment of Managing Directors for your approval.
- 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 and Managing Director; Mr. Ramesh Taurani, Managing Director; Mr. Ishwar Gursahani, Chief Financial Officer and Ms. Bijal Patel, Company Secretary are the Key Managerial Personnel of the Company.

During the year under review, there was no change in the Key Managerial Personnel of the Company.

The Board of Directors, at their meeting held on May 28, 2018, has appointed Mr. Sunil Chellani as Chief Financial Officer of the Company w.e.f. June 1, 2018, in place of Mr. Ishwar Gursahani who has tendered his resignation from the position of Chief Financial Officer of the Company w.e.f. closure of business hours of May 31, 2018.

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 the Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of our 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:

- a. that in the preparation of the Annual Accounts for the year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018, and of the profit of the Company for the year ended on that date;
- c. 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;
- d. the annual accounts have been prepared on a going concern basis;

- e. 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
- f. that the Directors 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 COMMITTEE MEETINGS

• Board Meetings

The Board of Directors of the Company met four times during the financial year i.e. from April 1, 2017 to March 31, 2018 on May 30, 2017, September 13, 2017, November 29, 2017 and February 2, 2018. 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 having a more focused attention on the 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 Buyback 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.

AUDITORS

• Statutory Auditors

M/s. SSPA & Associates, Chartered Accountants, (Firm Registration No. 131069W) were re-appointed as the Statutory Auditor of the Company at the 21st AGM held on September 13, 2017, to hold the office till the conclusion of 23rd AGM, subject to ratification by the members at every Annual General Meeting.

However, in accordance with the Companies Amendment Act, 2017, enforced on May 7, 2018, by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting. Hence, M/s. SSPA & Associates shall continue as Statutory Auditors for the remaining



period of the term until the conclusion of the 23rd Annual General Meeting 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 with within the Auditors' Report. In case of the qualified opinion of the Auditors with respect to non-recognition of deferred tax explained in Note No. 34(15) of the notes to Financial Statements, the statement of the 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 (UIN: P1996MH055800) have 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 rules made thereunder, the Board has appointed M/s. Maheshwari & Co., Chartered Accountants (Firm Registration No. 105834W) as 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, and 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 AND 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 the 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 the reliability of financial reporting, timely feedback on the 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 analyze risks and take suitable action to mitigate and minimize the impact of such risks. Accordingly, the Company has identified the followings risks that can impact its business performance and plans:

- **Piracy**

Piracy, both physical and digital, although declining at the global level, remains a perennial challenge in India's music industry. Accordingly, the digitally pirated music remained the most popular source of consumption. High content prices, low-income level, and cheaper internet infrastructure are the major factors leading to content piracy. In some of the cases, the films have leaked before their release dates as well. "Camcording" in the cinemas is one of the major sources of the leakage as over 90 percent of new release titles originate from cinemas.

- **Paid-service model still in the nascent stage**

The biggest issue is the general music consumer's apparent unwillingness to pay for music. India-based streaming services may have amassed over 100 million users, the overall conversion rate to paying is estimated to be around 1 percent.

- **Less than desirable growth in screens**

India still has one of the lowest densities of screens per capita in the world. This under-penetration of screens has resulted in the untapped market potential for the Indian film segment. Increase in screen density and higher access to cinemas across the country could potentially enhance domestic box office collections, improve the return on investment in films and pave the way for greater investment in both the film content and exhibition.



- **Need for a “single window clearance” for the opening of multiplexes**

The cinema owners are required to obtain multiple licenses from different state government departments impacting the opening of screens. The delay in getting license clearance has severely hampered the growth of screens in India over the years. The challenges involved are multi-fold where each state has its own set of license requirements for the operation of cinemas along with the validity of the licenses for a short-term period of only 1-2 years.

OPPORTUNITIES

- **Anti-piracy regulations**

The Government has refocused on the challenge the M&E Industry is facing due to digital piracy. A social media campaign to promote Indian geographical indications (GIs) has been launched by the Cell for IPR Promotions & Management (CIPAM). State governments are also setting up their IP rights unit. The industry is fighting this threat by concerted measures such as conducting raids on pirates, creating more awareness among customers and adopting new paid models to track streaming and downloads on the internet and mobile phones. Industry bodies such as Phonographic Performance Limited (PPL) and Indian Music Industry (IMI) have established vigilance teams to curb music-copyright violations in various cities in collaboration with the local police. The Indian copyright law has provisions for digital right management for protection of the content on digital media environment. The Government has banned various websites that provides online streaming or torrent links to download the pirated content.

- **Overseas theatricals**

The growing popularity of Bollywood films in the overseas markets is another growth opportunity. Overseas theatricals have emerged as an important avenue for producers, giving them an additional safety net. More focus is placed on the Chinese market, as well as the North American market. Overseas theatricals contributed approximately 16 percent to the overall segment’s revenue in 2017, an increase of approximately 3 times from 2016. The Aamir Khan-starring film Dangal became the highest grossing non-Hollywood film in China.

- **Regional markets**

Online ticketing platform BookMyShow reported average occupancy of 45-46 percent for regional films last year,

compared to around 39-40 percent in 2016. Within the regional space, Gujarati films registered a 44 percent increase over 2016 in terms of transactions on the site, followed by Malayalam films registering a 38 percent rise. Malayalam, Bengali and Marathi cinema did not disappoint this year as well. The share of theatrical revenues from regional films has been rising.

OUTLOOK

The Indian Media and Entertainment (M&E) industry is a sunrise sector for the economy and is growing at a rapid pace. The industry has witnessed tremendous growth in the last few years and the growth momentum is expected to continue. Digitization has played a major role in the Indian M&E industry.

Rising income and evolving lifestyles, backed by increasing digitization and higher internet usage, pave the way for the tremendous scope of growth for almost all segments of this industry. These are all positive developments for TIPS as the Company is poised to leverage its experience and expertise of providing wholesome family entertainment to the Indian audiences with its Hindi and Punjabi films, as well as its huge repertoire of digitized music collection across the digital media.

According to the latest report by FICCI-KPGM, the Indian M&E industry is projected to grow at a CAGR of over 11.6 percent over the period FY 2016-21. During this period, and in line with the global trend, sectors like Digital media (24.9 percent), Animation and VFX (20.4 percent), Online gaming (27.5 percent) are projected to grow at a much higher rate than traditional segments like Films (11.9 percent) and Music (10.6 percent).

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 healthy 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, 2018, the number of employees on the payroll of the Company was 47.

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.

RELATED-PARTY TRANSACTIONS

All transactions with related parties were reviewed and approved by the Audit Committee and Board. The details of the related-party transactions as per Ind AS 24 are set out in Notes to the Financial Statements forming part of this report.

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 is disclosed in Form No. AOC-2 as **Annexure III**.

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

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 profit 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 FY 2017-18.

DEPOSITS

The Company has not accepted any deposits from the 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 FY 2017-18, 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

The particulars of Loans, Guarantees and Investments have been disclosed in the financial statements read together with Notes annexed to and forming an integral part of the financial statements.

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, 2018, is provided in **Annexure IV** forming part of this report.

SECRETARIAL STANDARDS

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India.

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, the Company has not absorbed or imported any technologies.
- **Foreign exchange earnings and outgoings**
Details of foreign exchange earnings and 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 the 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 a change in government regulations, tax laws, economic and

political developments within and outside the country and such other factors.

ACKNOWLEDGMENTS AND APPRECIATION

The Directors wish to acknowledge and place on record their sincere appreciation for the assistance and co-operation received from all the members, regulatory authorities, customers, financial institutions, bankers, lenders, vendors and other business associates.

The Directors also recognize and appreciate all the employees for their commitment, commendable efforts, teamwork, professionalism and continued contribution to the growth of the Company.

For and on behalf of the Board of Directors

Kumar S. Taurani

Chairman and Managing Director
(DIN: 00555831)

Place: Mumbai

Date: May 28, 2018

ANNEXURE I

Form No. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[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, 2018, 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, 2018 according to the provisions of:

- | | |
|---|---|
| <ul style="list-style-type: none"> 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; | <ul style="list-style-type: none"> 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'):- <ul style="list-style-type: none"> 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; Not Applicable during the financial year 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) GST Act, 2017
 - 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, 1957
 - 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.

During the year under review, the shareholders granted their assent by way of Special Resolution dated January 15, 2018 to alter the Article of Association (AOA) of the Company by inserting/substituting of new clause/s for waiver of Dividend Right. The Members of the Company including Promoters & Promoters Group, who hold the equity shares in the Company can waive/forgo his/their right to receive the dividend, interim or final, by him/them for any financial year which may be declared or recommended respectively by the Board of Directors of the Company or Members of the Company.

Date: May 02, 2018
Place: Mumbai

For M/s 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	32.00
Ramesh Taurani	32.00

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: 23.93%, CFO: NIL, CS: 9.09 %

- (c) **The percentage increase in the median remuneration of employees in the financial year:** 22.35%
- (d) **The number of permanent employees on the rolls of the Company:** 47 Employees as on March 31, 2018.
- (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 18.36% for Employees other than Managerial Personnel and 47.86% for Managerial Personnel. The remuneration is determined based on the performance of the employees of the Company.
- (f) **Affirmation that the remuneration is as per the remuneration policy of the Company:** Remuneration is as per the Nomination and 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, 2018

Top 10 Employees of the company

Sr. No.	Name of the Employee and Relation	designation -Nature of Employee	qualifications	Age Years	date of commencement	Remuneration Received (₹ in lacs)	Experience (Years)	Last Employment
1	Kumar Taurani (Brother of Mr. Ramesh Taurani)	Chairman & Managing Director	Graduation	60	08.05.1996	168.00	38	–
2	Ramesh Taurani (Brother of Mr. Kumar Taurani)	Managing Director	Graduation	58	27.09.2005	168.00	37	–
3	Girish Taurani (Son of Mr. Kumar Taurani)	Senior V.P. Music (Digital)	Graduation	31	01.11.2016	21.00	6	Artist
4	Danesh Kumar	Creative Head-Music	Post Graduation	43	02.05.2012	15.75	21	Sony Music India
5	Kunal K Taurani (Son of Mr. Kumar Taurani)	Senior Manager-Music (Digital)	Graduation	36	01.11.2008	15.00	10	–
6	Jaya R Taurani (Daughter of Mr. Ramesh Taurani)	Sr. Manager-Production	LL.B (U.K)	33	01.04.2016	15.00	6	Costume Stylist
7	Dhiraj Advani	Senior Manager-Digital	MBA	33	26.10.2009	13.63	12	Zee Entertainment Enterprise Ltd
8	Ekta Kukreja	Secretary to Chairman	B. Com, LL.B	37	01.04.2009	12.35	9	–
9	Prakash Talreja	Line Producer	Graduation	49	30.08.1993	11.00	25	–
10	Haresh Sedhani	Sr. Manager-Account	Graduation	54	01.10.1988	10.50	30	–

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, 2018

ANNEXURE III

FORM NO. AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at arm's length basis: NIL**
2. **Details of material contracts or arrangements or transactions at Arm's length basis:**
 - (a) **Name(s) of the related party and nature of relationship:** Mr. Girish Taurani is son of Mr. Kumar Taurani, Chairman & Managing Director of the Company.
 - (b) **Nature of contracts/arrangements/transactions:** Office or place of Profit
 - (c) **Duration of the contracts/arrangements/transactions:** Ongoing
 - (d) **Salient terms of the contracts or arrangements or transactions including the value, if any:** Appointed as Sr. VP - Music (Digital) of the Company at maximum remuneration of ₹5,00,000 per month including allowances.
 - (e) **Date of approval by the Board:** February 2, 2018
 - (f) **Amount paid as advances, if any:** NIL

ANNEXURE IV

EXTRACT OF ANNUAL RETURN as on financial year ended on March 31, 2018

[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, 6 th floor, Durga Chambers, Linking Road, Khar (West), Mumbai – 400 052. Contact No.: +91 22 6643 1188; 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 4918 6060; 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	4258.91
2	Film Production & Distribution	591	490.00

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 shareholding:

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	
A. Promoters									
(1) Indian									
a) Individual/HUF	10712762	-	10712762	74.82	10712762	-	10712762	74.82	0.00
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):	10712762	-	10712762	74.82	10712762	-	10712762	74.82	0.00

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	
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	10712762	-	10712762	74.82	10712762	-	10712762	74.82	0.00
B. Public Shareholding	-	-	-	-	-	-	-	-	-
(1) Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	7534	-	7534	0.05	0.05
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	-	-	-	-	7534	-	7534	0.05	0.05
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	1034328	-	1034328	7.22	972770	-	972770	6.79	(0.43)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	1525231	21511	1546742	10.80	1426309	18061	1444370	10.09	(0.71)
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	988816	-	988816	6.91	1118364	-	1118364	7.81	0.90
c) Others (specify)								0.00	
Clearing Member	20194	-	20194	0.14	46591	-	46591	0.33	0.18
Non-resident Indians (Repat)	13717	50	13767	0.10	14503	-	14503	0.10	0.01
Non-resident Indians (Non Repat)	2050	-	2050	0.01	1765	-	1765	0.01	(0.00)
Sub-total(B)(2):	3584336	21561	3605897	25.18	3580302	18061	3598363	25.13	(0.05)
Total Public Shareholding (B)=(B)(1)+(B)(2)	3584336	21561	3605897	25.18	3580302	18061	3598363	25.13	(0.05)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Total (C)	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	14297098	21561	14318659	100.00	14300598	18061	14318659	100.00	0.00

ii Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year (01.04.2017)			Shareholding at the end of the year (31.03.2018)			% 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	20.13	0.00	2881915	20.13	0.00	0.00
2	Ramesh S. Taurani	2875911	20.09	0.00	2875911	20.09	0.00	0.00
3	Varsha R. Taurani	2474718	17.28	0.00	2474718	17.28	0.00	0.00
4	Renu K. Taurani	2468718	17.24	0.00	2468718	17.24	0.00	0.00
5	Shyam M. Lakhani	11500	0.08	0.00	11500	0.08	0.00	0.00
	Total	10712762	74.82	0.00	10712762	74.82	0.00	0.00

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	20.13	0.00	2881915	20.13
2	Ramesh S. Taurani	2875911	20.09	0.00	2875911	20.09
3	Varsha R. Taurani	2474718	17.28	0.00	2474718	17.28
4	Renu K. Taurani	2468718	17.24	0.00	2468718	17.24
5	Shyam M. Lakhani	11500	0.08	0.00	11500	0.08

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 - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		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	557833	3.90			557833	3.90
	AT THE END OF THE YEAR					557833	3.90
2	AMIT ASHOK THAWANI	185065	1.29			185065	1.29
	Transfer			04 Aug 2017	3603	188668	1.32
	Transfer			11 Aug 2017	2000	190668	1.33
	Transfer			23 Mar 2018	1050	191718	1.34
	AT THE END OF THE YEAR					191718	1.34
3	RIDDISIDDHI BULLIONS LIMITED	225086	1.57			225086	1.57
	Transfer			10 Nov 2017	-15129	209957	1.47
	Transfer			17 Nov 2017	-34871	175086	1.22
	AT THE END OF THE YEAR					175086	1.22

Sr. No	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		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
4	AJAY RAJARAM LONDHE	108179	0.76			108179	0.76
	Transfer			28 Apr 2017	-583	107596	0.75
	Transfer			05 May 2017	-7510	100086	0.70
	Transfer			12 May 2017	-1086	99000	0.69
	Transfer			19 May 2017	-2102	96898	0.68
	Transfer			02 Jun 2017	-2423	94475	0.66
	Transfer			09 Jun 2017	-302	94173	0.66
	Transfer			16 Jun 2017	-6440	87733	0.61
	Transfer			23 Jun 2017	-2100	85633	0.60
	Transfer			30 Jun 2017	-12	85621	0.60
	Transfer			07 Jul 2017	-2938	82683	0.58
	Transfer			21 Jul 2017	-140	82543	0.58
	Transfer			11 Aug 2017	358	82901	0.58
	Transfer			18 Aug 2017	3495	86396	0.60
	Transfer			25 Aug 2017	250	86646	0.61
	Transfer			01 Sep 2017	450	87096	0.61
	Transfer			22 Sep 2017	300	87396	0.61
	Transfer			22 Dec 2017	2100	89496	0.63
	Transfer			29 Dec 2017	955	90451	0.63
	Transfer			12 Jan 2018	3985	94436	0.66
	Transfer			19 Jan 2018	2325	96761	0.68
	Transfer			26 Jan 2018	2712	99473	0.69
	Transfer			02 Feb 2018	730	100203	0.70
	Transfer			16 Feb 2018	3300	103503	0.72
	Transfer			23 Feb 2018	6717	110220	0.77
	Transfer			02 Mar 2018	6122	116342	0.81
	Transfer			09 Mar 2018	10302	126644	0.88
	Transfer			16 Mar 2018	4484	131128	0.92
	Transfer			23 Mar 2018	650	131778	0.92
	Transfer			31 Mar 2018	2390	134168	0.94
	AT THE END OF THE YEAR					134168	0.94
5	DAMYANTI JIVANDAS GOKALGANDHI	130727	0.91			130727	0.91
	Transfer			07 Apr 2017	-1500	129227	0.90
	Transfer			14 Apr 2017	-67	129160	0.90
	Transfer			28 Apr 2017	-486	128674	0.90
	Transfer			05 May 2017	-550	128124	0.89
	Transfer			19 May 2017	-120	128004	0.89
	Transfer			26 May 2017	-966	127038	0.89

Sr. No	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		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			16 Jun 2017	1	127039	0.89
	Transfer			30 Jun 2017	2336	129375	0.90
	Transfer			07 Jul 2017	-500	128875	0.90
	Transfer			14 Jul 2017	-1157	127718	0.89
	Transfer			28 Jul 2017	-5389	122329	0.85
	Transfer			04 Aug 2017	-748	121581	0.85
	Transfer			11 Aug 2017	350	121931	0.85
	Transfer			25 Aug 2017	296	122227	0.85
	Transfer			01 Sep 2017	55	122282	0.85
	Transfer			08 Sep 2017	1000	123282	0.86
	Transfer			15 Sep 2017	195	123477	0.86
	Transfer			29 Sep 2017	50	123527	0.86
	Transfer			06 Oct 2017	1590	125117	0.87
	Transfer			13 Oct 2017	1436	126553	0.88
	Transfer			20 Oct 2017	3000	129553	0.90
	Transfer			10 Nov 2017	1802	131355	0.92
	Transfer			17 Nov 2017	-500	130855	0.91
	Transfer			26 Jan 2018	-1500	129355	0.90
	Transfer			09 Feb 2018	-502	128853	0.90
	Transfer			16 Feb 2018	-2	128851	0.90
	Transfer			02 Mar 2018	-499	128352	0.90
	Transfer			09 Mar 2018	-1634	126718	0.89
	Transfer			16 Mar 2018	1	126719	0.89
	Transfer			23 Mar 2018	-1000	125719	0.88
	Transfer			31 Mar 2018	960	126679	0.88
	AT THE END OF THE YEAR					126679	0.88
6	DEVIDAS JOTUMAL THAWANI	99531	0.70			99531	0.70
	AT THE END OF THE YEAR					99531	0.70
7	GORDHAN PRABHUDAS TANWANI	67388	0.47			67388	0.47
	Transfer			28 Jul 2017	-2388	65000	0.45
	Transfer			17 Nov 2017	-14000	51000	0.36
	Transfer			16 Feb 2018	8592	59592	0.42
	Transfer			23 Feb 2018	36240	95832	0.67
	Transfer			02 Mar 2018	1125	96957	0.68
	AT THE END OF THE YEAR					96957	0.68
8	CHETAN RATILAL PATEL	38642	0.27			38642	0.27
	Transfer			29 Sep 2017	1115	39757	0.28
	Transfer			27 Oct 2017	1354	41111	0.29

Sr. No	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		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			03 Nov 2017	1316	42427	0.30
	Transfer			08 Dec 2017	1710	44137	0.31
	Transfer			15 Dec 2017	13	44150	0.31
	AT THE END OF THE YEAR					44150	0.31
9	AMIT BHUTRA#	0	0.00			0	0.00
	Transfer			23 Feb 2018	40512	40512	0.28
	Transfer			09 Mar 2018	-1300	39212	0.27
	AT THE END OF THE YEAR					39212	0.27
10	SHAHZAAD DALAL #	33792	0.24			33792	0.24
	AT THE END OF THE YEAR					33792	0.24
11	PRACHAR COMMUNICATIONS LTD*	34086	0.24			34086	0.24
	Transfer			07 Apr 2017	14	34100	0.24
	Transfer			14 Apr 2017	40	34140	0.24
	Transfer			21 Apr 2017	742	34882	0.24
	Transfer			28 Apr 2017	506	35388	0.25
	Transfer			09 Jun 2017	2114	37502	0.26
	Transfer			17 Nov 2017	-10000	27502	0.19
	Transfer			01 Dec 2017	-7165	20337	0.14
	Transfer			08 Dec 2017	-2000	18337	0.13
	AT THE END OF THE YEAR					18337	0.13
12	BRIJDHAM COMMODITIES PRIVATE LIMITED*	34500	0.24			34500	0.24
	Transfer			30 Jun 2017	2000	36500	0.25
	Transfer			11 Aug 2017	-4980	31520	0.22
	Transfer			18 Aug 2017	-1860	29660	0.21
	Transfer			25 Aug 2017	-9692	19968	0.14
	Transfer			01 Sep 2017	-19968	0	0.00
	AT THE END OF THE YEAR					0	0.00

* Ceased to be in the list of Top 10 shareholders as on 31-03-2018. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2017.

Not in the list of Top 10 shareholders as on 01-04-2017. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2018.

- Note:
1. Paid up Share Capital of the Company (Face Value ₹10.00) at the end of the year is 14318659 Shares.
 2. The details of holding has been clubbed based on PAN.
 3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

V. Shareholding of Directors and Key Managerial Personnel:

Name of the Shareholder	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.17 to 31.03.18)	
	No. Shares at the beginning of the year (01.04.2017)	% of total shares of the company				No. of Shares	% of total shares of the Company
Mr. Kumar Taurani <i>Chairman & Managing Director</i>	28,81,915	20.13	N.A	NIL	N.A	28,81,915	20.13
Mr. Ramesh Taurani <i>Managing Director</i>	28,75,911	20.09	N.A	NIL	N.A	28,75,911	20.09
Mr. Ishwar Gursahani <i>Chief Financial Officer</i>	10	0.000070	N.A	NIL	N.A	10	0.000070
Ms. Bijal Patel <i>Company Secretary</i>	NIL	N.A	N.A	N.A	N.A	NIL	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.

V. INDEBTEDNESS

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

(₹ in Lakh)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	6412.15	0	0	6412.15
ii) Interest due but not paid	0.25	0	0	0.25
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	6412.40	0	0	6412.40
Change in Indebtedness during the financial year				
• Addition	0	1059.50	500	1559.50
• Reduction	3336.85	1059.50	0	4396.35
Net Change	(3336.85)	0	500	(2836.85)
Indebtedness at the end of the financial year				
i) Principal Amount	3075.55	0	500	3575.55
ii) Interest due but not paid	0.25	0	0	0.25
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	3075.80	0	0	3575.80

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

(₹ in Lakh)

Sl. No	Particulars of Remuneration	Name of MD & CEO		Total Amount
		Mr. Kumar Taurani	Mr. Ramesh Taurani	
1	Gross salary			
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	168	168	336
	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
	Total (A)	168	168	336
	Ceiling as per the Act	The Members of the Company in its Meeting on September 13, 2017 has approved the revision in the remuneration to ₹14 lac p.m. i.e. ₹168 lakh p.a. w.e.f. February 3, 2017.		

B. Remuneration to other directors:

(₹ in Lakh)

Sl. No	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Amitabh Mundhra	Mrs. Radhika Pereira	Mr. Venkitaraman Iyer	
1	Independent Directors				
	• Fee for attending Board/ Committee Meetings	1.20	1.20	1.20	3.60
	• Commission	NIL	NIL	NIL	NIL
	• Others, please specify	NIL	NIL	NIL	NIL
	Total (B1)	1.20	1.20	1.20	3.60
2	Other Non-Executive Directors	NIL	NIL	NIL	NIL
	Total (B2)	NIL	NIL	NIL	NIL
	Total (B=B1+B2)				3.60
	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/WTB:

(₹ in Lakh)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	CS	Total
1	Gross salary			
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12.00	6.00	18.00
	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
	Total C	12.00	6.00	18.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for the year ending March 31, 2018.

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.

The Company emphasizes the need for highest level of transparency and accountability in all its transactions in order to protect the interests of all its stakeholders. The Board considers itself as a trustee of its shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth on sustainable basis. The Management promotes honest and ethical conduct of the business along with complying with applicable laws, rules and regulations.

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:

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, 2018, the Board consists of five Directors comprising of two Executive Directors and three Non-Executive Independent Directors. The Chairman of the Board is an Executive Director.

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.

- 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, 2018:

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
Mr. Kumar Taurani DIN : 00555831	Promoter & Executive (Chairman & Managing Director)	NIL	NIL	NIL
Mr. Ramesh Taurani DIN : 00010130	Promoter & Executive (Managing Director)	2	NIL	NIL
Mr. Amitabh Mundhra DIN : 00014227	Non-Executive Independent Director	3	NIL	NIL
Mrs. Radhika Pereira DIN : 00016712	Non-Executive Independent Director	4	1	4
Mr. Venkitaraman Iyer DIN: 00730501	Non-Executive Independent Director	1	NIL	1

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(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

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 2, 2018 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 four times during the financial year i.e. from April 1, 2017 to March 31, 2018 on May 30, 2017, September 13, 2017, November 29, 2017 and February 2, 2018. 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 13, 2017	Number of shares held in the Company
	Held	Attended		
Mr. Kumar Taurani	4	3	Yes	28,81,915
Mr. Ramesh Taurani	4	4	Yes	28,75,911
Mr. Amitabh Mundhra	4	4	Yes	NIL
Mrs. Radhika Pereira	4	4	No	NIL
Mr. Venkitaraman Iyer	4	4	Yes	NIL

- **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

- **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	4
Mrs. Radhika Pereira	Member	Independent Director	4
Mr. Kumar Taurani	Member	Executive Director	3
Mr. Venkitaraman Iyer	Member	Independent Director	4

The Audit Committee met four times during the financial year 2017-18 on May 30, 2017, September 13, 2017, November 29, 2017 and February 2, 2018. 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	1
Mr. Amitabh Mundhra	Member	Independent Director	1
Mr. Kumar Taurani	Member	Executive Director	1
Mr. Venkitaraman Iyer	Member	Independent Director	1

The Committee met once on February 2, 2018. The necessary quorum was present Meeting.

- 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, 2018 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 2017-18, 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
Sitting Fees	₹1.60 lakh	₹1.60 lakh	₹1.60 lakh

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:

Name and Designation	Remuneration	Bonuses & Stock options	Service contracts	Notice Period
Mr. Kumar Taurani Chairman & Managing Director	₹168 lakhs	NIL	Appointed for a period of 3 Years w.e.f. June 1, 2015	30 days
Mr. Ramesh Taurani Managing Director	₹168 lakhs	NIL		

The Members of the Company in their 21st Annual General Meeting held on September 13, 2017 has approved the revision in the remuneration of Mr. Kumar Taurani and Mr. Ramesh Taurani

to ₹14 lakh p.m. respectively with effect from February 3, 2017 till his remaining term of his tenure i.e. upto May 31, 2018.

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

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	3
Mr. Ramesh Taurani	Member	Executive Director	4

The Committee met four times during the year on May 30, 2017, September 13, 2017, November 29, 2017, and February 2, 2018. The necessary quorum was present for all Meetings.

• 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 2017-18 is given below:

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



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, 6 th 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

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

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

The Committee met once on February 2, 2018.

• **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.

GENERAL BODY MEETINGS:

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

Date and Time	Location	Special Resolutions
September 13, 2017 at 11.00 a.m.	The Jubilee Room, Hotel Sun - N - Sand, Juhu, Mumbai - 400049	Increase in the remuneration of Mr. Kumar Taurani and Mr. Ramesh Taurani, Managing Directors of the Company w.e.f. February 3, 2017.
September 16, 2016 at 11.00 a.m.		NIL
August 14, 2015 at 11.00 a.m.		Re-appointment of Mr. Kumar Taurani and Mr. Ramesh Taurani, Managing Directors of the Company for a period of three years commencing from June 1, 2015 at remuneration of ₹10 lakhs p.m. respectively.

• **Postal Ballot:**

During the year 2017-2018, 2 (Two) Resolutions were passed through postal ballot in accordance with the provisions of Sections 110 and 108 of the Companies Act, 2013 read with rules made thereunder and Regulation 44 of the SEBI(LODR) Regulations, 2015.

The details of resolutions & results of Postal Ballot are as under:

1. **Special Resolution:** Alteration of Articles of Association the Company.

➤ **Date of Postal Ballot Notice:** November 29, 2017

➤ **Voting Period:** From December 17, 2017 to January 15, 2018 (both days inclusive)



- **Date of Declaration of results:** January 17, 2018

Particulars of Voting	Remote e-Voting	% of total number of votes cast	Postal Ballot	% of total number of votes cast	Voting Result	% of total number of valid votes cast
Votes cast in favour	11037732	95.1719	558678	4.8172	11596410	99.9890
Votes cast in Against	100	0.0009	1173	0.0101	1273	0.0110
Invalid Votes	0	-	8402	-	8402	-

2. Ordinary Resolution: Approval of Related Party Transactions under Section 188 of the Companies Act, 2013 with Mr. Girish Taurni.

- **Date of Postal Ballot Notice:** February 2, 2018
- **Voting Period:** From February 18, 2018 to March 19, 2018 (both days inclusive)
- **Date of Declaration of results:** March 21, 2018

Particulars of Voting	Remote e-Voting	% of total number of votes cast	Postal Ballot	% of total number of votes cast	Voting Result	% of total number of valid votes cast
Votes cast in favour	5378337	79.5556	558761	8.2651	5937098	87.8208
Votes cast in Against	823371	12.1792	3	0.00004	823374	12.1792
Invalid Votes	-	-	6	-	-	-

Procedure for Postal Ballot:

In compliance with Sections 108, 110 and other applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, the Company has offered an e-voting facility to all its Members to exercise their right to vote through the electronic voting platform of Central Depository Services (India) Limited (CDSL). Members were provided an option to vote either through e-voting or postal ballot.

Mr. Shirish Shetye, Practicing Company Secretary, was appointed as a scrutinizer for scrutinizing voting (both physical and e-voting) in a fair and transparent manner for both the postal ballots conducted by the Company during the year.

The Company dispatched the postal ballot notices and forms along with prepaid business reply envelopes to its members whose names appear on the Register of

Members / list of beneficiaries as on cut-off date.

The Company also published a notice in the newspapers declaring the details of completion of dispatch and other requirements under the Companies Act, 2013 and the Rules issued thereunder.

Voting rights are reckoned on the paid up value of shares of the Company in the names of the shareholders as on the cut-off date. Members desiring to vote through physical ballot/electronic mode are requested to vote/return the forms before 5.00 p.m. on the last date of voting.

The Scrutinizer has submitted his report to the Chairman, after the completion of scrutiny and the consolidated results of the voting by postal ballot (including e-voting) are announced by the Chairman/authorized officials of your Company.



Based on the Report of Scrutinizer, the aforesaid Resolutions as set out in the Notices of Postal Ballot have been duly approved by the shareholders of the Company with Requisite majority. The results are displayed on the website of the Company, besides being communicated to the Stock Exchanges and CDSL.

The procedures prescribed under Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 were duly followed for conducting the postal ballot process for approving the resolutions mentioned above.

At present, there is no further proposal to pass any resolution through postal ballot.

DISCLOSURES:

• Related Party Transaction:

During the year ended March 31, 2018, 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

• Disclosure of non-compliance of the Company:

There were no instances of non-compliance, penalty or strictures imposed on the Company by Stock Exchanges 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

• 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. The Company has not made any presentation to Institutional Investors or to the analysts.

GENERAL SHAREHOLDERS INFORMATION:

• Annual General Meeting:

Date	September 25, 2018
Time	11.00 a.m.
Venue	Jubilee Room, Hotel Sun-N-Sand, Juhu, Mumbai - 400049

• Financial Year:

Financial Year	April 1, 2017 to March 31, 2018
Date of Book Closure	From September 19, 2018 to September 25, 2018 (Both days inclusive)
Dividend Payment Date	On or Before October 24, 2018

• Listing on Stock Exchanges:

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

BSE Limited

P. J. Towers, Dalal Steet, Fort, Mumbai – 400 001

National Stock Exchange of India Limited

Exchange Plaza, Plot No. C/1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 050.

The listing fees for the year 2018-19 has been paid to the above Stock Exchanges.



• **Stock Code, ISIN & CIN:**

Stock Code:	BSE: 532375; NSE : TIPSINDLTD
International Security Identification Number (ISIN)	INE716B01011
Corporate Identification No (CIN)	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 (₹)	Lowest (₹)	Highest (₹)	Lowest (₹)
Apr-17	74.25	60.00	73.85	60.05
May-17	74.95	56.20	73.80	56.00
Jun-17	69.45	56.00	68.60	57.10
Jul-17	84.70	60.50	84.60	61.00
Aug-17	71.90	60.00	71.45	60.35
Sep-17	78.95	65.60	74.85	66.20
Oct-17	83.00	68.80	83.60	68.55
Nov-17	158.90	75.20	159.40	74.50
Dec-17	143.15	107.60	143.40	110.20
Jan-18	119.95	101.00	121.00	103.55
Feb-18	108.00	84.65	107.00	84.40
Mar-18	109.75	93.00	110.90	91.20

• **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 (₹)	Sensex (₹)	Tips (₹)	Nifty (₹)
Apr-17	70.40	29918.40	69.50	9304.05
May-17	58.55	31145.80	57.65	9621.25
Jun-17	61.50	30921.61	61.25	9520.90
Jul-17	67.00	32514.94	67.25	10077.10
Aug-17	69.00	31730.49	69.80	9917.90
Sep-17	68.80	31283.72	69.90	9788.60
Oct-17	74.70	33213.13	75.10	10335.30
Nov-17	123.75	33149.35	123.95	10226.55
Dec-17	117.00	34056.83	116.95	10530.70
Jan-18	104.30	35965.02	104.20	11027.70
Feb-18	106.35	34184.04	106.65	10492.85
Mar-18	93.00	32968.68	93.15	10113.70

• **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, 2018:**

No. of Equity Shareholdings	No. of Share holders	Percentage of share holders	No. of Shares for the range	Percentage of share holding
1-500	4363	87.6633	496807	3.4696
501-1000	317	6.3693	256839	1.7937
1001-2000	107	2.1499	159676	1.1152
2001-3000	44	0.8841	113927	0.7957
3001-4000	29	0.5827	104860	0.7323
4001-5000	24	0.4822	112172	0.7834
5001-10000	45	0.9042	319488	2.2313
10001-above	48	0.9644	12754890	89.0788
Total	4977	100.00	14318659	100.00

• **Shareholding Pattern as on March 31, 2018:**

Category	No. of Equity Shares held	Percentage of share held
Promoter & Directors	5757826	40.212
Promoters	4954936	34.6047
Public	2475489	17.2886
Other Bodies Corporate	972770	6.7937
Hindu Undivided Family	79745	0.5569
Clearing Members	46591	0.3254
Non Resident Indians	14503	0.1013
Government Companies	7534	0.0526
Trusts	7500	0.0524
Non Resident (Non Repatriable)	1765	0.0123
Total	14318659	100.00



- Dematerialization of Shares:**

As on March 31, 2018, 1,43,00,598 shares representing 99.87% 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, 2018 is given below:

Particulars	Shares	%
Physical Shares	18061	0.13
Demat Shares		
NSDL	12806952	89.44
CDSL	1493646	10.43
Total	14318659	100.00

- 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, 2018.

- 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

Kumar S. Taurani

Chairman and Managing Director

DIN: 00555831

Place: Mumbai

Date: May 28, 2018

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, 2018.

For and on behalf of the Board of Directors

Kumar S. Taurani

Chairman and Managing Director

DIN: 00555831

Place: Mumbai

Date: May 28, 2018

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:

- (a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2018 and that to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of 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.
- (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, 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.

- (d) We have indicated to the auditors and the Audit Committee;
 - (i) Significant changes, if any, in internal control over financial reporting during the year;
 - (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
 - (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.

Kumar S. Taurani
Chairman & Managing Director
DIN: 00555831

Date: May 28, 2018
Place: Mumbai

Ishwar T. Gursahani
Chief Financial Officer

Date: May 28, 2018
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, 2018 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 28, 2018

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, 2018, 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 Indian 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 pronouncements 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 34(15) to the financial statements for the year ended March 31, 2018 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, 2018.

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, 2018, 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as

on March 31, 2018 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 34(1) 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 31,2018;
 - 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 31,2018.

For **SSPA & Associates**
Chartered Accountants
Firm Registration No.131069W

Parag Ved
Partner

Place : Mumbai
Date : May 28, 2018

Membership Number : 102432

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

- | | |
|--|---|
| <p>i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.</p> <p>(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.</p> <p>(c) The title deeds of immovable properties are held in the name of the Company.</p> <p>ii. The inventory has been physically verified by the Management during the year. In our opinion the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to books records were not material.</p> <p>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.</p> <p>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.</p> <p>v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within</p> | <p>the meaning of Sections 73 to 76 of the Act and the rules framed there under.</p> <p>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.</p> <p>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, Goods and Service 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.</p> <p>(b) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Value Added tax, Goods and Service tax, cess and other statutory dues were in arrears as at March 31, 2018 for a period more than six months from the date they became payable. As explained to us, Duty of Custom and Duty of Excise are not applicable to the Company for the current year.</p> <p>(c) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, value added tax, service tax which have not been deposited with appropriate authority on account of dispute except as mentioned below:</p> |
|--|---|

Nature of Statute	Nature of Dues	Amount (₹ 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	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	
		304.67	F.Y.2012-13	
		186.65	F.Y.2013-14	
Maharashtra VAT Act, 2005	Sales tax, interest and penalty	383.83	F.Y 2010-11	Maharashtra Sales tax Tribunal
		193.84	F.Y.2011-12	

- 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 Indian Accounting Standard (Ind AS) 24, 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 28, 2018

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, 2018 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, 2018, 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

Place : Mumbai
Date : May 28, 2018

Parag Ved
Partner
Membership Number : 102432

STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2018

Particulars	Note No	(₹ in Lakhs)		
		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
ASSETS				
Non-current assets				
(a) Property, plant and equipment	3	175	261	358
(b) Investment Property	4	2,155	2,200	2,245
(c) Financial Assets				
(i) Investments	5	12	23	12
(ii) Loans	6	522	524	522
(iii) Other financial assets	7	333	315	7
(d) Other non-current assets	8	935	629	359
Total Non-current assets		4,132	3,952	3,503
Current assets				
(a) Inventories	9	5,745	7,492	10,451
(b) Financial assets				
(i) Trade receivables	10	899	589	1,352
(ii) Cash and cash equivalents	11	557	78	158
(iii) Bank balances other than (ii) above	12	231	31	30
(iv) Other financial assets	13	16	4	11
(c) Current Tax (Net)	14	181	299	677
(d) Other Current Assets	15	8,478	1,095	1,196
Total current assets		16,107	9,588	13,875
Total Assets		20,239	13,540	17,378
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	16	1,432	1,432	1,507
(b) Other equity	17	5,536	5,370	5,640
Total Equity		6,968	6,802	7,147
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	18	1,371	4,912	6,469
(ii) Other Financial Liabilities	19	23	25	37
(b) Employee Benefit Obligations	20	30	45	31
Total non-current liabilities		1,424	4,982	6,537
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	21	500	-	200
(ii) Trade payables	22	473	142	827
(iii) Other financial liabilities	23	1,712	1,519	2,294
(b) Employee Benefit Obligations	24	1	2	3
(c) Other Current Liabilities		9,161	93	370
Total current liabilities		11,847	1,756	3,694
Total Liabilities		13,271	6,738	10,231
Total Equity and Liabilities		20,239	13,540	17,378

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 28, 2018

For and on behalf of the Board of Directors of

TIPS INDUSTRIES LIMITED

Kumar S. Taurani

Chairman & Managing Director

DIN : 00555831

Bijal Patel

Company Secretary

Place : Mumbai

Date : May 28, 2018

Ramesh S. Taurani

Managing Director

DIN : 00010130

I T Gursahani

Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

		(₹ in Lakhs)	
Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
I. Revenue from operations	26	4,749	4,702
II. Other income	27	244	1,940
Total Revenue (I+II)		4,993	6,642
III Expenses:			
Cost of Material Consumed	28	-	-
Cost of Production / Distribution of Expenses	29	1,747	3,051
Employee benefits expense	30	661	661
Finance costs	31	663	1,024
Depreciation and amortization expense	32	139	147
Other expenses	33	1,383	1,329
IV Total Expenses		4,593	6,212
V Profit before Tax		400	430
VI Tax Expenses:			
(1) Current Tax		87	88
(2) Taxes in respect of earlier years		-	44
VII Profit / (Loss) for the year		313	298
VIII Other Comprehensive Income			
Items that will not be reclassified to statement of Profit or Loss			
Remeasurement of post employment benefit obligations		25	4
Other Comprehensive Income		25	4
IX Total Comprehensive income for the year		338	302
X Earnings per equity share of ₹10/- each			
(1) Basic	34(17)	2.19	2.08
(2) Diluted	34(17)	2.19	2.08
Significant Accounting Policies	1		
Notes to Financial Statements	2-34		

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 28, 2018

For and on behalf of the Board of Directors of
TIPS INDUSTRIES LIMITED

Kumar S. Taurani
Chairman & Managing Director
DIN : 00555831

Bijal Patel
Company Secretary

Place : Mumbai
Date : May 28, 2018

Ramesh S. Taurani
Managing Director
DIN : 00010130

I T Gursahani
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2018

A Equity Share Capital

Particulars	(₹ in Lakhs)	
	Number	Amount
As on April 1, 2016	15,067,682	1,507
Changes in Equity Share Capital	(749,023)	(75)
As on March 31, 2017	14,318,659	1,432
Changes in Equity Share Capital	-	-
As on March 31, 2018	14,318,659	1,432

B Other Equity

Particulars	(₹ in Lakhs)				
	General Reserve	Securities Premium Reserve	Capital Redemption Reserve	Retained Earnings	Total
Balance as at April 1, 2016	536	2,273	224	2,607	5,640
Transfer	15	(75)	75	(15)	-
Profit for the year	-	-	-	298	298
Other comprehensive income for the year (net of tax)	-	-	-	4	4
On Buy Back of equity shares	-	(399)	-	-	(400)
Payment of dividends (L/Y Diff)	-	-	-	(143)	(143)
Tax on Dividend (L/Y Diff)	-	-	-	(29)	(29)
Balance as at March 31, 2017	551	1,799	299	2,722	5,370
Profit for the year	-	-	-	313	313
Other comprehensive income for the year (net of tax)	-	-	-	25	25
Payment of dividends (L/Y Diff)	-	-	-	(143)	(143)
Tax on Dividend (L/Y Diff)	-	-	-	(29)	(29)
Balance as at March 31, 2018	551	1,799	299	2,888	5,536

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2018

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash flow from operating activities		
Profit/(loss) before tax	400	430
Adjustments		
Depreciation and impairment of property, plant and equipment	139	147
Interest Expenses	664	1,023
Prior Period Tax Adjustments	-	(43)
Fair valuation of mutual funds	(1)	(1)
Provision for/ (write back of) doubtful debts and advances	(42)	(60)
Bad debts written off	42	135
Loss/ (Profit) on sale/disposal of fixed assets (net)	(1)	(1)
Actuarial gains and losses taken to OCI	25	4
Interest income	(21)	(11)
Profit on sale of investments (net)	-	-
	1,205	1,623
Working capital adjustments		
(Increase)/Decrease in inventories	1,746	2,959
(Increase)/ Decrease in trade and other receivables	(352)	628
Increase / (Decrease) in loans and advances and other assets (Current)	(321)	(511)
Increase / (Decrease) in loans and advances and other assets (Non-current)	(7,595)	-
Increase/ (Decrease) in Financial Liabilities	(14)	-
Increase/ (Decrease) in trade and other payables	9,630	(1,656)
	4,299	3,043
Income Tax paid	31	290
Net cash flows from operating activities	4,330	3,333
Cash flow from investing activities		
Purchase of fixed assets	(9)	(5)
Sale of fixed assets	1	-
Intercompany Deposits Received	-	-
Purchase of investments	-	(10)
Sale of investments	13	-
Interest income	21	49
Dividend on long term investments	-	-
Net cash flows from investing activities	26	34

CASH FLOW STATEMENT

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash flow from financing activities		
Payment of sales tax deferment loan		
(Repayment)/Procees of Long Term Borrowings	(3,541)	(1,557)
(Repayment)/Procees of Short Term Borrowings	500	(200)
Interest Paid	(664)	(1,043)
Buy Back of Shares	-	(474)
Dividend paid (including tax on dividend)	(172)	(173)
Net cash flows from financing activities	(3,877)	(3,447)
Net increase / (decrease) in cash and cash equivalents	479	(80)
Cash and cash equivalents at the beginning of the year	78	158
Effect of exchanges rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at the end of the year	557	78
Reconciliation of Cash and Cash equivalents with the Balance Sheet		
Cash and Cash Equivalents as per Balance Sheet		
In current account	549	72
Cash on hand	8	6
Cash and Cash equivalents as restated as at the year end	557	78

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (IND AS) 7 - "Cash Flow Statements".

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 the Board of Directors of

TIPS INDUSTRIES LIMITED

Kumar S. Taurani

Chairman & Managing Director

DIN : 00555831

Ramesh S. Taurani

Managing Director

DIN : 00010130

Bijal Patel

Company Secretary

I T Gursahani

Chief Financial Officer

Place : Mumbai

Date : May 28, 2018

Place : Mumbai

Date : May 28, 2018

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

1. Company Background:

Tips Industries Limited is a Company limited by shares, incorporated and domiciled in India. The Company was incorporated on May 8, 1996 under Chapter IX of the Companies Act, 1956. The Company is engaged in the business of Production and Distribution of motion Pictures and acquisition and exploitation of Music Rights. The Equity Shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited.

2. Summary of Significant Accounting Policies:

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of Preparation:

i) Compliance with Ind AS:

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under section 133 of the Companies Act, 2013, ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 with effect from April 1, 2016. Previous year numbers in the financial statements have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at March 31, 2017 and April 1, 2016 and of total comprehensive income for the year ended March 31, 2017. Reconciliations and descriptions of the effect of the transition has been summarized in Note 34(18).

The financial statements are presented in Indian Rupees (INR), except when otherwise indicated.

These financial statements are the first financial statements of the company under Ind AS.

ii) Historical cost convention:

The financial statements have been prepared on a historical cost basis, except for the following:

- A) Certain financial assets and liabilities (including derivative instruments)
- B) Defined benefit plans assets measured at fair value

iii) Current/ Non- Current Classification:

Any asset or liability is classified as current if it satisfies any of the following conditions:

- a) it is expected to be realised or settled or is intended for sale or consumption in the Company's normal operating cycle;
- b) it is expected to be realised or settled within twelve months from the reporting date;
- c) it is held primarily for the purposes of being traded;
- d) the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- e) in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months from the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/ non-current classification of assets and liabilities, the Company has ascertained

NOTES TO THE FINANCIAL STATEMENTS

its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realisation in cash and cash equivalents.

b) Use of accounting estimates and judgments:

Preparation of financial statements requires the Company to make assumptions and estimates about future events and apply significant judgments. The Company base its assumptions, estimates and judgments on historical experience, current trends and all available information that it believes is relevant at the time of preparation of the financial statements. However, future events and their effects cannot be determined with certainty. Accordingly, as confirming events occur, actual results could ultimately differ from our assumptions and estimates. Such differences could be material. The following require most difficult, subjective or complex judgments, resulting from the need to make estimates about the effect of matters that are inherently uncertain.

i) Estimated useful life of property, plant and equipment:

The Company estimates the useful life of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimation of the useful life of property, plant and equipment is based on collective assessment of industry practice, internal technical evaluation and on the historical experience with similar assets. It is possible, however, that future results from operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. The estimated useful life are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

ii) Recoverability of deferred income tax assets:

In determining the recoverability of deferred income tax assets, the Company primarily considers current and expected profitability of applicable operating business segments and their ability to utilise any recorded tax assets. The Company reviews its deferred income tax assets at every reporting period end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

iii) Measurement of defined benefit obligations and other employee benefit obligations:

The Company's net obligation in respect of gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the other long-term employment benefits.

The present value of the obligation is determined based on actuarial valuation at the balance sheet date by an Independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

c) Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Chief Financial Officer of the Group.

The Group's Chief Operating Decision Maker ('CODM') examines the performance and has identified two reportable segments of its business.

- Music (Audio/ Video)
- Film Production/ distribution

The segment performance is evaluated based on profit or loss. Also the Company's borrowings (including finance costs and interest income), income taxes and investments are managed at head office and are not allocated to operating segments.

Segment Revenue is measured in the same way as in the Statement of Profit and Loss. Segment assets and liabilities are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment.

d) Property, Plant and equipment: Measurement at recognition

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably and is measured at cost. Subsequent to recognition, all items of property, plant and equipment (except for freehold land) are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of property, plant and equipment comprises its purchase price plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the initial estimate of decommissioning, restoration and similar liabilities, if any. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Items such as spare parts, stand-by equipment and servicing that meets the definition of property, plant and equipment are capitalised at cost and depreciated over the useful life. Cost of repairs and maintenance are recognised in the statement of profit and loss as and when incurred.

Depreciation:

Depreciation is provided on Straight Line Method, pro-rata to the period of use, in terms of Section 123(2) of the Companies Act, 2013 in the manner specified in Schedule II of the Companies Act, 2013 except for Improvements to Leasehold Premises.

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

Capital work in progress and Capital advances

Assets under Capital Work in Progress includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under Other Non Current Assets. Assets under Capital Work in Progress are not depreciated as these assets are not yet available for use.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the statement of profit or loss in the period the asset is derecognised.

e) Intangible assets:

Measurement at recognition:

Intangible assets comprise primarily of computer software. Intangible assets are initially recorded at cost and subsequent to recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

Amortisation:

The Computer Software is amortised over a period of 3 years

Derecognition:

An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the statement of profit or loss in the period the asset is derecognised.

f) Investment properties

Properties that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of item can be measured reliably. All other repairs and maintenance costs are expensed out when incurred. Investment properties are depreciated using the straight-line method over their estimated useful life.

Improvements to the leasehold premises are amortised over the period of lease.

g) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Non-derivative financial assets:

Initial recognition and measurement

The Company recognises a financial asset in its balance sheet when it become party to the contractual provisions of the instrument. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the statement of profit and loss at initial recognition if the fair value is determined through quoted market price in an active market for an identical asset (i.e level 1 input) or through a valuation technique that uses data from observable markets (i.e level 2 input).

However, trade receivables that do not contain a significant financing component are measured at transaction price irrespective of the fair value on initial recognition.

Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- i) The Company's business model for managing the financial asset and

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

- ii) The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

- i) Financial assets measured at amortised cost.
- ii) Financial assets measured at fair value through profit and loss (FVTPL).

1) Financial assets measured at amortised cost:

A financial asset is measured at the amortised cost if both the conditions are met:

- a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows.
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans, deposits and other financial assets of the Company. Such financial assets are subsequently measured at amortised cost using the effective interest method.

The amortised cost of a financial asset is also adjusted for loss allowance, if any.

2) Financial assets measured at fair value through profit and loss (FVTPL):

A financial asset is measured at FVTPL unless it is measured at amortised cost or at Fair Value through Other Comprehensive Income (FVTOCI). This is a residual category applies to inventories,

share based payments and other investments of the Company excluding investment in subsidiary. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the statement of profit and loss.

Derecognition:

A financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. On derecognition of a financial asset, the difference between the carrying amount and the consideration received is recognised in the statement of profit and loss.

Presentation:

Financial assets and liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

ii) Non-derivative financial liabilities

Initial recognition and measurement

Financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liabilities.

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently carried at amortised cost; any difference between the initial carrying value and the redemption value is recognised

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

in the statement of profit or loss over the period of the borrowings using the effective interest rate method. Other financial liabilities are recognised initially at fair value plus any directly attributable transaction costs.

Non-derivative financial liabilities of the Company comprise long-term borrowings, short-term borrowings, bank overdrafts and trade and other payables.

Subsequent measurement:

Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

Derecognition:

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. When an existing financial liability is replaced from the same lender on substantially different terms, or terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the statement of profit and loss.

h) Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) in the principal market for the asset or liability or
- ii) in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy that categorises into three levels, as described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs).

Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: inputs that are unobservable for the asset or liability

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

i) Inventories:

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

i) 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

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

but not exceeding nine years and subject to a minimum of 4.4% in any year.

ii) 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.

iii) 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.

j) Statement of cash flows:

The Company's statement of cash flows are prepared using the Indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature if any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Cash and cash equivalents comprise cash and bank balances.

k) Foreign Currency Transactions

Initial Recognition:

All transactions that are not denominated in the Company's functional currency are foreign currency transactions. These transactions are initially recorded in the functional currency by applying the appropriate daily rate which best

approximates the actual rate of the transaction. Exchange differences arising on foreign exchange transactions settled during the period/ year are recognised in the statement of profit and loss.

Measurement of foreign current items at reporting date:

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange at the reporting date. Non-monetary items measured based on historical cost in a foreign currency are not translated. Non-monetary items measured at fair value in a foreign currency are translated to the functional currency using the exchange rates at the date when the fair value was determined.

Exchange differences arising out of these translations are recognised in the statement of profit and loss.

l) Revenue recognition:

i) Turnover:

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

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

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'.

ii) 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.

iii) Interest Income:

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

iv) Others:

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

m) Employee Benefits:

i) Short-term obligations:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees services up to the end of the reporting period and are measured at the amount expected to be paid when liabilities

are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii) Other long term employee benefit obligations:

Gratuity obligations:

The liability or asset recognised in the balance sheet in respect of defined benefits pension and gratuity plans is the present value of the defined benefits obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost

Defined Contribution plans:

The company pays provident fund contributions to publicly administered provident funds as per local

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

regulations. The company has no further payment obligations once the contribution have been paid. The contributions are accounted for as defined contribution plans and the contribution are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

iii) Bonus Plan:

The company recognises a liability and an expense for bonuses. The company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

n) Taxes on Income:

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year/ period as per the provisions of tax laws enacted in India and any adjustment to the tax payable or receivable in respect of previous years/periods. It is measured using tax rates enacted or substantively enacted at the reporting date.

ii) Deferred tax:

Deferred tax is recognised on deductible temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable income, the carry forward of unused tax losses and the carry forward of unused tax credits.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax liabilities are generally recognized for all deductible temporary differences. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognised. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognised.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable income will be available against which those deductible temporary differences can be utilised. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognised.

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period and reduce amounts to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered.

Presentation of current and deferred tax:

Current and deferred tax are recognised as income or an expense in the statement of profit and loss, except when they relate to items that are recognised in Other Comprehensive Income/ Equity, in which case, the current and deferred tax income/ expense are recognised in Other Comprehensive Income/ Equity.

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

iii) Minimum Alternative Tax ('MAT'):

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as a deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as a deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

o) Earnings per share:

The basic earnings per share ('EPS') is computed by dividing the net profit attributable to equity shareholders for the period, by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed using the weighted average number of equity and dilutive (potential) equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

p) Provisions and Contingencies

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is more likely than not that an outflow of economic benefits will be required to settle the obligation. Provisions are discounted where the effect of discounting is material at a pre-tax rate that reflects current market assessments of the time value of money. Unwinding of the discount (accretion) is recognized as a finance cost. Discount rates are assessed and projected timing of future obligations each reporting period.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

q) Investment and other financial assets:

i) Classification:

The company classifies its financial assets in the following measurement categories:

- a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- b) those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

ii) Measurement:

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

r) Leases:

As a lessee: Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a Lessor: Lease income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

NOTES TO THE FINANCIAL STATEMENTS

3) Property, Plant and Equipments

Description of Assets	(₹ in Lakhs)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Carrying Amount of			
Cinematography Machinery	11	14	18
Plant & Machinery	-	-	-
Computers	1	2	6
Motor car	148	229	316
Furniture and Fixtures	5	6	7
Office Equipments	10	10	11
Total	175	261	358

Description of Assets	(₹ in Lakhs)						
	Cinematography Machinery	Plant & Machinery	Furniture & Fixtures	Office Equipments	Motor car	Computer	Total
GROSS BLOCK							
Balance As at April 01, 2016	40	5	44	122	733	20	964
Additions	-	-	1	4	-	-	5
Disposal	-	-	-	-	8	-	8
Balance As at March 31, 2017	40	5	45	126	725	20	961
Balance As at April 01, 2017	40	5	45	126	725	20	961
Additions	-	-	2	6	-	1	9
Disposal	-	-	-	-	5	-	5
As at March 31, 2018	40	5	47	132	720	21	965
DEPRECIATION							
Balance As at March 31, 2016	22	5	38	110	417	14	606
Depreciation charge for the year	3	-	2	6	87	4	102
Disposal	-	-	-	-	8	-	8
Balance As at March 31, 2017	26	5	40	116	496	18	701
Balance As at April 01, 2017	26	5	40	116	496	18	701
Depreciation charge for the year	3	-	2	6	81	2	94
Disposal	-	-	-	-	5	-	5
Balance As at March 31, 2018	29	5	42	122	572	20	790
NET BLOCK VALUE							
As at March 31, 2018	11	-	5	10	148	1	175
As at March 31, 2017	15	-	5	10	229	2	261
As at April 01, 2016	18	-	6	12	316	6	358

NOTES TO THE FINANCIAL STATEMENTS

4) Investment Property

I Investment property (at cost less accumulated depreciation)

Particulars	(₹ in Lakhs)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Gross block			
Opening	2,810	2,810	-
Add : Reclassified from fixed assets (Refer note)	-	-	2,810
Closing	2,810	2,810	2,810
Less : Accumulated depreciation			
Opening	610	565	-
Add: Depreciation/Amotisation	45	45	-
Add : Reclassified from fixed assets (Refer note)	-	-	565
Closing	655	610	565
Net block	2,155	2,200	2,245

Note:

For investment property existing as on April 1, 2016, i.e., its date of transition to Ind AS, the Company has used Indian GAAP carrying value as deemed costs.

II Information regarding income and expenditure of Investment property

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
(a) Rental income derived from investment properties	149	128
(b) Profit arising from investment properties before depreciation and indirect expenses		
Less – Depreciation	44	45
Less – Property Tax & Maintenance Charges	14	11
Profit arising from investment properties before indirect expenses	91	72

III Fair Value

Particulars	(₹ in Lakhs)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Investment Properties	3,212	3,090	3,022

IV Estimation of fair value

The Company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties.

NOTES TO THE FINANCIAL STATEMENTS

5) Non-Current Investments

(₹ in Lakhs)

Particulars	Quantity					
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(1) Investment in fully paid-up Equity Shares (Unquoted) (at Cost) Label Mobile Media Private Limited Equity shares of ₹ 10/- each	5,000	5,000	5,000	1	1	1
(2) Mutual Funds (Quoted)						
(i) Canara Robeco Capital Protection Oriented Fund Series 3 Regular Growth Units of ₹ 10/- each	-	99,990	99,990	-	12	11
(ii) Canara Robeco Capital Protection Oriented Fund-Series 7-Regular Growth Units of ₹10/- each	100,000	100,000	-	11	10	-
Total				12	23	12

6) Loans (Non Current) (Unsecured, Considered good)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a) Security Deposit against Premises to Related Parties	500	500	500
(b) Security Deposits -Others	22	24	22
Total	522	524	522

7) Other Financial Assets (Non-Current)

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Bank Deposits with more than 12 month maturity period	333	316	7
Total	333	316	7

- i) Fixed Deposit of ₹ 3,22,68,229 held as lien by bank against overdraft facility amount to ₹ 25 Crore (Previous Year ₹ 3,05,81,807)
- ii) Fixed deposit of ₹ 10,47,254 (Previous year ₹ 9,76,261) includes electricity deposit of ₹10,34,716/- (Previous year ₹ 9,64,595)

NOTES TO THE FINANCIAL STATEMENTS

8) Other Non-Current Assets

Particulars	(₹ in Lakhs)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a) Advances Given for Forthcoming Film Production	793	547	269
(b) Deposits with Government Authorities	142	82	91
Total	935	629	360

9) Inventories (Valued at Cost or Net Relisable Value whichever is lower)

Particulars	(₹ in Lakhs)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a) Unamortised Cost of Production	5,746	7,492	10,028
(b) Cost of Films Under Production	-	-	423
Total	5,746	7,492	10,451

10) Trade Receivables (Unsecured, considered Good)

Particulars	(₹ in Lakhs)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade Receivables	899	589	1,352
Total	899	589	1,352

11) Cash & Cash Equivalents

Particulars	(₹ in Lakhs)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a) Cash on Hand	8	6	7
(b) Balance with Banks in Current Accounts			
- Current Account	549	72	151
- Margin money	-	-	-
Total	557	78	158

NOTES TO THE FINANCIAL STATEMENTS

12) Bank Balances other than cash and Cash Equivalents

Particulars	(₹ in Lakhs)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a) Bank Deposits with 3-12 months- Maturity @	225	25	23
(b) Earnarked Balance with Banks (Unclaimed Dividend)	6	6	7
Total	231	31	30

@ These deposits are in the form of Bank Guarantee

13) Other Financial Assets (Unsecured, considered Good)

Particulars	(₹ in Lakhs)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Loans to Employees	16	4	11
Total	16	4	11

14) Current Tax (Net)

Particulars	(₹ in Lakhs)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance payment of Income tax and Tax Deducted at Source			
(net of Provision for Taxation ₹ 3,12,21,898 (March 31, 2017 ₹ 2,25,03,769: April 01, 2016 ₹ 4,24,72,259)	181	299	677
Total	181	299	677

15) Other Current Assets Loans and Advances (Unsecured, considered Good)

Particulars	(₹ in Lakhs)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a) Advances for film Projects in Hand	8,171	914	984
(b) Prepaid Expenses	-	1	1
(c) Balances with Government Authorities	283	87	156
(d) Others	24	93	55
Total	8,478	1,095	1,196

NOTES TO THE FINANCIAL STATEMENTS

16) Equity Share Capital (Refer Note 34(7))

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
a) Authorised 2,00,00,000 Equity Shares of ₹ 10 each	20,000,000	2,000	20,000,000	2,000	20,000,000	2,000
b) Issued, Subscribed and fully paid-up	14,318,659	1,432	15,067,682	1,507	15,358,640	1,536
Less:-Buy Back of Shares	-	-	(749,023)	(75)	(290,958)	(29)
Total	14,318,659	1,432	14,318,659	1,432	15,067,682	1,507

17) Other Equity

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
1 General Reserves	551	551	536
2 Securities Premium Reserve	1,799	1,799	2,273
3 Capital Redemption Reserve	299	299	224
4. Retained Earnings	2,887	2,722	2,607
Total	5,536	5,370	5,640

1 General Reserves

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the Beginning of the year	551	536
Add: Transferred from Retained earnings	-	15
Total	551	551

General reserve: Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013 (the "Companies Act"), the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn. The amount credited to the reserve can be utilised by the company in accordance with the provisions of the Companies Act. There is no movement in general reserve during the current year.

NOTES TO THE FINANCIAL STATEMENTS

2 Securities Premium Reserve

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Balance at the Beginning of the year	1,799	2,273
Less: Share premium paid on Buy back of equity shares current year Nil (Previous year 7,49,023 shares average rate of 63.34 per equity share)	-	(399)
Less: Transfer to Share Premium on account of buy back of equity shares.	-	(75)
Total	1,799	1,799

Securities premium reserve: This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act.

3 Capital Redemption Reserve

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Balance at the Beginning of the year	299	224
Add: Transfer from Securities Premium on account of Buy back of Equity Shares	-	75
Balance at the End of the year	299	299

Capital redemption reserve: This reserve is used to increase the reserve by issue & paid up price of the share on buy back of shares by company

NOTES TO THE FINANCIAL STATEMENTS

4 Retained Earnings

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Balance at the Beginning of the year	2,722	2,607
Net profit for the period	313	298
Other comprehensive income for the year		
Remeasurement of post employment benefit obligations	25	4
Dividend Paid (L/Y diff)	(143)	(143)
Dividend Distribution Tax Paid (L/Y diff)	(29)	(29)
Transfer to General Reserve	-	(15)
Total	2,887	2,722

Retained Earnings: This reserve represents the cumulative profits of the Company and effects of the remeasurement of defined benefit obligations. This Reserve can be utilised in accordance with the provisions of the Companies Act.

18) Borrowings (refer note to accounts No. 34 (8))

Particulars	(₹ in Lakhs)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Secured Term Loans			
(a) From Bank	1,071	4,612	6,469
(b) From Others	300	300	-
Total	1,371	4,912	6,469

19) Other Financial Liabilities

Particulars	(₹ in Lakhs)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Security Deposit	23	25	37
Total	23	25	37

NOTES TO THE FINANCIAL STATEMENTS

20) Employee Benefit Obligations (Non Current)

Particulars	As at March 31, 2018	As at March 31, 2017	(₹ in Lakhs) As at April 01, 2016
Gratuity (Refer Note No.34 (14))	31	45	32
Total	31	45	32

21) Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017	(₹ in Lakhs) As at April 01, 2016
Unsecured Deposits			
(a) Deposits from Related Parties	-	-	200
(b) Intercompany Deposits	500	-	-
Total	500	-	200

22) Trade Payables

Particulars	As at March 31, 2018	As at March 31, 2017	(₹ in Lakhs) As at April 01, 2016
(a) Total outstanding dues of micro and small enterprises (Refer Note No 34(9))	-	-	-
(b) Total outstanding dues of Creditors other than micro and small enterprises	473	143	827
Total	473	143	827

23) Other Financial Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	(₹ in Lakhs) As at April 01, 2016
(a) Current maturities of Long-Term debt			
(i) Bank *	1,705	1,500	1,486
(ii) Others	-	12	782
(b) Interest accrued but not due on borrowings	-	-	19
(c) Unclaimed Dividends **	7	7	7
Total	1,712	1,519	2,294

*Refer Note 18 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.

NOTES TO THE FINANCIAL STATEMENTS

24) Employee Benefit Obligations

Particulars	(₹ in Lakhs)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Gratuity (Refer Note no 34(14))	1	2	3
Total	1	2	3

25) Other Current Liabilities

Particulars	(₹ in Lakhs)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a) Advances from Customers	9,094	60	225
(b) Amount payable to Government Authorities	67	33	145
Total	9,161	93	370

26) Revenue from Operations

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Sale of Products		
Audio Product Sale	-	-
Sale of Services		
Income from Satellite Rights Films	490	1,507
Licence fees	4,259	3,195
Total	4,749	4,702

NOTES TO THE FINANCIAL STATEMENTS

27) Other Income

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
<u>Interest Income</u>		
On Fixed Deposits with banks	21	11
On Income Tax Refund	22	65
Rent Income	149	128
Liabilities/Provisions no longer required written back	42	60
Bad Debts Recovered	7	-
Profit on Sale of Assets (Vehicle)	1	1
Insurance Claim Received	-	11
Maturity proceeds of Key Man Insurance Policy	-	1,663
Profit on Sale of Mutual funds	-	-
Fair value of Mutual Funds	1	1
Other Non-operating Income	1	1
Total	244	1,941

28) Cost of Material Consumed

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Opening stock of Raw Material	-	-
Add:- Purchase of Raw Materials	-	-
Less:- Closing Stock of Raw Materials	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS

29) Cost of Productions/Distribution of films

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
<u>Opening-</u>		
Cost of Under Production films	-	423
Unamortised cost at beginning of the year	7,492	10,028
Add: Cost incurred during the year	1	92
<u>Less Closing-</u>		
Unamortised cost at the close of the year	(5,746)	(7,492)
Cost of underproduction films carried forward	-	-
Total	1,747	3,051

30) Employee Benefits Expenses

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Salary, Wages & Bonus	621	617
Contribution to Provident and other Funds	9	10
Gratuity	15	18
Staff Welfare Expenses	16	16
Total	661	661

31) Finance Costs

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Interest on Term Loan	72	89
Interest Paid to Banks	403	736
Interest on Loan to Directors	93	73
Other Interest	95	126
Total	663	1,024

NOTES TO THE FINANCIAL STATEMENTS

32) Depreciation and Amortisation Expenses

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Depreciation of property, plant and equipment	94	102
Amortization on Investment Property	45	45
Total	139	147

33) Other Expenses

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Electricity Expenses	9	8
Rent	103	104
Repairs & Maintenance :		
- Office Premises	30	19
- Office Equipments	-	2
Insurance	131	130
Rates and Taxes	55	103
Legal and Professional	359	297
In-house Music Production/Acquisition Cost	240	37
Films Publicity and Distribution Expenses	-	218
Advertisement Expenses	146	11
Travelling and Conveyance	9	12
Audit Fees		
- Statutory Fees	10	8
- Out of pocket expenses	-	-
Donation	32	6
Bad Debts and Advances Written Off	42	135
Miscellaneous Expenses	217	240
Total	1,383	1,330

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

34) Notes forming part of Financial Statements

1] Contingent Liabilities to the extent not provided for in respect of :

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Penalty under FEMA Act*	90.00	90.00	90.00
Demand by Sales Tax Department **	1,781.27	1,583.36	1,258.69

* 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.

2] Trade Receivables, Trade Payables and advances are subject to confirmations and reconciliation, if any.

3] Provision for Tax

A. Tax expense recognised in the Statement of Profit and Loss

Particulars	As at March 31, 2018	As at March 31, 2017
Current Tax		
Current Tax on Profit for the Year	87	88
Excess provision for the earlier years written back	-	43
Total Current Tax	87	132
Total	87	132

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

A. Reconciliation of tax expense

Particulars	As at March 31, 2018	As at March 31, 2017
Profit before Tax	400	431
Income Tax expenses calculates	82	88
Adjustments :		
Taxes of earlier years	-	43
Ind AS adjustments	1	-
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Adjustment in respect of Gratuity as shown under OCI	5	1
Total	87	132

The tax rate used for the year 2017-18 and for the year 2016-17 tax rate is 20.39% (18% + surcharge @ 7% and education cess @ 3%) payable on taxable profits under the Income Tax Act, 1961.

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.

4] Leases

The Company has cancellable operating lease arrangements for certain accommodation. Terms of such lease include option for renewal on mutually agreed terms. There are no restrictions imposed by lease arrangements and there are no purchase options or sub leases or contingent rents. Operating lease rentals for the year recognised in Statement of Profit and Loss amounts to ₹ 103 Lakhs (previous year – ₹ 104 Lakhs).

5] Corporate Social Responsibility

- a] As required by Section 135 of Companies Act, 2013 and rules therein, a Corporate social responsibility committee has been formed by the Company. The Company has spent the following amount during the year towards corporate social responsibility (CSR) for activities listed under Schedule VII of the Companies Act, 2013.

Gross amount required to be spent by the Company during the year 2017-18 ₹ NIL (Previous year ₹ NIL)

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

b] Amount spent during the year on :

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
i] Construction / acquisition of any assets	-	-	-
ii] On purpose other than (i) above	-	-	2.00

6] Proposed Dividend

The Board of Directors at its meeting held on May 28, 2018 have recommended a payment of final dividend of ₹ 1/- (Rupees One only) per equity share of face value of ₹ 10 each for the financial year ended March 31, 2018. The same amounts to ₹ 143.19 lakhs excluding dividend distribution tax of ₹ 29.15 lakhs. Same is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognized as a liability.

7] Share Capital

a] **Rights, preferences and restrictions attached to Equity shares** : The company has only one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

b] **Details of equity shares held by shareholders holding more than 5% of the aggregate equity shares in the Company:**

Particulars	March 31, 2018		March 31, 2017		April 1, 2016	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Kumar S Taurani	2,881,915	20.13	2,881,915	20.13	2,881,915	19.13
Ramesh S Taurani	2,875,911	20.09	2,875,911	20.09	2,875,911	19.09
Varsha R Taurani	2,474,718	17.28	2,474,718	17.28	2,474,718	16.42
Renu K Taurani	2,468,718	17.24	2,468,718	17.24	2,468,718	16.38

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

c] Reconciliation of number of equity shares outstanding as on beginning and closing of the year:

Particulars	March 31, 2018		March 31, 2017		April 1, 2016	
	Number	Amount	Number	Amount	Number	Amount
Share outstanding at the beginning of the year	14,318,659	1,432	15,067,682	1,507	15,358,640	1,536
Shares bought back and extinguishment during the year	-	-	(749,023)	(75)	(290,958)	(29)
Shares outstanding at the end of the year	14,318,659	1,432	14,318,659	1,432	15,067,682	1,507

d] 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/-

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/-

8] Borrowings :

Nature of Securities and Terms of Repayment

i] Overdraft Facilities

Overdraft Facility of ₹ 2,229 lacs (March 31, 2017 ₹ 5,314 lacs, April 1, 2016 ₹ 7,092 Lacs) from two Banks are secured on first paripassu charge by way of hypothecation of Current and Future Audio Library (IPR) of the Company and also charge by way of mortgage of office premises owned by the Company situated at Mumbai and residential premises owned by the promoters. Further, personal guarantee of both the executive directors has been provided. The overdraft facility is repayable in 7 yearly equal installments. Last installment dues are in August, 2020 and September, 2021 respectively.

ii] Term Loans

- Term Loan from Life Insurance Corporation of India is repayable on the maturity of employer-employee insurance policy of the Directors taken by the Company. The Loan is secured by lien on the policy. The Policy is maturing in March, 2023.
- Term Loan of from Standard Chartered Bank is repayable in 87 Installments as revised, and is secured by hypothecation of Commercial Premises owned by Relatives of the Directors. The monthly EMI is ₹11.25 lacs.

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

9] Dues to micro and small suppliers

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, there are no outstanding dues to the Micro and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006.

Particulars	March 31, 2018	March 31, 2017	March 31, 2017
1. Principal amount remaining unpaid to any supplier as at the year end	-	-	-
2. Interest due thereon	-	-	-
3. Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-	-
4. Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED	-	-	-
5. Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-

10] Related Party Disclosure

i] List of related parties and nature of their relationship is furnished below:

a) Subsidiaries where control exists	NIL
b) Joint Ventures	NIL
c) Key Management Personnel	Mr. Kumar S Taurani -Chairman & Managing Director Mr. Ramesh S Taurani - Managing Director Mr. I T Gursahani - Chief Financial Officer Ms. Bijal Patel - Company Secretary Non Executive Independent Director Ms. Radhika Pereira Mr. Amitabh Mundhra Mr. Venkitaraman Iyer

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

d) 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. Krsna G Taurani
Ms. Pratima I Gursahani

e) Enterprise owned or significantly influenced by Key Management Personnel or their relatives, where transactions have taken place

Particulars	March 31, 2018			March 31, 2017		
	Key Management Personnel	Relatives of Key Management Personnel	Total	Key Management Personnel	Relatives of Key Management Personnel	Total
Loan Taken	1,059.50	-	1,059.50	1,050.00	-	1,050.00
Loan Repayment	1,059.50	-	1,059.50	1,250.00	-	1,250.00
Rent Paid	-	84.00	84.00	-	84.00	84.00
Interest Paid	93.48	-	93.48	73.16	-	73.16
Legal & Profession Fees Paid	12.00	24.00	36.00	12.00	29.00	41.00
Director Remuneration Paid	336.00	-	336.00	271.12	-	271.12
Salary Paid	6.00	51.00	57.00	5.12	30.00	35.12
Sitting Fees paid to Non Executive Independent Director	4.80	-	4.80	3.60	-	3.60
Balances Outstanding at the year						
Receivable Deposits	-	500.00	500.00	-	500.00	500.00
Advance Given	-	-	-	-	5.00	5.00

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

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

11] Segment Reporting

The Company's Chief Operating Decision Maker ('CODM') examines the Company performance and has identified two reportable segments of its business.

- a) Music (Audio/ Video)
- b) Film Production/ distribution

The segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statement. Also the Company borrowings (including finance costs and interest income), income taxes and investments are managed at head office and are not allocated to operating segments.

Segment Revenue is measured in the same way as in the Statement of Profit and Loss.

Segment assets and liabilities are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment.

Information about reportable segments

Particulars	March 31, 2018			March 31, 2017		
	Music (Audio/ Video)	Film Production/ Distribution	Total	Music (Audio/ Video)	Film Production/ Distribution	Total
Segment Revenues						
Sales & License Fees	4,258.91	490.00	4,748.91	3,195.30	1,506.37	4,701.66
Total	4,258.91	490.00	4,748.91	3,195.30	1,506.37	4,701.66

Particulars	March 31, 2018			March 31, 2017		
	Audio Product	Film Distribution	Total	Audio Product	Film Distribution	Total
Segment Results	3,576.83	(1,370.25)	2,206.58	2,789.65	(2,053.35)	736.30
Finance Cost			663.39			1,023.72
Other unallocated expenditure (net)			1,143.14			(718.09)
Profit Before Tax			400.05			430.67

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

Segment Reporting

Particulars	March 31, 2018				March 31, 2017			
	Audio Product	Film Distribution	Unallocated	Total	Audio Product	Film Distribution	Unallocated	Total
Segment depreciation and amortisation	2.96	3.19	133.10	139.25	2.97	3.30	141.05	147.32
Segment non-cash expenditure other than depreciation and amortisation	8.22	(0.90)	-	7.31	7.58	1.22	-	8.81

Particulars	March 31, 2018			March 31, 2017		
	Audio Product	Film Distribution	Total	Audio Product	Film Distribution	Total
Segment Assets	986.08	14,883.79	15,869.87	727.95	9,023.63	9,751.57
Reconciliation to total assets						
Investment			10.94			22.54
Current Tax Assets (Net)			180.54			298.94
Other Unallocable Assets			4,177.49			3,467.14
Total Assets as per Balance Sheet			20,238.84			13,540.19

Particulars	March 31, 2018				March 31, 2017			
	Audio Product	Film Distribution	Unallocated	Total	Audio Product	Film Distribution	Unallocated	Total
Addition to non current assets other than financial assets	-	-	8.84	8.84	-	-	5.25	5.25

Particulars	March 31, 2018			March 31, 2017		
	Audio Product	Film Distribution	Total	Audio Product	Film Distribution	Total
Segment Liabilities	38.36	9,542.44	9,580.80	33.21	59.50	92.71
Reconciliation to total liabilities						
Borrowings			1,370.81			4,911.91
Other Unallocable Liabilities			2,319.50			1,733.34
Total Liabilities as per Balance Sheet			13,271.11			6,737.97

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

12] Financial instruments – Fair values and risk management

A] Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value

March 31, 2018	Carrying Amount				Fair Value			
	FVPTL	FVYOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Non Current								
Investment			0.50	0.50				
Mutual Fund	10.94			10.94	10.94			10.94
Rent Deposits			522.29	522.29				
Other Financial Assets			333.15	333.15				
Current Assets								
Trade Receivables			899.00	899.00				
Cash & Cash Equivalents			556.97	556.97				
Bank Balances other than above			231.46	231.46				
Other Financial Assets			15.72	15.72				
Financial Liabilities								
Non Current								
Borrowings			1,370.81	1,370.81				
Other Financial Liabilities			22.76	22.76				
Current Assets								
Borrowings			500.00	500.00				
Trade Payable			473.11	473.11				
Other Current Liabilities			1,711.55	1,711.55				

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

March 31, 2017	Carrying Amount				Fair Value			
	FVPTL	FVYOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Non Current								
Investment			0.50	0.50				
Mutual Fund	22.54			22.54	22.54			22.54
Rent Deposits			524.27	524.27				
Other Financial Assets			315.58	315.58				
Current Assets								
Trade Receivables			588.88	588.88				
Cash & Cash Equivalents			77.75	77.75				
Bank Balances other than above			31.34	31.34				
Other Financial Assets			4.33	4.33				
Financial Liabilities								
Non Current								
Borrowings			4,911.91	4,911.91				
Other Financial Liabilities			25.35	25.35				
Current Assets								
Borrowings			0.00	0.00				
Trade Payable			142.79	142.79				
Other Current Liabilities			1,518.81	1,518.81				

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

April 01, 2016	Carrying Amount				Fair Value			
	FVPTL	FVYOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Non Current								
Investment			0.50	0.50				
Mutual Fund	11.14			11.14	11.14			11.14
Rent Deposits			522.27	522.27				
Other Financial Assets			6.77	6.77				
Current Assets								
Trade Receivables			1,351.62	1,351.62				
Cash & Cash Equivalents			157.66	157.66				
Bank Balances other than above			29.91	29.91				
Other Financial Assets			11.38	11.38				
Financial Liabilities								
Non Current								
Borrowings			6,469.20	6,469.20				
Other Financial Liabilities			36.60	36.60				
Current Assets								
Borrowings			200.00	200.00				
Trade Payable			827.13	827.13				
Other Current Liabilities			2,293.89	2,293.89				

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

B] Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- * Credit Risk ;
- * Liquidity Risk ; and
- * Market Risk

i] Risk Management objectives

The Company's activities expose it to a variety of financial risks viz. credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors

ii] Credit risk management

a] Credit Risk

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company deals with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company uses publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are regularly monitored and the aggregate value of transactions concluded is spread amongst counterparties

b] Cash and Cash equivalents and other Bank balances

The Company held cash and cash equivalents and other bank balances of ₹788.44 lakhs as on March 31, 2018 (March 31, 2017 : ₹109.09 lakhs and April 01, 2016 : ₹ 187.57 lakhs). The cash and cash equivalents are held with bank counterparties with good credit ratings.

c] Loans and Advances :

The Company held Loans and Advances of ₹ 510 lakhs as on March 31, 2018 (March 31, 2017 : ₹ 510/- and April 01, 2016 : ₹ 508 lakhs). The loans and advances are in nature of rent deposit paid to landlords and are fully recoverable.

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

iii] Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation

As of March 31, 2018, March 31, 2017 and April 01, 2016 the Company had unutilized credit limits from banks of ₹ 2,416 lakhs, ₹ 759 lakhs and ₹409 lakhs respectively.

Maturity profile of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements

March 31, 2018	Contractual Cash Flows						
	Carrying Amount	Total	Less than 6 months	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Current Financial Liabilities							
Borrowings	500.00	500.00	500.00	-	-	-	-
Trade Payables	473.11	473.11	473.11	-	-	-	-
Other Financial Liabilities	1,711.55	1,711.55	1,711.55	-	-	-	-

March 31, 2017	Contractual Cash Flows						
	Carrying Amount	Total	Less than 6 months	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Current Financial Liabilities							
Borrowings	-	-	-	-	-	-	-
Trade Payables	142.79	142.79	142.79	-	-	-	-
Other Financial Liabilities	1,518.81	1,518.81	1,518.81	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

April 01, 2016	Contractual Cash Flows						
	Carrying Amount	Total	Less than 6 months	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Current Financial Liabilities							
Borrowings	200.00	200.00	200.00	-	-	-	-
Trade Payables	827.13	827.13	827.13	-	-	-	-
Other Financial Liabilities	2,293.89	2,293.89	2,293.89	-	-	-	-

iv] Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs

Currency Risk

The company is exposed to currency risk on account of its borrowings and other receivables / payables in foreign currency. The functional currency of the Company in Indian Rupees.

Financial instruments – Fair values and risk management

Exposure to currency risk (Exposure in different currencies converted to functional currency i.e. INR)

The currency profile of financial assets and financial liabilities as at March 31, 2018, March 31, 2017 and April 01, 2016 are as below :

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Currency	March 31, 2018		March 31, 2017		April 1, 2016	
	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
USD	82.98	47.75	56.06	-	50.10	-
GBP	87.18	64.55	53.32	-	261.25	-
EURO	-	15.08	-	0.28	-	0.30
OTHERS	-	10.96	-	-	-	-
Total	170.15	138.34	109.38	0.28	311.35	0.30

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

Net Exposure to Foreign Currency Risk

(Assets – Liabilities)			
Currency	March 31, 2018	March 31, 2017	April 1, 2016
USD	35.22	56.06	50.10
GBP	22.62	53.32	261.25
EURO	(15.08)	(0.28)	(0.30)
OTHERS	(10.96)	0.00	0.00
Total	31.81	109.10	311.05

Sensitivity analysis

A reasonably possible strengthening (weakening) of the foreign Currency against the Indian Rupee at March 31 would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in INR	March 31, 2018		March 31, 2017		April 1, 2016	
	Profit or Loss		Profit or Loss		Profit or Loss	
	Strenghtening	Weakening	Strenghtening	Weakening	Strenghtening	Weakening
USD - 10 % Movement	3.52	(3.52)	5.61	(5.61)	5.01	(5.01)
GBP - 10 % Movement	2.26	(2.26)	5.33	(5.33)	26.13	(26.13)
EURO - 10 % Movement	(1.51)	1.51	(0.03)	0.03	(0.03)	0.03
OTHER - 10 % Movement	(1.10)	1.10	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

v] Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest bearing financial instruments as reported to the management of the Company is as follows

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Borrowings			
Fixed Rate Borrowings	546.98	798.72	863.43
Variable Rate Borrowings	2,228.95	5,313.80	7,091.65

13] Capital Management

The Company's capital management objectives are:

- to ensure the company's ability to continue as A going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents and maturity profile of the overall of the Company.

14] Employee Benefits:

The Company contributes to the following post-employment defined benefit plans in India

i] Post Employment Defined Contribution Plans :

The contributions to the Provident Fund and Family Pension fund of certain employees are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution.

The Company recognized ₹ 8.28 lakhs for year ended March 31, 2018 (₹ 8.94 lakhs for year ended March 31, 2017) provident fund contributions in the Statement of Profit and Loss.

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

ii] Post Employment Defined Benefit Plans :

Gratuity

The Company participates in the Employees Gratuity scheme, a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on death or on separation / termination in terms of the provisions of the Payment of Gratuity Act, 1972. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust fund.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2018. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The following table sets forth the particulars in respect of the Gratuity Plan (Funded) of the Company.

	Particulars	March 31, 2018	March 31, 2017
a]	Reconciliation of opening and closing balances of the present value of the defined benefit obligation:		
	Present value of obligation at the beginning of the year	114.68	116.19
	Current service cost	10.79	14.67
	Interest cost	7.10	7.90
	<u>Remeasurements (gains) / losses</u>		
	Actuarial (gain)/ loss arising from changes in financial assumptions	(11.35)	10.10
	Actuarial (gain)/ loss arising from changes in experience adjustments	(13.08)	(13.63)
	Benefits paid	(16.94)	(20.55)
	Present value of obligation at the end of the year	91.20	114.68
b]	Reconciliation of the opening and closing balances of the fair value of plan assets:		
	Fair value of plan assets at the beginning of the year	68.38	81.60
	Adjustment to opening fair value of plan assets	(0.71)	(0.80)
	Interest Income	4.08	5.33
	<u>Remeasurements gains / (losses)</u>		
	Return on plan assets (excluding amount included in net interest cost)	0.88	0.93
	Contributions by employer	3.60	1.87
	Benefits paid	(16.94)	(20.55)
	Fair value of plan assets at the end of the year	59.29	68.38

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

	Particulars	March 31, 2018	March 31, 2017
c]	Reconciliation of the present value of the defined benefit obligation and the fair value of plan assets:		
	Present value of obligation at the end of the year	91.20	114.68
	Fair value of plan assets at the end of the year	59.29	68.38
	Liabilities recognised in the balance sheet	31.91	46.30
d]	Actual Return of Plan Assets	4.96	6.26
e]	Re-measurements losses/(gains) recognised in the Other Comprehensive Income		
	Return on plan assets (excluding amount included in net interest cost)	(0.88)	(0.93)
	Effect of changes in financial assumptions	(11.35)	10.10
	Effect of changes in experience adjustments	(13.08)	(13.63)
	Total re-measurement included in Other Comprehensive Income	(25.31)	(4.46)
f]	Expense recognised in Statement of Profit or Loss:		
	Current service cost	10.79	14.67
	Net interest cost	3.02	2.57
	Total expense recognised in Statement of Profit and Loss (refer note 33)	13.81	17.24
g]	Category of plan assets:	in %	in %
	Fund with Life Insurance Corporation of India	100	100
h]	Maturity profile of defined benefit obligation:		
	Within 1 year	1.59	
	1 - 2 years	1.13	
	2 - 3 years	1.27	
	3 - 4 years	1.43	
	4 - 5 years	21.87	
	5 - 10 years	43.55	
i]	Principal actuarial assumptions:		
	Discount rate	7.74%	6.69%
	Salary growth rate	10%	10%
	Mortality Rate during employment	IALM (2006-08) Ult.	IALM (2006-08) Ult.
j]	Sensitive Analysis		
	PVO		
		Discount Rate	
		PVO DR +1% PVO DR - 1%	
		82.01 102.00	
		Salary Escalation Rate	
		PVO ER + 1% PVO ER - 1%	
		101.59 82.16	

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumption the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the Balance Sheet.

Employee Benefits:

iii] Leave Obligation

The Company provides leave to employees. The employees at the end of the financial year can carry forward their balance leave to the subsequent financial year and it gets lapsed if not availed in that subsequent financial year. The Company Rules does not provide encashment of Leave at any time during the tenure of employment and also on retirement or termination. The Company records a provision for leave obligation at the end of the financial year.

iv] Risk Exposure

Through its defined benefit plans, the Company is exposed to some risks, the most significant of which are detailed below:

Discount rate risk

The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase the ultimate cost of providing the above benefit thereby increasing the value of the liability

Salary growth risks

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability

Demographic risk

In the valuation of the liability, certain demographic (mortality and attrition rates) assumptions are made. The Company is exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the benefit cost.

15] Deferred Tax Assets / Liabilities

Considering the nature of the business of the Company, during the year ended March 31, 2018, 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.

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

16] Additional Information Pursuant to the Provisions of Schedule III to the Companies Act, 2013.

i] Expenditure In Foreign Currency

Currency	March 31, 2018	March 31, 2017	April 1, 2016
Shooting Expenses	2,720.65	-	-
Data Storage Expenses	4.57	-	-
Payment to Artist	-	0.68	-
Publicity Expenses	-	58.99	-
Travelling Expenses	-	1.72	-
Advertisement	-	3.60	9.15
Remake Rights	-	-	6.74
Gym Trainer Charges	-	-	0.43
Lyrics Writing Charges	-	-	0.25
Other (Bad Debts - Galani Ent, UK)	-	5.24	-
Total	2,725.22	70.23	16.57

ii] Earnings In Foreign Currency

Currency	March 31, 2018	March 31, 2017	April 1, 2016
Film Distribution Revenues	-	57.97	-
Royalty	1,477.59	850.97	1,054.71
Audio Rights Receipts	-	-	300.00
Total	1,477.59	908.94	1,354.71

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

17] Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares

a] Profit attributable to Equity holders of company

Particulars	As at March 31, 2018	As at March 31, 2017
Profit/(Loss) attributable to equity shareholders	312.54	297.89
Continuing Operation	312.54	297.89
Profit attributable to equity holders of the Company for basic earnings	312.54	297.89
Profit attributable to equity holders of the Company adjusted for the effect of dilution		

b] Weighted average number of ordinary shares

Particulars	As at March 31, 2018	As at March 31, 2017
Issued ordinary shares at April 1	143.18	150.68
Shares Brought Back	-	7.49
Weighted average number of shares at March 31 for basic and Diluted EPS	143.18	143.97

c] Basic and Diluted earnings per share

Particulars	As at March 31, 2018	As at March 31, 2017
Basic earnings per share	2.18	2.07
Diluted earnings per share	2.18	2.07

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

18] First time adoption of Ind AS

A] Transition to Ind AS

For the purposes of reporting as set out in note 34, the Company has transitioned the basis of accounting from Indian generally accepted accounting principles ("IGAAP") to Ind AS. The accounting policies set out in note 34 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 01, 2016 (the "transition date").

In preparing the opening Ind AS balance sheet as at 1st April, 2016 and in presenting the comparative information for the year ended March, 31, 2017, the Company has adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected the financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables. On transition, the Company did not revise estimates previously made under IGAAP except where required by Ind AS.

B] Exemption and exceptions availed

B.1 Ind AS optional exemptions

B.1.1 Property plant and equipment and Investment Property

The company has elected to continue with the carrying value for all its Property, Plant and Equipment as recognised in its Indian GAAP financial statements as deemed cost at the date of transition.

B.2 Ind AS mandatory exceptions

B.2.1 Estimates

The estimates as April 01, 2016 and March 31, 2017 are consistent with those made for the same dates in accordance with the Indian GAAP (after adjustments to reflect any differences if any, in accounting policies). The Company has made estimates for following items in accordance with Ind AS at the date of transaction as these were not required under IGAAP:

- 1] Investment in Mutual Fund carried at FVTPL;

B.2.2 Classification and measurement of financial assets

The Company has classified and measured the financial assets on the basis of the facts and circumstances that exists at the date of transaction to Ind AS.

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

C] Reconciliation between IGAAP and Ind AS

Ind AS 101 requires an entry to reconcile equity, total comprehensive income and cash flows for prior periods. The following table represent the reconciliation from IGAAP to Ind AS.

Particulars	Notes to First time Adoption	As at April 01, 2016			As at March 31, 2017		
		Previous GAAP*	Adj on transition to Ind AS	Ind AS	Previous GAAP*	Adj on transition to Ind AS	Ind AS
ASSETS							
(1) Non-current assets							
(a) Property, plant and equipment	D4	2,603	(2,245)	358	2,461	(2,200)	261
(b) Investment properties	D4		2,245	2,245		2,200	2,200
(c) Financial assets							
(i) Investments	D1	10	1	11	20	3	22
(ii) Loans		522		522	524		524
(iii) Other financial assets		7	-	7	316	-	316
(d) Other non-current assets		360		360	629		629
Total non-current assets		3,502	1	3,503	3,950	2	3,952
(2) Current assets							
(a) Inventories		10,451		10,451	7,492		7,492
(b) Financial assets							-
(i) Trade receivables		1,352		1,352	589		589
(ii) Cash and cash equivalents		158	-	158	78	-	78
(iii) Bank balances other than (ii) above		30		30	31		31
(iv) Other financial assets			11	11		4	4
(c) Current tax assets (net)		677		677	299		299
(d) Other current assets		1,207	(11)	1,196	1,099	(4)	1,095
Total current assets		13,875	0	13,875	9,588	0	9,588
Total Assets		17,377	1	17,378	13,538	3	13,540

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

Particulars	Notes to First time Adoption	As at April 01, 2016			As at March 31, 2017		
		Previous GAAP*	Adj on transition to Ind AS	Ind AS	Previous GAAP*	Adj on transition to Ind AS	Ind AS
EQUITY AND LIABILITIES							
Equity							
(a) Equity share capital	D1,D2,D3	1,507		1,507	1,432		1,432
(b) Other equity		5,457	182	5,640	5,368	3	5,370
Total equity		6,964	182	7,146	6,800	3	6,802
Liabilities							
Non-current liabilities							
(a) Financial Liabilities		6,469		6,469	4,912		4,912
(i) Borrowings		37		37	25		25
(ii) Other Financial Liabilities		32		32	45		45
Total non-current liabilities		6,537		6,537	4,982	-	4,982
Current liabilities							
(a) Financial Liabilities	D2						
(i) Borrowings		200		200	-		-
(ii) Trade payables		827		827	142		142
(iii) Other financial liabilities		2,294		2,294	1,519		1,519
(b) Provision		184	(181)	3	2		2
(c) Other current liabilities		370		370	93		93
Total current liabilities		3,875	(181)	3,694	1,756	-	1,756
Total Liabilities		10,413	(181)	10,231	6,738		6,738
Total Equity and Liabilities		17,377	1	17,378	13,538	3	13,540

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this notes.

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

B2 Reconciliation of Total comprehensive Income for the year ended March 31, 2017

	Particulars	IGAAP	Ind AS adjustment	Ind AS
I.	Revenue from operations	4,702	-	4,702
II.	Other income	1,939	1	1,940
	Total Revenue (I+II)	6,641	1	6,642
III	Expenses:			
	Changes in inventories of finished goods	-	-	-
	Cost of Production / Distribution of Expenses	3,051	-	3,051
	Employee benefits expense	657	4	661
	Finance costs	1,024	-	1,024
	Depreciation and amortization expense	147	-	147
	Other expenses	1,330	-	1,330
IV	Total Expenses	6,209	4	6,213
				-
V	Profit before Tax	432	(3)	429
VI	Tax Expenses:			-
	(1) Current Tax	88	-	88
	(2) Taxes in respect of earlier years	43	-	43
				-
VII	Profit / (Loss) for the year	301	(3)	298
				-
VIII	Other Comprehensive Income	-	-	-
	Items that will not be reclassified to statement of Profit or Loss	-	-	-
	(a) Remeasurement of post employment benefit obligations	-	4	4
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-
	Other Comprehensive Income	-	4	4
IX	Total Comprehensive income for the year	301	1	302
X	Earnings per equity share of ₹10/- each	2.09		2.07
	(1) Basic	2.09		2.07
	(2) Diluted			

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

B3 Reconciliation of total equity as at March 31, 2018 and April 01, 2016

	Particulars	Notes	March 31, 2017	April 1, 2016
	Total equity (shareholder's funds) as per previous GAAP		6,800	6,965
	Adjustments:			
1	Effect of fair valuation of investment in equity shares through Profit & loss	D1	2	1
	Adjustments in retained earnings:			
2	Effect of proposed dividend and tax thereon	D2	-	181
	Total adjustments		2	182
	Total equity as per Ind AS		6,802	7,147

B4 Reconciliation of total comprehensive income for the year ended 31 March 2017

	Particulars	Notes	March 31, 2017
	Net Profit as reported under previous GAAP		301
	Adjustments:		
1	Effect of reclassification of remeasurement of employee benefit obligation to Other comprehensive income (gain)/Loss	D3	(4)
2	Increase in Carrying amount of Investment considered at Fair Value	D1	1
	Total adjustments		(3)
	Profit after tax as per Ind AS		298
	Other comprehensive income, net of taxes		4
	Total comprehensive income as per Ind AS		302

D] Notes to Reconciliation

- 1] Fair valuation of investments in mutual funds: Under the Ind AS, the Investments in mutual funds have been accounted at fair value through Statement of Profit and Loss instead of accounting at lower of cost and fair value under IGAAP.
- 2] Proposed Dividend: Under Ind AS, the liability for final dividend is recognised in the period in which it is approved by shareholders. Accordingly, final dividend proposed and accounted for under the previous GAAP has been adjusted in equity
- 3] Remeasurement cost of net defined benefit liability: The Remeasurement cost arising primarily due to change in actuarial assumptions has been recognized in Other Comprehensive Income (OCI) under Ind AS instead of Statement of Profit and Loss under previous GAAP.

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

- 4] Investment Property : Under the previous GAAP, Investment Property were presented as part of property, plant and equipment. Under Ind AS, Investment properties are required to be separately presented on the face of the balance sheet. Accordingly, carrying amount PPE reduced by ₹ 2155 Lakhs as at March 31, 2018 (March 31, 2017 – ₹ 2200 Lakhs) and same is disclosed as Investment Property in the respective period. However, there is no impact on the total equity or profit as a result of this adjustment
- 5] The company has elected to continue with the carrying value for all its Property, Plant and Equipment as recognised in its Indian GAAP financial statements as deemed cost at the date of transition.

19] 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

Place : Mumbai

Date : May 28, 2018

For and on behalf of the Board of Directors of

TIPS INDUSTRIES LIMITED

Kumar S. Taurani

Chairman & Managing Director

DIN : 00555831

Bijal Patel

Company Secretary

Place : Mumbai

Date : May 28, 2018

Ramesh S. Taurani

Managing Director

DIN : 00010130

I T Gursahani

Chief Financial Officer

This page is intentionally left blank



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)

Name of the Members	
Registered Address	
Registered Folio / DP ID & Client ID	
No. of shares held	

I/ We hereby record my/ our presence at the **22nd ANNUAL GENERAL MEETING** of the Company at **Jubilee Room, Hotel Sun-N-Sand, Juhu, Mumbai 400049, on Tuesday, September 25, 2018 at 11: 00 am.**

Name of the Member / Proxy

Signature of Member / Proxy

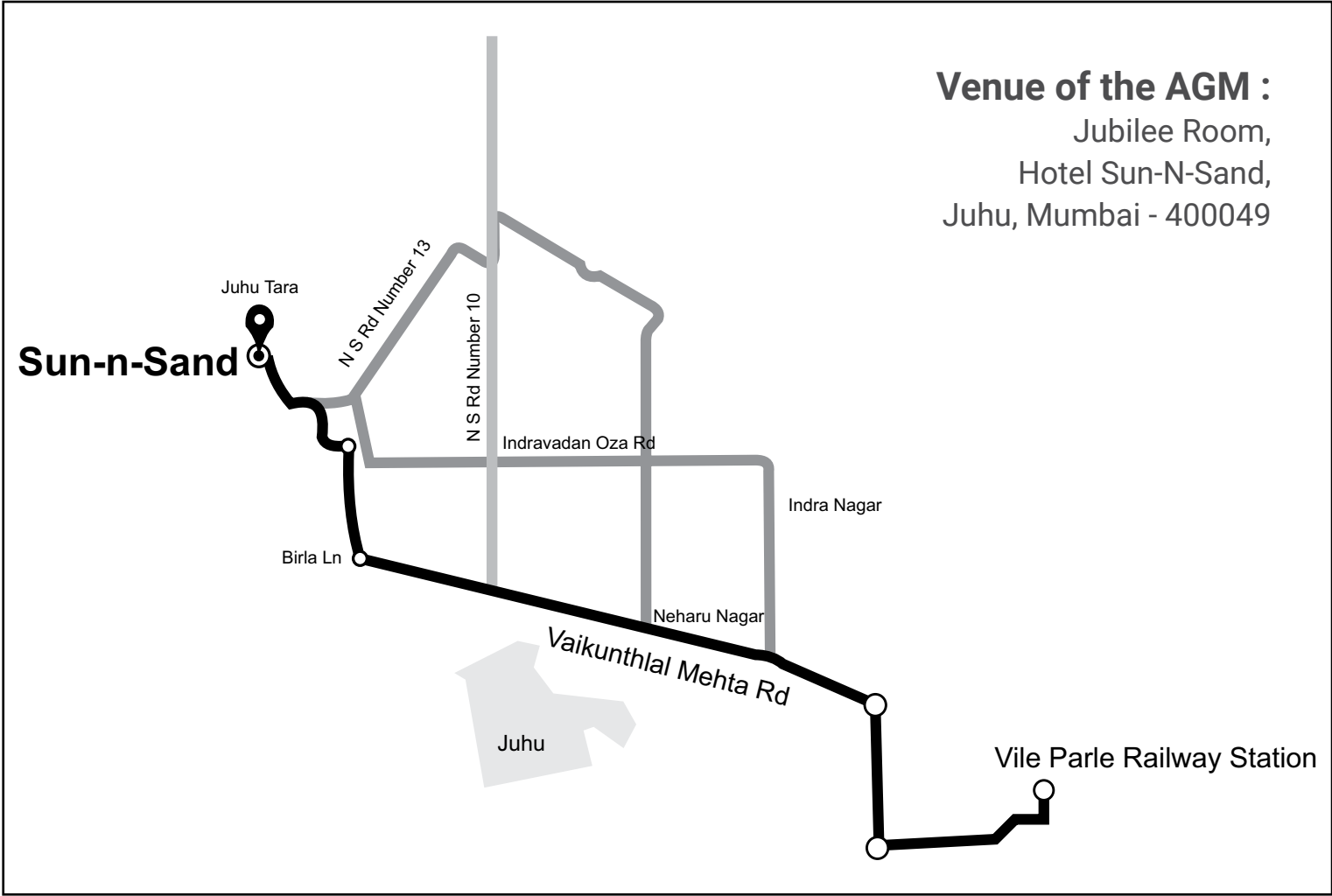
NOTE:

- 1) Members/Proxy holders are requested to bring this Attendance Slip to the Meeting and hand over the same at the entrance duly signed.
- 2) Members attending the Meeting are requested to bring their copy of the Annual Report with them.



Route Map

Venue of the AGM :
Jubilee Room,
Hotel Sun-N-Sand,
Juhu, Mumbai - 400049





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

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:

- Name : _____ Address: _____
Email ID: _____ Signature: _____ or failing him;
- Name : _____ Address: _____
Email ID: _____ Signature: _____ or failing him;
- 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 22nd Annual General Meeting of the Company, to be held on the Tuesday, September 25, 2018 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
ORDINARY BUSINESS	
1	Adoption of Audited Financial Statements, Reports of the Board of Directors and Auditors for the financial year ended March 31, 2018.
2	Declaration of Dividend on Equity Shares for the financial year ended March 31, 2018.
3	Re-appointment of Mr. Ramesh Taurani, who retires by rotation
SPECIAL BUSINESS	
4	Re-appointment of Mr. Kumar Taurani as a Chairman & Managing Director of the Company.
5	Re-appointment of Mr. Ramesh Taurani as a Managing Director of the Company.

Signed this _____ day of, _____ 2018

Signature of the Member

Signature of Proxy

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.



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

Website: www.tips.in

Concept, Content & Design

WYATT Prism
COMMUNICATIONS

(info@wyatt.co.in)

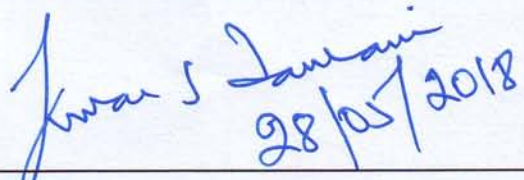
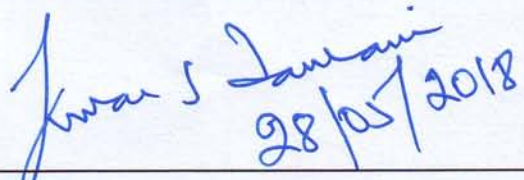
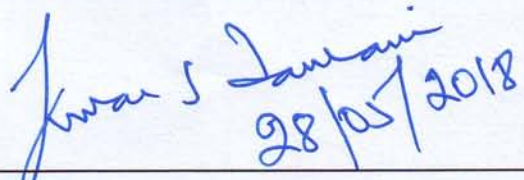
www.sapprints.com

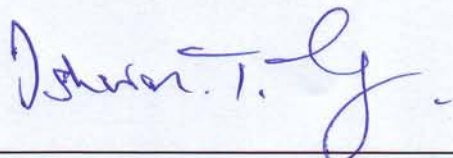
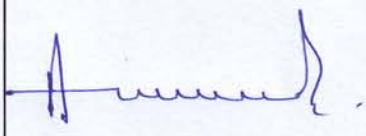
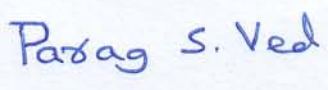

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(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	4 995.39	Not Applicable Refer Item II(d) below
	2.	Total Expenditure	4 592.80	
	3.	Net Profit/(Loss)	402.59	
	4.	Earnings Per Share	2.20	
	5.	Total Assets	20 238.85	
	6.	Total Liabilities	13 271.11	
	7.	Net Worth	6 967.74	
	8.	Any other financial item(s) (as felt appropriate by the management)	-	

II.	Audit Qualification (each audit Qualification separately):
	<p>a. Details of Audit Qualification:</p> <p>Qualified Opinion as reported in Auditors' Report dated May 28, 2018 on Standalone Financial Statement of the Company for the year ended March 31, 2018: (Basis for Qualified Opinion)</p> <p>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, 2018.</p>
	b. Type of Audit Qualification : Qualified Opinion
	<p>c. Frequency of qualification:</p> <p>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.</p>
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: N.A
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: No
	<p>(ii) If management is unable to estimate the impact, reasons for the same:</p> <p>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 of the Company will have sufficient unabsorbed depreciation and business losses in the year in which timing difference will reverse.</p>
	<p>(iii) Auditors' Comments on (i) or (ii) above:</p> <p>There are no further comments except as disclosed under the item No. II(a) of Details of Audit Qualification.</p>

III.	Signatories:		
	<table> <tr> <td>Mr. Kumar S. Taurani Chairman & Managing Director</td> <td></td> </tr> </table>	Mr. Kumar S. Taurani Chairman & Managing Director	
Mr. Kumar S. Taurani Chairman & Managing Director			

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

Place: Mumbai

Date: May 28, 2018