



August 28, 2019

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: Annual Report of Tips Industries Limited for the financial year 2018-19**


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 2018-19.

Kindly take the same on your record.

Thanking you,

For **Tips Industries Limited**

  
**Bijal R. Patel**  
Company Secretary

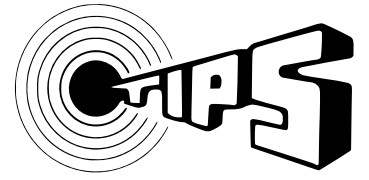


Encl: as above

**TIPS INDUSTRIES LTD.**

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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



# **Tips Industries Limited**

Annual Report 2018-19

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“ We had foreseen how digitization would profoundly change music consumption in India, and had been amongst the first in the industry to start digitizing our music collection...

...we have 16.74 million followers on Facebook and 1.06 million on Twitter. Our YouTube channel has over 23.64 million subscribers/followers. This entire digital focus and impetus has ensured our music business continues to accelerate from year to year.”

## CHAIRMAN'S MESSAGE TO SHAREHOLDERS

## ***Dear Shareholders,***

It is always a pleasure and privilege to present before you the performance of your Company as well as share with you a strategic overview for the future.

The Indian Media and Entertainment (M&E) industry is one of the most vibrant and dynamic in the world. It is the largest in terms of number of films produced. The advent of digitization has led every aspect of the M&E industry has been re-defined, and today, the Indian M&E industry has re-invented itself to be at the forefront of new digital world.

Nowhere has the impact of digitization been more conspicuous than in the music segment in India. From delivery to consumption, the entire gamut of music has now embraced digital platform. Driven by falling data rates - India has the cheapest data rates in the world, growing proliferation of smart phone which are getting more and more feature-rich and, at the same time, becoming more and more affordable, explosion of streaming platforms and an expanding user user-base, the digital music in India is galloping.

At Tips, we are quite excited by this!

We had foreseen how digitization would profoundly change music consumption in India, and had been amongst the first in the industry to start digitizing our music collection. We have a collection of over 25,000 songs spanning both the film and the non-film genres - from ghazals to bhajans to pop and remixes. Our collection appeals

to every generation across major languages and regions - making it truly evergreen. All our songs are available in all digital formats across all major global platforms like iTunes and GooglePlay as well as top Indian music streaming platforms like Jio-Saavn, Gaana, WYNK and others. Complimenting our digitized music library is our dominant presence across social media. We have 16.74 million followers on Facebook and 1.06 million on Twitter. Our YouTube channel has over 23.64 million subscribers/followers. This entire digital focus and impetus has ensured our music business continues to accelerate from year to year.

Let me now update you on the Company's film business. This year, we also released RACE3 - the third franchise of the hit RACE series. The film was produced in association with Salman Khan Ventures P. Ltd. The film was released in June and was well-received by audiences. There has been an increasing demand for content-rich films, particularly in the last year. This trend is on the rise. At TIPS, we have been producing content-rich films that deliver wholesome family entertainment. This places us at an excellent position to leverage this trend. We are evaluating many interesting scripts and have short-listed a few for further consideration. Plans are in place to produce at least two to three films every year that provide wholesome entertainment for the entire family. Similarly, we are also evaluating scripts for Punjabi films, where too we have a proven track-record of producing some of the biggest hits.

The highlights of this year's financial performance was as under:

Our Total Income for the year was Rs.207.72 crores compared to Rs.49.93 crores last year. EBITDA for the year was Rs.10.78 crores against Rs.12.02 crores last year, while PAT for the year was Rs.2.85 crores against Rs 3.13 crores last year. This year, our revenues from music were Rs.66.74 crores compared to Rs.42.59 crores last year - a clear validation of our digital focus.

The Directors have recommended a final dividend of 10% (Re.1/- per share) subject to approval of shareholders.

All in all, I am quite positive and optimistic about the future. With digital music poised to continue with its growth trajectory, and with interesting film projects under consideration, the Company is looking at new opportunities and new horizons in the days and years to come.

I thank you all for your trust and faith in TIPS. A special note of gratitude to all our stakeholders: our employees, investors, partners, bankers and vendors.

Yours sincerely,

**Kumar S. Taurani**

*Chairman & 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*

Ms. Radhika Pereira  
*Independent Director*

Mr. Venkitaraman S. Iyer  
*Independent Director*

## CHIEF FINANCIAL OFFICER

Mr. Sunil Chellani

## COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Bijal R. Patel

## SENIOR MANAGEMENT

Mr. Ishwar Gursahani  
*Vice President – Legal & Corporate Affairs*

Mrs. Varsha Taurani  
*Vice President – Administration*

Mr. Girish Taurani  
*Chief Operating Officer – Music*

Ms. Jaya Taurani  
*Chief Operating Officer – Film 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  
Practising Company Secretaries  
507, C-wing, Skyline Wealthspace  
Skyline Oasis Complex,  
Near Vidyavihar Station,  
Premier Road, 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

### 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 23<sup>rd</sup> Annual General Meeting of the Members of Tips Industries Limited will be held on **Monday, September 23, 2019 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, 2019 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, 2019.\*
3. To appoint a Director in place of Mr. Kumar Taurani (DIN: 00555831), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendation of the Audit Committee of the Board of Directors, M/s. SSPA & Associates, Chartered Accountants (Firm Registration No. 131069W), be and are hereby re-appointed as Statutory Auditors of the Company, to hold the office for a period of five (5) consecutive years commencing from the conclusion of this Annual General Meeting till the conclusion of the 28<sup>th</sup> Annual General Meeting to be held in the year 2024, at such remuneration as shall be fixed by the Board of Directors of the Company."

## SPECIAL BUSINESS:

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

**"RESOLVED THAT** pursuant to the provisions of Section 181 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent of the Members be and is hereby accorded for ratification of contribution/ donation made for amount of ₹ 87,88,701.00/- (Rupees Eighty Seven Lakhs Eighty Eight Thousand Seven Hundred and One only) to bona fide charitable and other funds.

**RESOLVED FURTHER THAT** consent of the Members be and is hereby accorded to the Board of Directors of the Company to make contributions or donations to any bona fide charitable, social, benevolent and other funds, body, university, institute, society, trust, etc., in any financial year, exceeds five percent of the Company's average net profits of the three immediately preceding financial years.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to do such acts, deeds, things and matters as the Board of Directors may in its absolute discretion consider necessary or appropriate for the aforesaid resolution and matter incidental thereto."

Place: Mumbai  
Date: August 9, 2019

**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 23<sup>rd</sup> 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, 2019 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. 5 is annexed hereto. The relevant details of the Directors seeking appointment under Item No. 3, 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 23<sup>rd</sup> 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 17, 2019 to September 23, 2019 (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 16, 2019 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, 2019 shall fill up the form and send it to the Company's Registrar on or before September 16, 2019 (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](http://www.tips.in) under section "Corporate- Annual Report -2018-19" 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 2010-11 paid by the Company 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](http://www.tips.in)), and also on the website of the Ministry of Corporate Affairs ([www.mca.gov.in](http://www.mca.gov.in)). Unclaimed

dividend for the FY 2011-12 will fall due for transfer to the IEPF on August 29, 2019. Those Members, who have not encashed their dividends for the FY 2011-12, 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. Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, ("Rules") as amended from time to time all equity shares of the Company on which dividend has not been paid or claimed for seven consecutive years or more as on August 29, 2019 shall be transferred by the Company to Investor Education and Protection Fund ("IEPF"). The Company has also written to the concerned Shareholders intimating them their particulars of the equity shares due for transfer. These details are also available on the Company's website [www.tips.in](http://www.tips.in). Shareholders are requested to claim the dividend on these equity shares latest by August 29, 2019 to avoid aforesaid transfer of shares. No claim shall lie against the Company in respect of these equity shares post their transfer to IEPF. Upon transfer, the Shareholders will be able to claim these equity shares only from the IEPF Authority by making an online application the details of which are available at [www.iepf.gov.in](http://www.iepf.gov.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. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.
17. 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.
18. **Electronic copy of the Annual Report for 2018-19 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(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 2018-19 are being sent in the permitted mode.**
19. 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.
20. **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 23<sup>rd</sup> 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 23<sup>rd</sup> 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 16, 2019 ('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 16, 2019 may obtain the login Id and password by sending a request at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in). However, if you are already registered with CDSL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you may reset your password by using "Forgot Password" option available on [www.evotingindia.com](http://www.evotingindia.com).

The Company has appointed Mr. Shirish Shetye, Practicing Company Secretary (CP No.: 825) as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.

The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM, and thereafter

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

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

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

- (i) The voting period begins on September 20, 2019 at 9.00 a.m. and ends on September 22, 2019 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 16, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - 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](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

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

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

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

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

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

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

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

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

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

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

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login 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) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and



password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

Place: Mumbai  
Date: August 9, 2019

**By Order of the Board of Directors**

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

**Bijal R. Patel**  
Company Secretary

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

#### **Item No. 5:**

In accordance with the provision of Section 181 of the Companies Act, 2013, the Company is required to obtain the approval from the Members for making contributions the aggregate of which, in any financial year, exceeds five percent of the Company's average net profits of the three immediately preceding financial years.

During the Financial year 2018-19, the Company has made contribution of ₹ 87,88,701.00/- (Rupees Eighty Seven Lakhs Eighty Eight Thousand Seven Hundred and One only) to bona fide charitable and other funds.

It is therefore necessary to obtain the approval of the Members of the Company for the contributions made/ to be made by the Company in excess of the limits prescribed under the said section.

Approval of the Members is now being sought pursuant to Section 181 of the Companies Act, 2013, authorising the Board of Directors of the Company to make contributions in any financial year for an amount exceed 5% of the Company's average net profits of the three immediately preceding financial years.

None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

The Board of Directors recommends the resolution for your approval as an Ordinary Resolution.

Place: Mumbai  
Date: August 9, 2019

**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]

<b>Name of Director</b>	Mr. Kumar S. Taurani
<b>Date of Birth</b>	July 5, 1958
<b>Date of Appointment</b>	May 5, 1996
<b>Qualification &amp; Expertise in specific functional areas</b>	Mr. Kumar Taurani holds the Bachelor degree in commerce. He is promoter and Chairman and Managing Director of the Company. He possesses immense knowledge and expertise in the field of Media & Entertainment Industry for more than 39 years. He controls the affairs of the Company as a whole. With his significant contribution till date, his vision and direction is essential for the progress of the Company.
<b>Relationships between Directors inter-se</b>	Mr. Kumar S. Taurani, is brother of Mr. Ramesh S. Taurani, Managing Director of the Company
<b>Number of Shares held</b>	28,81,915 Equity shares
<b>Names of listed entities in which he holds the directorship as on March 31, 2019</b>	NIL
<b>Names of listed entities in which he holds Membership of Committees of the Board as on March 31, 2019</b>	NIL



# BOARD'S REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

To  
The Members  
Tips Industries Limited

Your Directors are pleased to present the 23<sup>rd</sup> Annual Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended March 31, 2019. The Management Discussion and Analysis is also included in this Report.

## OVERVIEW OF THE ECONOMY

In 2018, the global economy began its journey on a firm footing with estimated global economic growth of 3.6% (Source: World Economic Outlook by International Monetary Fund (IMF)). During the second half of 2018, this rate of development gradually declined, owing to impending US-China trade dispute and some slowdown across developed markets. Germany is likely to be impacted by weak private consumption, industrial production and foreign demand; Italy by weak domestic demand and higher borrowing costs; and France by negative impact of street protests and industrial action.

Emerging and developing markets of Asia maintained their steady progress at 6.4% during 2018. However, it's important to note that India's economy expanded by 7.1% in 2018 vis-à-vis 6.7% in 2017, whereas China's growth deteriorated from 6.9% in 2017 to 6.6% in 2018 (Source: IMF). Sub-Saharan Africa's economy also sustained a steady rise of 3% during the year.

India continues to be one of the fastest growing major economies in the world and is expected to be among the world's top three economic powers in the next 10-15 years. The Indian economy is expected to improve and close the year 2019 with a GDP growth of 7.3% (Source: IMF). Today, India is the world's seventh largest economy in real terms, backed by strong demand, positive consumption pattern and rising disposable income.

## THE INDIAN MEDIA AND ENTERTAINMENT INDUSTRY

This year was favorable for the Indian Media and Entertainment Industry. According to FICCI-EY Media & Entertainment (M&E) Report, India's Media and Entertainment (M&E) Industry grew at a CAGR of 13.41% during 2018 and is expected to expand by a CAGR of

12% during 2018-21. The industry is projected to reach ₹ 2.35 trillion by 2021 from ₹ 1.67 trillion in 2018.

Segment	2017	2018	2019E	2021E	CAGR 2018-21
Television	660	740	815	955	8.8 %
Print	303	306	317	338	3.4%
Filmed Entertainment	156	175	194	236	10.6%
Digital Media	119	169	223	354	28.0%
Animation and VFX	67	79	93	128	17.4%
Live Events	65	75	86	112	14.0%
Online Gaming	30	49	68	120	35.4%
Out Of Home Media	34	37	41	49	9.2%
Radio	29	31	34	39	8.0%
Music	13	14	16	19	10.8%
<b>Total</b>	<b>1,476</b>	<b>1,674</b>	<b>1,887</b>	<b>2,349</b>	<b>12.0%</b>

All figures are gross of taxes (INR in billion) for calendar years | EY analysis

Source: FICCI-EY Media & Entertainment (M&E) Report.

In 2018, major segments were television, print and films with a market size of ₹ 740 billion, ₹ 306 billion and ₹ 175 billion, respectively. They are projected to reach ₹ 955 billion, ₹ 338 billion and ₹ 236 billion, respectively in 2021. However, the Print segment has been shrinking due to falling advertising and subscriptions and growing digital communities.

India is now in the top five markets in the world based on the number of users for online and mobile gaming. India's online gaming is expected to grow at a CAGR of 35.40% between 2018-21, whereas digital media will grow at a CAGR of 28% between 2018-21. Digital will overtake filmed entertainment in 2019 and print by 2021.

Animation and VFX has been one of the fastest growing segments of the M&E sector for the past two years, fuelled by an increased demand in domestic markets and the emergence of digital content

serving platforms across the world. It grew by 17.91% in 2018 to reach ₹ 78.9 billion.

#### • FILM

According to FICCI-EY Media & Entertainment (M&E) Report, the Indian film segment grew by 12.18% in 2018 to reach ₹ 174.5 billion. The growth was driven by digital / OTT rights which grew 59% and overseas theatricals which grew by 20% from 2017. The home video segment continued to witness a decline. The broadcast rights market grew from ₹ 19 billion in 2017 to ₹ 21.2 billion in 2018.

Revenues (₹ Billion)	2017	2018	2019E	2021E
Domestic Theatricals	96.3	102.1	110.0	130.0
Overseas Theatricals	25.0	30.0	35.0	45.0
Broadcast Rights	19.0	21.2	23.0	26.0
Digital / OTT Rights	8.5	13.5	17.0	24.0
In-cinema Advertising	6.4	7.5	9.0	11.0
Home Video	0.3	0.2	0.2	0.1
<b>Total</b>	<b>155.5</b>	<b>174.5</b>	<b>194.2</b>	<b>236.1</b>

The film segment crossed ₹ 100 billion in domestic theatrical revenues, and was further supported by growth in Indian film exports, particularly to China, and increasing values for digital rights.

As per the FICCI-EY Media & Entertainment (M&E) Report, 1,776 films were released in 2018 as compared to 1,807 films in 2017. Hindi films contributed approximately 42.1% of the Net Box-Office Collection despite comprising only 13.4% of the films released. Films in other regional languages accounted for approximately 81% of the films released and they contributed approximately 46.9% to the annual domestic box office collections.

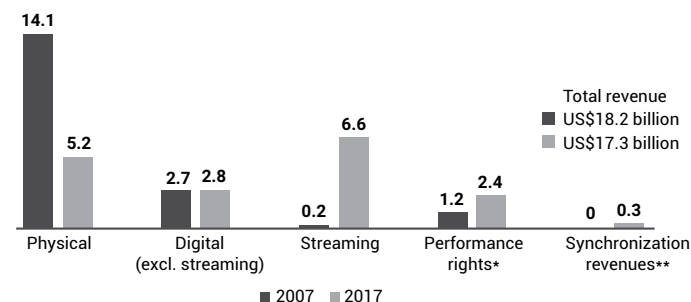
13 Hindi films entered the coveted ₹ 100 crore club in 2018, which is the highest ever. The film Sanju emerged as one of India's all-time blockbusters earning ₹ 3.34 billion at the box office followed by Padmaavat, Simba, 2.0, Race 3, Baaghi 2, Thugs of Hindustan, Badhaai Ho, Stree, Raazi, Gold and Sonu ke Titu ki Sweetie.

#### • MUSIC

India reached 19<sup>th</sup> position in the IFPI world rankings of Music Markets. The Indian Music segment grew 10% to reach ₹ 14.2

billion in 2018. It is expected to grow 10.8% annually till 2021, on the back of increased digital revenues, performance rights and synchronization rights. However, the contribution of Physical music sales fell by 50%.

#### Global recorded music industry revenues in 2007 and 2017 by format



\* revenue from the use of recorded music by broadcasters and public venues  
 \*\* revenue from the use of music in advertising, film, television and games

Source: IFPI

In India, songs related to movies have the highest share in terms of revenue and account for over 80% of the music segment's revenues. Music made a strong recovery led by digital revenues from a host of ever-growing audio streaming platforms, whose user base grew by 50%.

The music segment needs to be creative in channeling consumers towards a paid subscription model. If the current base of 1% of Indian music pay subscriber, can shift upwards to 2-3%, digital revenues can propel the necessary growth to push the Indian music market towards ₹ 20 billion and beyond.

## BUSINESS OVERVIEW

TIPS is a leading Company in the Media & Entertainment Industry, engaged in the business of Production and Distribution of films and leveraging its Audio content library digitally in India and overseas. The Company is also a leading producer of Punjabi films in the country. The Company was founded in 1975 and is one of the oldest companies in the Indian Media & Entertainment Industry. 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.

One of the strongest asset of TIPS is its rich and evergreen music collection. 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. Songs are digitised and available on all the leading online music stores, applications and platforms.

## FINANCIAL RESULTS

The Company earned total revenue including other income of ₹ 20,772 lakh as compared to the previous year of ₹ 4,993 lakh. The net profit after tax for the year stood at ₹ 285 lakh, as compared to ₹ 313 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:

(₹ in Lakhs)

Particulars	2018-19	2017-18
Income	20,772.37	4,992.85
Profit/(Loss) before Depreciation, Interest, Provision for Contingencies and Taxation	1,078.18	1,202.36
Less: Depreciation and Interest	349.16	802.64
Profit/(Loss) before Provision for Taxation, Extraordinary and Prior Period year items	729.02	399.72
Less: Provision for Taxation		
Current Tax	150.29	87.18
Taxes in respect of earlier years	3.24	0.00
Deferred Tax	290.73	0.00
Profit/(Loss) after Provision for Taxation but before Extraordinary and Prior Period year items	284.76	312.54
Less: Prior Period Expenses	0.00	0.00
Profit/(Loss) after Taxation	284.76	312.54
Add: Balance Brought Forward	2,887.17	2,721.66
Profit/(Loss) after Taxation available for Appropriation	3,171.93	3,034.20
Transfer to General Reserves	0.00	0.00
Share Capital	1,431.87	1,431.87
Reserves & Surplus	5,643.04	5,535.87

## PERFORMANCE REVIEW

During the year 2018-19, TIPS launched the third series of Race franchise in association with Salman Khan Ventures Private Limited and directed by Remo D'Souza. The film features Salman Khan, Anil Kapoor, Bobby Deol, Jacqueline Fernandez, Daisy Shah and others. It was released on June 15, 2018 and received good response from audiences.

TIPS is confident that its music business will continue to deliver consistent growth and revenue. The Company has always been at the forefront of leveraging latest technology and innovation in the industry. The music library of the Company is one of the most exhaustive in the industry comprising of a collection of over 25,000 songs, which are available for streaming and download across leading industry digital marketplaces like iTunes and Google Play, as well as popular streaming platforms like Saavn and Gaana. The music revenue for FY 2018-19 was ₹ 6,674 lakh as compared to ₹ 4,259 lakh in the previous year.

## DIVIDEND AND RESERVES

The Directors recommend a final dividend of 10%, 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 reserves and amount of ₹ 2,994 lakh is retained in the Profit and Loss Account.

## SHARE CAPITAL

The paid-up Equity Share Capital as of March 31, 2019, 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, 2019, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

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

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

## CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a

separate report on Corporate Governance along with a certificate from the Auditors on its compliance, forms part of this Report.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

- **Director Retiring by Rotation**

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

- **Re-appointment of Independent Director**

Mr. Amitabh Mundhra and Ms. Radhika Pereira were appointed as Independent Directors of the Company, in the 18<sup>th</sup> Annual General Meeting of the Company held on August 8, 2014, for a period of 5 (five) consecutive years commencing from August 8, 2014. The current term is due to expire on August 7, 2019.

Accordingly, pursuant to the provisions of the Companies Act, 2013 and based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at their Meeting held on May 21, 2019, approved the re-appointment of Mr. Amitabh Mundhra and Ms. Radhika Pereira as Independent Directors of the Company to hold office for second term of 5 (five) consecutive years with effect from August 8, 2019, subject to the approval of shareholders. The Company is in process of sending the notice of postal ballot for seeking the approval of members in respect of re-appointment of Mr. Amitabh Mundhra and Ms. Radhika Pereira as Independent Directors of the Company.

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**

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company as on March 31, 2019 are Mr. Kumar Taurani, Chairman and Managing Director, Mr. Ramesh Taurani, Managing Director, Mr. Sunil Chellani, Chief Financial Officer and Ms. Bijal Patel, Company Secretary.

During the year, 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. The Board expressed appreciation for the valuable contribution made by Mr. Ishwar Gursahani during his tenure as Chief Financial Officer of the Company. Mr. Sunil Chellani has been appointed as Chief Financial Officer of the Company w.e.f. June 1, 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, 2019, 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, 2019, 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, 2018 to March 31, 2019 on May 28, 2018, August 9, 2018, November 2, 2018 and February 6, 2019. 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 and Corporate Social Responsibility 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 appointed as the Statutory Auditor of the Company for a period of five (5) years from 18<sup>th</sup> AGM till the ensuing 23<sup>rd</sup> AGM.

As per the recommendation of the Audit Committee, the Board re-appointed M/s. SSPA & Associates as the Statutory Auditors of the Company, to hold the office for a period of five (5) consecutive years commencing from the conclusion of this 23<sup>rd</sup> Annual General Meeting till the conclusion of the 28<sup>th</sup> Annual General Meeting to be held in the year 2024, subject to the approval of the Shareholders at the ensuing 23<sup>rd</sup> AGM.

The Company has received a certificate from M/s. SSPA & Associates, Chartered Accountants, confirming that they are not disqualified from being appointed as Statutory Auditors of the Company.

The Notes to the Financial Statements are self-explanatory and do not call for any further comments. There is no audit qualification, reservation or adverse remark for the year under review.

### • 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**

The Indian music industry faced a loss of ₹ 15 billion due to piracy through illegal sites. A study by the IFPI, in India, 76% of its survey's respondents admitted to consuming pirated music. Film collections from theatres are threatened by a rise in illegal digital downloads by consumers. Digital media sub-sector in India has not been able to fully monetize their content due to rampant piracy in India. Revenues from both our music and films business can get adversely affected by piracy.

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

The biggest issue is the general music consumer's apparent unwillingness to pay for music. The music segment needs to be creative in channeling consumers towards a paid subscription model. If the current base of 1% of Indian music pay subscriber, can shift upwards to 2-3%, digital revenues can propel the necessary growth to push the Indian music market towards ₹ 20 billion and beyond.

## OPPORTUNITIES

- **Small budget films made a digital debut**

In 2018, Indian filmmakers releasing small budget films first on digital platforms such as Netflix and Amazon. Netflix released its first original film in Hindi, Love Per Square Foot which was much acclaimed by audiences. Apart from this, certain other films such as Lust Stories, Once Again and Brij Mohan Amar Rahe are some examples of movies that decided to take the digital route instead of opting for a theatrical release.

- **Digital / OTT Rights:**

Sale of digital rights continued to be a strong contributor in the filmed entertainment sector. Instead of bundling satellite and

internet rights for television broadcasters, producers now see greater monetization in dealing with OTT platforms separately for digital rights. With consumption of content on OTT platforms set to increase in future, digital rights values of films will continue to increase.

- **Satellite Rights**

2018 saw films generating healthy satellite rights despite limited success at the box office. Although the movie did not perform as expected at the box office, it was able to recover some part of its production costs through pre-sale of satellite and digital rights.

- **Screen count of leading multiplex chains**

Multiplexes have been the key contributors to the growth of Indian cinema. Multiplexes contributed around 55% to the domestic box office collection in 2018 with the rest coming from single screens. Multiplexes have been adding around 200-250 screens annually over the last few years and the trend is expected to continue going forward.

## OUTLOOK

The Indian M&E sector is growing rapidly. With increasing penetration of internet, higher data speeds at lower costs there is a marked shift in consumption pattern towards internet-based screens. The rapid move towards digital world is opening up new opportunities in the M&E Industry.

According to the latest report by FICCI-EY, the Indian M&E industry is projected to grow at a CAGR of over 12% over the period FY 2018-21. During this period, and in line with the global trend, sectors like Digital media (28%), Animation and VFX (17.4%), Online gaming (35.4%) are projected to grow at a much higher rate than traditional segments like Television (8.8%) and Print (3.4%).

## 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, 2019, the number of employees on the payroll of the Company was 50.

## 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 details of material transaction 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 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 2018-19.

## 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 2018-19, 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, 2019, 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.



## INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("The Rules"), the Company had sent individual notices and also advertised in the newspapers seeking action from the shareholders who have not claimed their dividends for past seven consecutive years i.e for final dividend of the financial year ended 2010-2011, and thereafter, had transferred such unpaid or unclaimed dividends.

Unclaimed dividend for the FY 2011-12 will fall due for transfer to the IEPF on August 29, 2019. Those Members, who have not encashed their dividends for the FY 2011-12, 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.

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](http://www.tips.in)), and also on the website of the Ministry of Corporate Affairs ([www.mca.gov.in](http://www.mca.gov.in)).

## 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 21, 2019

# ANNEXURE - I

To,  
The Members  
Tips Industries Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standard is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: May 06, 2019  
Place: Mumbai

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

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

# Form No. MR-3

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[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, 2019, 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, 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct

Investment, Overseas Direct Investment and External Commercial Borrowings;

- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
  - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable during the financial year**
  - e. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable during the financial year**
  - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable during the financial year**
  - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **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. All notices received from regulatory authorities have been replied in time.

We further Report that at the Annual General Meeting held on September 25, 2018 the members of the Company have re-appointed;

1. Mr. Kumar Taurani as Chairman and Managing Director of the Company for a period of 3 years with effect from June 01, 2018
2. Mr. Ramesh Taurani as Managing Director of the Company for a period of 3 years with effect from June 01, 2018

Date: May 06, 2019  
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	28.00
Ramesh Taurani	28.00

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: NIL, CFO: 46.67%, CS: 12 %

- (c) The percentage increase in the median remuneration of employees in the financial year: 14.29%

- (d) The number of permanent employees on the rolls of the Company: 50 Employees as on March 31, 2019.

- (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: The average increase in salaries of employees other than managerial personnel in the financial year 2018-19 was 31.53%. There was no increase in the percentage of managerial remuneration for the year 2018-19. 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, 2019**

Top 10 Employees during the financial year under review

Sr. No.	Name of the Employee and Relation	Designation - Nature of Employee	Qualifications	Age Years	Date of commencement	Remuneration Received (₹ in Lakhs)	Experience (Years)	Last Employment
1	Kumar Taurani (Brother of Mr. Ramesh Taurani)	Chairman & Managing Director	Graduation	61	08.05.1996	168.00	39	–
2	Ramesh Taurani (Brother of Mr. Kumar Taurani)	Managing Director	Graduation	59	27.09.2005	168.00	38	–
3	Girish Taurani (Son of Mr. Kumar Taurani )	Chief Operating Officer - Music	Graduation	32	01.11.2016	51.00	7	Artist
4	Jaya R Taurani (Daughter of Mr. Ramesh Taurani)	Senior Manager Production	LL.B (U.K)	34	01.04.2016	30.00	7	Costume Stylist
5	Kavita Lakhani	VP- Film Production & Promotions	B.Com	49	02.08.1992	18.73	27	–
6	Danesh Kumar	Creative Head- Music	Post Graduation	44	02.05.2012	16.25	22	Sony Music India
7	Pradeep Deshpande	Senior Manager- Music (Business) Telco	Graduation - B.E. (Computers) and Post Graduation - Advanced Diploma in Business Administration	40	07.05.2018	15.00	17	Reliance Communications
8	Kunal K Taurani (Son of Mr. Kumar Taurani )	Senior Manager- Music (Digital)	Graduation	37	01.11.2008	15.00	11	–
9	Ekta Kukreja	Secretary to Chairman	B. Com, LL.B	38	01.04.2009	13.55	10	–
10	Prakash Talreja	Line Producer	Graduation	50	30.08.1993	12.00	26	–

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, 2019

# 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 Chief Operating Officer - Music 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, 2019

[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 <sup>th</sup> floor, Durga Chambers, Linking Road, Khar (West), Mumbai – 400 052. <b>Contact No.:</b> +91 22 6643 1188; <b>E-mail i.d:</b> <a href="mailto:response@tips.in">response@tips.in</a>
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 <b>Tel. No.:</b> +91 22 4918 6000; <b>Fax No.:</b> +91 22 4918 6060; <b>E-mail i.d:</b> <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>

### 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	32.13
2	Film Production & Distribution	591	65.71

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

#### i. Category-wise share holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	10712762	0	10712762	74.82	10712762	0	10712762	74.82	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total(A)(1):	10712762	0	10712762	74.82	10712762	0	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	0	0	0	0.00	0	0	0	0.00	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(2):	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	10712762	0	10712762	74.82	10712762	0	10712762	74.82	0.00
B. Public Shareholding	0	0	0	0.00	0	0	0	0.00	0.00
(1) Institutions	0	0	0	0.00	0	0	0	0.00	0.00
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):	0	0	0	0.00	0	0	0	0.00	0.00
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	972770	0	972770	6.79	911313	0	911313	6.36	-0.43
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1339064	18061	1357125	9.48	1433489	17658	1451147	10.13	0.66
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1118364	0	1118364	7.81	1004549	0	1004549	7.02	-0.79
c) Others (specify)									
Trust	7500	0	7500	0.05	0	0	0	0.00	-0.05
IEPF	7534	0	7534	0.05	8689	0	8689	0.06	0.01
HUF	79745	0	79745	0.56	162003	0	162003	1.13	0.57
Non resident Indian (NRI)	16268	0	16268	0.11	15288	0	15288	0.11	-0.01
Clearing Members	46591	0	46591	0.33	52808	0	52808	0.37	0.04
NBFCs registered with RBI	0	0	0	0.00	100	0	100	0.00	0.00
Sub-total(B)(2):	3587836	18061	3605897	25.18	3588239	17658	3605897	25.18	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	3587836	18061	3605897	25.18	3588239	17658	3605897	25.18	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Total (C)	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	14300598	18061	14318659	100.00	14301001	17658	14318659	100.00	0.00

## ii. Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year (01.04.2018)			Shareholding at the end of the year (31.03.2019)			% 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
<b>Total</b>		<b>10712762</b>	<b>74.82</b>	<b>0.00</b>	<b>10712762</b>	<b>74.82</b>	<b>0.00</b>	<b>0.00</b>

## 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	NIL	2881915	20.13
2	Ramesh S. Taurani	2875911	20.09		2875911	20.09
3	Varsha R. Taurani	2474718	17.28		2474718	17.28
4	Renu K. Taurani	2468718	17.24		2468718	17.24
5	Shyam M. Lakhani	11500	0.08		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 - 2018		Transactions during the year		Cumulative shareholding at the end of the year - 2019	
		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	3.8958			557833	3.8958
	At The End Of The Year					557833	3.8958
2	Amit Ashok Thawani	191718	1.3389			191718	1.3389
	Transfer			18 May 2018	322	192040	1.3412
	Transfer			01 Jun 2018	470	192510	1.3445
	Transfer			30 Jun 2018	1000	193510	1.3515
	Transfer			06 Jul 2018	4367	197877	1.3820
	Transfer			13 Jul 2018	2465	200342	1.3992
	Transfer			24 Aug 2018	3000	203342	1.4201
	Transfer			14 Sep 2018	9326	212668	1.4853
	Transfer			21 Sep 2018	143	212811	1.4862
	At The End Of The Year					212811	1.4862

Sr No.	Name & Type Of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative shareholding at the end of the year - 2019	
		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
3	Riddisiddhi Bullions Limited	175086	1.2228			175086	1.2228
	Transfer			13 Apr 2018	(10380)	164706	1.1503
	At The End Of The Year					164706	1.1503
4	Damyanti Jivandas Gokalgandhi	126679	0.8847			126679	0.8847
	Transfer			06 Apr 2018	40	126719	0.8850
	Transfer			13 Apr 2018	(700)	126019	0.8801
	Transfer			20 Apr 2018	(339)	125680	0.8777
	Transfer			27 Apr 2018	(2000)	123680	0.8638
	Transfer			18 May 2018	(500)	123180	0.8603
	Transfer			25 May 2018	42	123222	0.8606
	Transfer			01 Jun 2018	1458	124680	0.8708
	Transfer			15 Jun 2018	(825)	123855	0.8650
	Transfer			22 Jun 2018	(872)	122983	0.8589
	Transfer			06 Jul 2018	(66)	122917	0.8584
	Transfer			20 Jul 2018	2341	125258	0.8748
	Transfer			27 Jul 2018	(178)	125080	0.8735
	Transfer			10 Aug 2018	(338)	124742	0.8712
	Transfer			17 Aug 2018	(1089)	123653	0.8636
	Transfer			24 Aug 2018	(3)	123650	0.8636
	Transfer			07 Sep 2018	2281	125931	0.8795
	Transfer			14 Sep 2018	(1684)	124247	0.8677
	Transfer			21 Sep 2018	727	124974	0.8728
	Transfer			29 Sep 2018	1349	126323	0.8822
	Transfer			12 Oct 2018	(286)	126037	0.8802
	Transfer			19 Oct 2018	(923)	125114	0.8738
	Transfer			16 Nov 2018	1150	126264	0.8818
	Transfer			30 Nov 2018	(414)	125850	0.8789
	Transfer			28 Dec 2018	(354)	125496	0.8765
	Transfer			11 Jan 2019	(2660)	122836	0.8579
	Transfer			18 Jan 2019	(236)	122600	0.8562
	Transfer			01 Feb 2019	(10500)	112100	0.7829
	Transfer			08 Mar 2019	(800)	111300	0.7773
	At The End Of The Year					111300	0.7773
5	Devidas Jotumal Thawani	99531	0.6951			99531	0.6951
	Transfer			20 Apr 2018	1134	100665	0.7030
	Transfer			11 May 2018	3161	103826	0.7251
	Transfer			25 May 2018	3576	107402	0.7501
	Transfer			15 Jun 2018	(6500)	100902	0.7047
	At The End Of The Year					100902	0.7047

Sr No.	Name & Type Of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative shareholding at the end of the year - 2019	
		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
6	Chetan Ratilal Patel	44150	0.3083			44150	0.3083
	Transfer			27 Jul 2018	33156	77306	0.5399
	Transfer			10 Aug 2018	8083	85389	0.5963
	At The End Of The Year					85389	0.5963
7	Sundeeep C Patel HUF #	9046	0.0632			9046	0.0632
	Transfer			13 Apr 2018	3666	12712	0.0888
	Transfer			27 Apr 2018	112	12824	0.0896
	Transfer			04 May 2018	600	13424	0.0938
	Transfer			13 Jul 2018	4481	17905	0.1250
	Transfer			20 Jul 2018	33820	51725	0.3612
	Transfer			27 Jul 2018	134	51859	0.3622
	Transfer			07 Sep 2018	2931	54790	0.3826
	Transfer			14 Sep 2018	1619	56409	0.3940
	Transfer			29 Sep 2018	800	57209	0.3995
	Transfer			05 Oct 2018	800	58009	0.4051
	Transfer			08 Feb 2019	2478	60487	0.4224
	Transfer			22 Feb 2019	1153	61640	0.4305
	Transfer			01 Mar 2019	1610	63250	0.4417
	At The End Of The Year					63250	0.4417
8	Sundeeep Patel #	31324	0.2188			31324	0.2188
	Transfer			10 Aug 2018	2206	33530	0.2342
	Transfer			21 Sep 2018	400	33930	0.2370
	Transfer			29 Sep 2018	1800	35730	0.2495
	Transfer			05 Oct 2018	1000	36730	0.2565
	Transfer			23 Nov 2018	1000	37730	0.2635
	Transfer			30 Nov 2018	500	38230	0.2670
	Transfer			18 Jan 2019	1000	39230	0.2740
	At The End Of The Year					39230	0.2740
9	Unique Stockbro Pvt. Ltd. - Nse - CM Client Account #	0	0.0000			0	0.0000
	Transfer			22 Mar 2019	3980	3980	0.0278
	Transfer			29 Mar 2019	32142	36122	0.2523
	At The End Of The Year					36122	0.2523
10	Bhimavarapu Sridhar Reddy #	148	0.0010			148	0.0010
	Transfer			06 Apr 2018	(148)	0	0.0000
	Transfer			17 Aug 2018	4	4	0.0000
	Transfer			24 Aug 2018	1993	1997	0.0139

Sr No.	Name & Type Of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative shareholding at the end of the year - 2019	
		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			31 Aug 2018	673	2670	0.0186
	Transfer			07 Sep 2018	2360	5030	0.0351
	Transfer			14 Sep 2018	606	5636	0.0394
	Transfer			02 Nov 2018	865	6501	0.0454
	Transfer			14 Dec 2018	6645	13146	0.0918
	Transfer			21 Dec 2018	4686	17832	0.1245
	Transfer			28 Dec 2018	5752	23584	0.1647
	Transfer			11 Jan 2019	996	24580	0.1717
	Transfer			18 Jan 2019	2143	26723	0.1866
	Transfer			25 Jan 2019	3683	30406	0.2124
	Transfer			01 Feb 2019	3910	34316	0.2397
	Transfer			08 Mar 2019	753	35069	0.2449
	At The End Of The Year					35069	0.2449
11	Shahzaad Dalal *	33792	0.2360			33792	0.2360
	At The End Of The Year					33792	0.2360
12	Amit Bhutra *	39212	0.2739			39212	0.2739
	Transfer			22 Jun 2018	(13606)	25606	0.1788
	Transfer			03 Aug 2018	(10096)	15510	0.1083
	At the end of the year					15510	0.1083
13	Ajay Rajaram Londhe *	134168	0.9370			134168	0.9370
	Transfer			06 Apr 2018	400	134568	0.9398
	Transfer			27 Apr 2018	370	134938	0.9424
	Transfer			01 Jun 2018	(1200)	133738	0.9340
	Transfer			08 Jun 2018	(1900)	131838	0.9207
	Transfer			15 Jun 2018	(9197)	122641	0.8565
	Transfer			22 Jun 2018	(10985)	111656	0.7798
	Transfer			30 Jun 2018	383	112039	0.7825
	Transfer			13 Jul 2018	800	112839	0.7881
	Transfer			20 Jul 2018	(150)	112689	0.7870
	Transfer			27 Jul 2018	(92)	112597	0.7864
	Transfer			10 Aug 2018	(4060)	108537	0.7580
	Transfer			17 Aug 2018	(2056)	106481	0.7437
	Transfer			31 Aug 2018	(2598)	103883	0.7255
	Transfer			14 Sep 2018	(5771)	98112	0.6852
	Transfer			21 Sep 2018	(1715)	96397	0.6732
	Transfer			29 Sep 2018	15	96412	0.6733
	Transfer			05 Oct 2018	434	96846	0.6764

Sr No.	Name & Type Of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative shareholding at the end of the year - 2019	
		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			12 Oct 2018	(10)	96836	0.6763
	Transfer			19 Oct 2018	(2488)	94348	0.6589
	Transfer			26 Oct 2018	(3481)	90867	0.6346
	Transfer			02 Nov 2018	(5280)	85587	0.5977
	Transfer			09 Nov 2018	(2481)	83106	0.5804
	Transfer			16 Nov 2018	(8141)	74965	0.5235
	Transfer			23 Nov 2018	(3665)	71300	0.4980
	Transfer			30 Nov 2018	(17801)	53499	0.3736
	Transfer			07 Dec 2018	(2023)	51476	0.3595
	Transfer			14 Dec 2018	(16887)	34589	0.2416
	Transfer			21 Dec 2018	(9021)	25568	0.1786
	Transfer			28 Dec 2018	(5023)	20545	0.1435
	Transfer			04 Jan 2019	(4001)	16544	0.1155
	Transfer			11 Jan 2019	(7029)	9515	0.0665
	Transfer			18 Jan 2019	(7515)	2000	0.0140
	Transfer			01 Feb 2019	(2000)	0	0.0000
	At The End Of The Year					0	0.0000
14	Gordhan Prabhudas Tanwani *	96957	0.6771			96957	0.6771
	Transfer			13 Apr 2018	(1000)	95957	0.6702
	Transfer			08 Jun 2018	(8000)	87957	0.6143
	Transfer			15 Jun 2018	(8260)	79697	0.5566
	Transfer			22 Jun 2018	(58884)	20813	0.1454
	Transfer			30 Jun 2018	(20813)	0	0.0000
	At The End Of The Year					0	0.0000

\* Ceased to be in the list of Top 10 shareholders as on 31-03-2019. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2018.

# Not in the list of Top 10 shareholders as on 01-04-2018. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2019.

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 (01.04.18 to 31.03.19)	
	No. Shares at the beginning of the year (01.04.2018)	% of total shares of the company				No. of Shares	% of total shares of the Company
Mr. Kumar Taurani Chairman & Managing Director	28,81,915	20.13	N.A	NIL	N.A	28,81,915	20.13
Mr. Ramesh Taurani Managing Director	28,75,911	20.09	N.A	NIL	N.A	28,75,911	20.09
Mr. Ishwar Gursahani Chief Financial Officer*	10	0.000070	N.A	NIL	N.A	10	0.000070
Mr. Sunil Cellani Chief Financial Officer#	NIL	N.A	N.A	NIL	N.A	NIL	N.A
Ms. Bijal Patel Company Secretary	NIL	N.A	N.A	NIL	N.A	NIL	N.A

\* Resigned w.e.f. closure of business hours of May 31, 2018

# Appointed as a CFO w.e.f. June 1, 2018

Mr. Amitabh Mundhra, Ms. 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 Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	3075.56	0.00	500.00	3575.56
ii) Interest due but not paid	0.25	0.00	0.00	0.25
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>3075.81</b>	<b>0.00</b>	<b>500.00</b>	<b>3575.81</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	0.00	1141.00	0.00	1141.00
• Reduction	2228.83	1141.00	500.00	3869.83
<b>Net Change</b>	<b>-2228.83</b>	<b>0.00</b>	<b>-500.00</b>	<b>-2728.83</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	846.98	0.00	0.00	846.98
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>846.98</b>	<b>0.00</b>	<b>0.00</b>	<b>846.98</b>

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

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

(₹ in Lakhs)

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
	<b>Total (A)</b>	<b>168</b>	<b>168</b>	<b>336</b>
	Ceiling as per the Act	The Members of the Company at the 22 <sup>nd</sup> AGM held on September 25, 2018 vide Special Resolution approved the remuneration of ₹ 14 lakh p.m i.e ₹ 168 lakh p.a w.e.f June 1, 2018.		

### B. Remuneration to other directors:

(₹ in Lakhs)

Sl. No	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Amitabh Mundhra	Ms. Radhika Pereira	Mr. Venkitaraman Iyer	
1	Independent Directors				
	Fee for attending Board/ Committee Meetings	1.60	1.60	0.80	4.00
	Commission	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL
	<b>Total (B1)</b>	<b>1.60</b>	<b>1.60</b>	<b>0.80</b>	<b>4.00</b>
2	Other Non-Executive Directors	NIL			
	<b>Total (B2)</b>	<b>NIL</b>			
	<b>Total (B=B1+B2)</b>	<b>4.00</b>			
	Overall Ceiling as per the Act	Sitting fees not exceeding rupees one lakh per Board or committee in terms of Rules 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.			

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

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Ishwar Gursahani* CFO	Sunil Chellani# CFO	Bijal Patel CS	Total
1	Gross salary				
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.00	18.33	6.75	27.08
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission				
	- as % of profit	NIL	NIL	NIL	NIL
	- others, specify	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL
	<b>Total C</b>	<b>2.00</b>	<b>18.33</b>	<b>6.75</b>	<b>27.08</b>

\* Resigned w.e.f. closure of business hours of May 31, 2018

# Appointed as a CFO w.e.f. June 1, 2018

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties / punishment / compounding of offences for the year ending March 31, 2019.

# CORPORATE GOVERNANCE REPORT

## CORPORATE PHILOSOPHY

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organisation. Good Corporate Governance leads to long-term stakeholder value and enhances interests of all stakeholders. It brings into focus the fiduciary and trusteeship role of the Board to align and direct the actions of the organisation towards creating wealth and stakeholder value.

The Company's essential character is shaped by the values of transparency, customer satisfaction, integrity, professionalism and accountability. The Board is responsible for shaping the long-term vision and policy approach to steadily elevate the quality of governance in the organisation. 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, 2019, 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 composition of the Board was in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.

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(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations 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, 2019**

Name	Category / position	No. of Directorships in other public Ltd Companies (Excluding Tips)	Chairmanship/Membership of Committees in other Public Ltd Companies (Excluding Tips)	
			Chairman	Member
<b>Mr. Kumar Taurani</b> DIN : 00555831	Promoter & Executive (Chairman & Managing Director)	1	NIL	NIL
<b>Mr. Ramesh Taurani</b> DIN : 00010130	Promoter & Executive (Managing Director)	1	NIL	NIL
<b>Mr. Amitabh Mundhra</b> DIN : 00014227	Non-Executive Independent Director	3	NIL	NIL
<b>Ms. Radhika Pereira</b> DIN : 00016712	Non-Executive Independent Director	4	1	4
<b>Mr. Venkitaraman Iyer</b> 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.

#### • Details of directorship in other listed companies are as under

Name of Director	No. of Directorships in listed Company (Excluding Tips)	Category of directorship
Mr. Kumar Taurani	NIL	NIL
Mr. Ramesh Taurani	NIL	NIL
Mr. Amitabh Mundhra	Everest Industries Limited	Non-Executive Independent Director
Ms. Radhika Pereira	Jain Irrigation Systems Ltd.	Non-Executive Independent Director
	Essel Propack Limited	Non-Executive Independent Director
	Parag Milk Foods Limited	Non-Executive Independent Director
	Fairchem Speciality Limited	Non-Executive Independent Director
Mr. Venkitaraman Iyer	Ruttonsha International Rectifier Limited	Non-Executive Independent Director

#### • Independent Directors

In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations. 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 [https://tips.in/wp-content/uploads/2018/07/Terms\\_and\\_Condition\\_of\\_Appointment\\_of\\_Independent\\_Directors.pdf](https://tips.in/wp-content/uploads/2018/07/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 6, 2019 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, 2018 to March 31, 2019 on May 28, 2018, August 9, 2018, November 2, 2018 and February 6, 2019. The necessary quorum was present for all the Board Meetings. The maximum time gap between any of two consecutive meetings did not exceed one hundred and twenty days. The notice and detailed agenda along with the relevant notes and other material information are sent 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 25, 2018	Number of shares held in the Company
	Held	Attended		
Mr. Kumar Taurani	4	4	Yes	28,81,915
Mr. Ramesh Taurani	4	4	Yes	28,75,911
Mr. Amitabh Mundhra	4	4	Yes	NIL
Ms. Radhika Pereira	4	4	No	NIL
Mr. Venkitaraman Iyer	4	2	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 Code of Conduct of Directors and Senior Management, the Code of Conduct for prevention of Insider Trading, Policy on Related Party Transaction, 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 for his reference. The Board members are provided with necessary documents, reports, internal policies, amendments to the various enactments, statutory laws, etc., to enable them to familiarise themselves with the Company's operations. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, business strategy and business risks. The details of the familiarization programme have been disclosed on website at the below mentioned link: [https://tips.in/wp-content/uploads/2018/07/Familiarisation\\_programme\\_for\\_Independent\\_Directors1.pdf](https://tips.in/wp-content/uploads/2018/07/Familiarisation_programme_for_Independent_Directors1.pdf)

- **Matrix setting out the skills/expertise/competence required in the context of its business for it to function effectively and those actually available with the Board**

- Industry experience including its entire value chain and in depth experience in corporate strategy and planning
- Leadership experience in managing companies and associations including general management
- Comprehensive understanding of financial accounting, reporting and controls and analysis
- Experience in providing guidance on major risks, compliances and various legislations.
- Experience in developing strategies to build brand awareness and equity and enhance enterprise reputation

- **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 Board has adopted the Code of Conduct for Prevention of Insider Trading under the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code lays down guidelines for procedures to be followed and disclosures to be made by insiders while trading in the securities of the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said PIT Regulations.

SEBI notified several amendments to SEBI Insider Trading Regulations pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 which were effective from April 1, 2019.

In accordance with the said amendments to the SEBI Insider Trading Regulations, it was, inter alia, required to amend/ formulate the following:

- Code of internal procedures and conduct for regulating, monitoring and reporting of trading by Designated Persons
- Code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information
- Policy for procedure of inquiry in case of leak of Unpublished Price Sensitive Information

The Code and Policy are available 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. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. 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. The Committee comprises of members who possess financial and accounting expertise/exposure.

- **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
Ms. Radhika Pereira	Member	Independent Director	4
Mr. Venkitaraman Iyer	Member	Independent Director	2
Mr. Kumar Taurani	Member	Executive Director	4

The Managing Director, Chief Financial Officer, Internal Auditors, Statutory Auditors and other Senior Managers attend the Audit Committee Meetings as invitees. The Company Secretary acts as the Secretary to the Audit Committee.

The Audit Committee met four times during the Financial Year 2018-19 on May 28, 2018, August 9, 2018, November 2, 2018 and February 6, 2019. 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
Ms. Radhika Pereira	Chairperson	Independent Director	2
Mr. Amitabh Mundhra	Member	Independent Director	2
Mr. Venkitaraman Iyer	Member	Independent Director	1
Mr. Kumar Taurani	Member	Executive Director	2

The Company Secretary acts as the Secretary to the Committee.

The Committee met twice during the financial year 2018-19 on May 28, 2018 and February 6, 2019. The necessary quorum was present for all Meetings.

- **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 financial year ended March 31, 2019 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 2018-19, the total sitting fees paid to the Non-Executive Independent Directors are as stated below:

Director's Name	Mr. Amitabh Mundhra	Ms. Radhika Pereira	Mr. Venkitaraman Iyer
Sitting Fees	₹1.60 lakhs	₹1.60 lakhs	₹0.80 lakhs

The Criteria for making payments to non-executive directors has been disclosed on website at the below mentioned link: [https://tips.in/wp-content/uploads/2018/07/Criteria\\_for\\_making\\_payments\\_to\\_non-executive\\_directors.pdf](https://tips.in/wp-content/uploads/2018/07/Criteria_for_making_payments_to_non-executive_directors.pdf)

### • Executive Directors

Name and Designation	Remuneration	Bonuses & Stock options	Service contracts	Notice Period
<b>Mr. Kumar Taurani</b> Chairman & Managing Director	₹168 lakhs	NIL	Appointed for a period of 3 Years w.e.f. June 1, 2018	30 days
<b>Mr. Ramesh Taurani</b> Managing Director	₹168 lakhs	NIL		

The Members of the Company at the 22<sup>nd</sup> Annual General Meeting held on September 25, 2018 have passed the Special Resolution for re-appointment of Mr. Kumar Taurani and Mr. Ramesh Taurani for a period of three years effective from June 1, 2018 and payment of remuneration of ₹14 lakhs p.m. respectively.

The Nomination and Remuneration Policy has been disclosed on website of the Company viz: [https://tips.in/wp-content/uploads/2018/07/NOMINATION\\_AND\\_REMUNERATION\\_POLICY.pdf](https://tips.in/wp-content/uploads/2018/07/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
Ms. Radhika Pereira	Chairperson	Non – Executive Independent Director	4
Mr. Kumar Taurani	Member	Executive Director	4
Mr. Ramesh Taurani	Member	Executive Director	4

Ms. Bijal Patel, Company Secretary, is also designated as the Compliance Officer of the Company.

The Committee met four times during the year on May 28, 2018, August 9, 2018, November 2, 2018 and February 6, 2019. 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 2018-19 is given below

The Company has a designated e-mail ID, [bijal@tips.in](mailto:bijal@tips.in) for the redressal of any Stakeholders' related grievances for the purpose of registering complaints by Members/stakeholders. The Company has also displayed the said email ID under the investors section at its website, [www.tips.in](http://www.tips.in) and other relevant details prominently for creating investor/stakeholder awareness.

Pending at the beginning of the year	Received during the year	Redressed / Replied during the year	Pending at the year
NIL	NIL	NIL	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 <sup>th</sup> Floor, Linking Road, Khar (W), Mumbai -52	<a href="mailto:bijal@tips.in">bijal@tips.in</a>	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. <https://tips.in/wp-content/uploads/2018/07/Corporate-Social-Responsibility-Policy.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
Ms. Radhika Pereira	Member	Independent Director	1

The Committee met once on February 6, 2019.

- 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.

#### 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 25, 2018 at 11.00 a.m.	The Jubilee Room, Hotel Sun-N-Sand, Juhu, Mumbai-400049	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, 2018 at remuneration of ₹14 lakhs p.m. respectively.
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.	The Jubilee Room, Hotel Sun-N-Sand, Juhu, Mumbai-400049	NIL

- **Postal Ballot**

During the year there was no resolution which required to be passed through postal ballot.

## DISCLOSURES

- **Related Party Transaction**

During the year ended March 31, 2019, 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: [https://tips.in/wp-content/uploads/2018/07/Policy\\_on\\_Related\\_Party\\_Transactions.pdf](https://tips.in/wp-content/uploads/2018/07/Policy_on_Related_Party_Transactions.pdf)

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

There was no non-compliance by the Company and no penalties or strictures were imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India (SEBI), or any statutory authority on any matter related to the 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: [https://tips.in/wp-content/uploads/2018/07/Whistle\\_Blower\\_Policy\\_Vigil\\_Mechanism\\_Policy.pdf](https://tips.in/wp-content/uploads/2018/07/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**

During the year ended March 31, 2019, the Company does not have any material listed/unlisted subsidiary companies as defined in Regulation 16 of the Listing Regulations.

- **Certificate from Company Secretary in practice**

The Company has received a certificate from Practicing Company Secretaries confirming that none of the Directors on

the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board/Ministry of Corporate Affairs or any such statutory authority. The Certificate of Company Secretary in practice is annexed herewith as a part of the report.

- **Fees paid to the statutory auditor**

Details relating to fees paid to statutory auditor are given in note 33 to the Standalone Financial Statements.

- **Details of workplace sexual harassment complaints reported as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

Sr. No.	Particulars	No. of Complaints
1	Number of complaints filed during the financial year 2018-19	0
2	Number of complaints disposed of during the financial year 2018-19	0
3	Number of complaints pending as on end of the financial year 2018-19	0

## MEANS OF COMMUNICATION

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

## GENERAL SHAREHOLDERS INFORMATION

- **Annual General Meeting**

<b>Date</b>	Monday, September 23, 2019
<b>Time</b>	11.00 a.m.
<b>Venue</b>	Jubilee Room, Hotel Sun-N-Sand, Juhu, Mumbai - 400049

- **Financial Year**

<b>Financial Year</b>	April 1, 2018 to March 31, 2019
<b>Date of Book Closure</b>	From September 17, 2019 to September 23, 2019 (Both days inclusive)
<b>Dividend Payment Date</b>	On or Before October 22, 2019

- 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 2019-20 has been paid to the above Stock Exchanges.

- Stock Code, ISIN & CIN**

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

- Market price data - high, low during each month in last financial year**

Month	Share Prices on the BSE		Share Prices on the NSE	
	Highest (₹)	Lowest (₹)	Highest (₹)	Lowest (₹)
April-18	124.00	95.25	126.90	95.50
May-18	129.90	107.10	128.85	109.00
June-18	151.90	71.30	149.85	71.40
July-18	93.00	66.00	94.00	67.30
August-18	95.80	79.50	95.70	78.70
September-18	87.35	67.50	87.45	69.00
October-18	80.40	61.10	76.00	61.00
November-18	71.30	58.05	68.80	59.30
December-18	63.75	58.55	65.80	58.60
January-19	69.00	57.50	63.30	59.00
February-19	65.00	58.35	63.50	58.05
March-19	72.00	60.15	71.80	60.75

- 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 (₹)
April-18	112.60	35160.36	113.55	10739.35
May-18	124.00	35322.38	123.10	10736.15
June-18	78.30	35423.48	79.65	10714.30
July-18	89.75	37606.58	89.75	11356.50
August-18	79.80	38645.07	79.10	11680.50
September-18	67.95	36227.14	71.45	10930.45
October-18	66.75	34442.05	65.90	10386.60
November-18	64.20	36194.30	61.20	10876.75
December-18	61.65	36068.33	62.70	10862.55
January-19	61.90	36256.69	59.40	10830.95
February-19	59.15	35867.44	60.55	10792.50
March-19	62.40	38672.91	61.55	11623.90

- 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, 2019**

No. of Equity Shareholdings	No. of Share holders	Percentage of share holders	No. of Shares for the range	Percentage of share holding
1 - 500	4542	87.41	509954	3.56
501 -1000	335	6.45	272472	1.90
1001 –2000	117	2.25	178273	1.25
2001 –3000	50	0.96	129569	0.90
3001 – 4000	26	0.50	92460	0.65
4001 – 5000	25	0.48	116186	0.81
5001 – 10000	54	1.04	378417	2.64
10001-above	47	0.90	12641328	88.29
<b>Total</b>	<b>5196</b>	<b>100.00</b>	<b>14318659</b>	<b>100.00</b>

• **Shareholding Pattern as on March 31, 2019**

Category	No. of Equity Shares held	Percentage of share held
Promoter & Directors	5757826	40.21
Promoters	4954936	34.60
Public	2455696	17.15
Other Bodies Corporate	911313	6.36
Hindu Undivided Family	162003	1.13
Clearing Members	52808	0.37
Non Resident Indians	12051	0.08
Investor Education And Protection Fund	8689	0.06
Non Resident (Non Repatriable)	3237	0.02
NBFCs registered with RBI	100	0.00
<b>Total</b>	<b>14318659</b>	<b>100.00</b>

• **Dematerialization of Shares**

As on March 31, 2019, 1,43,01,001 shares representing 99.88% 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, 2019 is given below:

Particulars	Shares	%
Physical Shares	17658	0.12
Demat Shares		
NSDL	12755945	89.09
CDSL	1545056	10.79
<b>Total</b>	<b>14318659</b>	<b>100.00</b>

• **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, 2019.

• **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.

• **List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year**

The Company does not obtained any credit rating during the financial year 2018-19.

• **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.:** rint.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 21, 2019

## 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, 2019.

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

Place: Mumbai  
Date: May 21, 2019

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

## CERTIFICATE UNDER REGULATION 34(3) AND CLAUSE C(10)(i) OF SHCHEDULE V OF SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 FOR YEAR ENDED 31ST MARCH, 2019

### TO WHOMSOEVER IT MAY CONCERN

This certificate is issued in accordance with the terms of your letter dated 20<sup>th</sup> May, 2019.

The said letter requires me to provide a certificate regarding qualification of the directors on the board of the Company for being appointed or continuing as director of the Company.

The provision of the requisite documents and information to me for the purpose of the certification is the responsibility of the management of the Company, including the preparation and maintenance of all relevant registers, records and documents. The management is also responsible for ensuring that the Company complies with other requirements with respect to the information required for the purpose of preparation, submission and publication of the Annual Report under the abovementioned Regulations. My responsibility is to provide a certificate as mentioned below.

I, CS Shirish Shetye, a Company Secretary in Practice, have examined all relevant Registers, declarations and confirmations by the directors, files and other documents relating to **Tips Industries Limited** having its registered office at 601, Durga Chambers, 6<sup>th</sup> Floor, Opp. B.P.L. Gallery, 278/E, Linking Road, Khar (West), Mumbai – 400052, pertaining to the Directors, for year ended **31<sup>st</sup> March, 2019**, for the purpose of issuing certificate under Regulation 34(3) and Clause C(10)(i) of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations") and based on my examination as well as information and explanations furnished to me, for the year ended 31<sup>st</sup> March, 2019, which to the best of my knowledge and belief were necessary for the purpose of my certification, I hereby certify that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.

The Certificate is provided to the Company sole for the purpose of compliance of the Regulations and should not be used by any other person or for any other purpose. Accordingly, I do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without my prior consent in writing.

Mumbai,  
21<sup>st</sup> May, 2019

**Shirish Shetye**  
Company Secretary  
CP 825 FCS 1926



## 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 Sunil Chellani, 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, 2019 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 21, 2019  
Place: Mumbai

**Sunil Chellani**  
Chief Financial Officer

Date: May 21, 2019  
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, 2019 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 the procedures and implementation thereof, adopted by the Company for ensuring the compliance with 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

Place : Mumbai  
Date : May 21, 2019

**Parag Ved**  
Partner  
Membership Number : 102432

# INDEPENDENT AUDITORS' REPORT

To the Members of Tips Industries Limited

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of Tips Industries Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019 and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year ended on that date.

### Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the

audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Further, based on information and explanation given to us, we have determined that there is no key audit matters to communicate in our report.

### Information other than the Financial Statements and Auditors' Report thereon (Other Information)

The Company's management and Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of management for the financial statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to

the preparation of these financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### 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 obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. 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 (including other comprehensive income), the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

- e. On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-B".
3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of 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:
  - i. 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;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2019;
  - iii. 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, 2019.
4. With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

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

**Parag Ved**  
Partner

Membership Number : 102432

Place : Mumbai  
Date : May 21, 2019

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

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The title deeds of immovable properties are held in the name of the Company.
- ii. 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.
- iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, clauses 3(iii)(a) to 3(iii)(c) of the Order are not applicable to the Company for the current year.
- iv. In our opinion and according to the information and explanations given to us, the Company has not given any loans, investments, guarantees and security and as such the provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable for the current year.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under.
- vi. In our opinion and according to the information and explanations given to us, the Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service tax, cess and other statutory dues as applicable with the appropriate authorities. As explained to us, Duty of Custom is not applicable to the Company for the current year.
- (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, Goods and Service tax, cess and other statutory dues were in arrears as at March 31, 2019 for a period more than six months from the date they became payable. As explained to us, Duty of Custom is not applicable to the Company for the current year.
- (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, goods and service tax which have not been deposited with appropriate authority on account of dispute except as mentioned below:

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	
		184.86	F.Y.2013-14	
		171.06	F.Y.2014-15	
Maharashtra VAT Act, 2005	Sales tax, interest and penalty	383.83	F.Y 2010-11	Maharashtra Sales tax Tribunal
		187.75	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

Membership Number : 102432

Place : Mumbai  
Date : May 21, 2019



## **ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT 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")**

#### **Opinion**

We have audited the internal financial controls with reference to financial statements of Tips Industries Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2019, based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls with references to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note. 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 with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance

Notes 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 with reference to financial statements. 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 with reference to financial statements was established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls, 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 with reference to financial statements.

#### **Meaning of Internal Financial Controls with reference to Financial Statements**

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to Financial Statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Place : Mumbai  
Date : May 21, 2019

**Parag Ved**  
Partner  
Membership Number : 102432

# STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2019

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
(₹ in Lakhs)			
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3	209.26	174.79
(b) Investment Property	4	1,311.29	2,155.40
(c) Financial Assets			
(i) Investments	5	12.07	11.44
(ii) Loans	6	522.93	522.29
(iii) Other financial assets	7	12.12	333.15
(d) Other non-current assets	8	1,213.53	934.60
<b>Total Non-current assets</b>		<b>3,281.20</b>	<b>4,131.67</b>
<b>Current assets</b>			
(a) Inventories	9	2,866.04	5,745.55
(b) Financial assets			
(i) Trade receivables	10	1,057.59	899.00
(ii) Cash and cash equivalents	11	869.33	556.98
(iii) Bank balances other than (ii) above	12	58.86	231.46
(iv) Other financial assets	13	12.41	15.72
(c) Current Tax (Net)	14	370.87	180.54
(d) Other Current Assets	15	954.17	8,477.92
<b>Total current assets</b>		<b>6,189.27</b>	<b>16,107.17</b>
<b>Total Assets</b>		<b>9,470.47</b>	<b>20,238.84</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	16	1,431.87	1,431.87
(b) Other equity	17	5,643.05	5,535.87
<b>Total Equity</b>		<b>7,074.92</b>	<b>6,967.74</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	200.23	1,370.81
(ii) Other Financial Liabilities	19	24.00	22.76
(b) Deferred Tax Liability	20	288.69	-
(c) Employee Benefit Obligations	21	47.60	30.67
<b>Total non-current liabilities</b>		<b>560.52</b>	<b>1,424.24</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	22	-	500.00
(ii) Trade payables	23	-	-
(a) Total outstanding dues of micro enterprises and small enterprises		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,130.04	473.11
(iii) Other financial liabilities	24	653.79	1,711.55
(b) Employee Benefit Obligations	25	1.22	1.24
(c) Other Current Liabilities	26	49.98	9,160.96
<b>Total current liabilities</b>		<b>1,835.03</b>	<b>11,846.86</b>
<b>Total Liabilities</b>		<b>2,395.55</b>	<b>13,271.10</b>
<b>Total Equity and Liabilities</b>		<b>9,470.47</b>	<b>20,238.84</b>

The accompanying notes 1 to 34 are an integral part of these financial 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**

CIN : L92120MH1996PLC099359

**Kumar S. Taurani**

Chairman & Managing Director

DIN : 00555831

**Bijal Patel**

Company Secretary

CS Membership No. : 30140

Place : Mumbai

Date : May 21, 2019

**Ramesh S. Taurani**

Managing Director

DIN : 00010130

**Sunil Chellani**

Chief Financial Officer

Place : Mumbai

Date : May 21, 2019

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

Particulars	Note No.	(₹ in Lakhs)	
		Year ended March 31, 2019	Year ended March 31, 2018
I. Revenue from operations	27	20,323.88	4,748.91
II. Other income	28	448.49	243.94
<b>Total Income (I+II)</b>		<b>20,772.37</b>	<b>4,992.85</b>
III <b>Expenses:</b>			
Cost of Production / Distribution of Expenses	29	16,219.39	1,746.92
Employee Benefits Expense	30	707.38	660.64
Finance Costs	31	219.07	663.39
Depreciation and Amortization Expense	32	130.09	139.25
Other Expenses	33	2,767.42	1,382.93
<b>IV Total Expenses</b>		<b>20,043.35</b>	<b>4,593.13</b>
<b>V Profit before Tax</b>		<b>729.02</b>	<b>399.72</b>
VI Tax Expenses:	34(3)		
(1) Current Tax		150.29	87.18
(2) Taxes in respect of earlier years		3.24	-
(3) Deferred Tax		290.73	-
<b>VII Profit / (Loss) for the year</b>		<b>284.76</b>	<b>312.54</b>
VIII Other Comprehensive Income			
Items that will not be reclassified to statement of Profit or Loss			
Remeasurement gain (loss) of post employment benefit obligations (net of taxes)		(4.96)	25.31
Other Comprehensive Income for the year, net of taxes		(4.96)	25.31
<b>IX Total Comprehensive income for the year</b>		<b>279.80</b>	<b>337.85</b>
X Earnings per equity share of ₹10/- each			
(1) Basic	34(17)	1.99	2.19
(2) Diluted	34 (17)	1.99	2.19

The accompanying notes 1 to 34 are an integral part of these financial statements

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 21, 2019

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  
CS Membership No. : 30140

Place : Mumbai  
Date : May 21, 2019

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

**Sunil Chellani**  
Chief Financial Officer

# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

## A Equity Share Capital

(₹ in Lakhs)

Particulars	Number	Amount
<b>As on April 1, 2017</b>	<b>1,43,18,659</b>	<b>1,431.87</b>
Changes in Equity Share Capital	-	-
<b>As on March 31, 2018</b>	<b>1,43,18,659</b>	<b>1,431.87</b>
Changes in Equity Share Capital	-	-
<b>As on March 31, 2019</b>	<b>1,43,18,659</b>	<b>1,431.87</b>

## B Other Equity

(₹ in Lakhs)

Particulars	General Reserve	Securities Premium Reserve	Capital Redemption Reserve	Retained Earnings	Total
<b>Balance as at April 1, 2017</b>	<b>551.25</b>	<b>1,798.72</b>	<b>298.72</b>	<b>2,721.66</b>	<b>5,370.36</b>
Profit for the year	-	-	-	312.54	312.54
Other comprehensive income for the year (net of tax)	-	-	-	25.31	25.31
Payment of dividends	-	-	-	(143.19)	(143.19)
Tax on Dividend	-	-	-	(29.15)	(29.15)
<b>Balance as at March 31, 2018</b>	<b>551.25</b>	<b>1,798.72</b>	<b>298.72</b>	<b>2,887.17</b>	<b>5,535.87</b>
Profit for the year	-	-	-	284.76	284.76
Other comprehensive income for the year (net of tax)	-	-	-	(4.96)	(4.96)
Payment of dividends	-	-	-	(143.19)	(143.19)
Tax on Dividend	-	-	-	(29.43)	(29.43)
<b>Balance as at March 31, 2019</b>	<b>551.25</b>	<b>1,798.72</b>	<b>298.72</b>	<b>2,994.35</b>	<b>5,643.05</b>

# CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Cash flow from operating activities</b>		
Profit/(loss) before tax	729.02	399.72
<b>Adjustments</b>		
Depreciation and impairment of property, plant and equipment	130.09	139.25
Interest Expenses	219.07	663.39
Fair valuation of mutual funds	-	(0.88)
Provision for / (write back of) doubtful debts and advances	(4.53)	(41.54)
Bad debts written off	110.08	41.51
Loss / (Profit) on sale/disposal of fixed assets (net)	(239.12)	(0.85)
Actuarial gains and losses taken to OCI	(7.00)	25.31
Interest income	(15.80)	(21.32)
Profit on sale of investments (net)	(0.63)	(0.03)
	<b>921.18</b>	<b>1,204.56</b>
Working capital adjustments		
(Increase)/Decrease in inventories	2,879.51	1,746.22
(Increase)/ Decrease in trade and other receivables	(268.66)	(351.63)
Increase / (Decrease) in loans and advances and other assets (Current)	41.46	(321.49)
Increase / (Decrease) in loans and advances and other assets (Non current)	7,699.66	(7,594.44)
Increase/ (Decrease) in Financial Liabilities	16.91	(14.39)
Increase/ (Decrease) in trade and other payables	(8,447.80)	9,630.17
	<b>2,842.26</b>	<b>4,299.00</b>
Income Tax paid	(343.86)	31.22
<b>Net cash flows from operating activities</b>	<b>2,498.40</b>	<b>4,330.22</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets	(132.81)	(8.84)
Sale of fixed assets	1,124.35	0.85
Brokerage charges paid on sale of Fixed Assets	(72.87)	-
Sale of investments	-	12.51
Interest income	15.80	21.32
<b>Net cash flows from investing activities</b>	<b>934.47</b>	<b>25.84</b>
<b>Cash flow from financing activities</b>		
(Repayment)/Procees of Long Term Borrowings	(2,228.58)	(3,541.10)
(Repayment)/Procees of Short Term Borrowings	(500.00)	500.00
Interest Paid	(219.32)	(663.39)
Dividend paid (including tax on dividend)	(172.62)	(172.34)
<b>Net cash flows from financing activities</b>	<b>(3,120.52)</b>	<b>(3,876.83)</b>
Net increase / (decrease) in cash and cash equivalents	312.35	479.23
Cash and cash equivalents at the beginning of the year	556.98	77.75
<b>Cash and cash equivalents at the end of the year</b>	<b>869.33</b>	<b>556.98</b>

# CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

Particulars	For the year ended March 31, 2019	(₹ in Lakhs) For the year ended March 31, 2018
<b>Reconciliation of Cash and Cash equivalents with the Balance Sheet</b>		
<b>Cash and Cash Equivalents as per Balance Sheet</b>		
In Current Account	866.12	548.63
Cash on Hand	3.21	8.35
<b>Cash and Cash equivalents as restated as at the year end</b>	<b>869.33</b>	<b>556.98</b>

## Notes

a] Debt reconciliation statement in accordance with Ind AS 7	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Opening balances</b>		
Long-term borrowing	1,370.81	4,911.91
Current Maturities from long term borrowing	1,704.75	1,500.24
Short-term borrowing	500.00	-
<b>Movements</b>		
Long-term borrowing	(2,228.58)	(3,336.60)
Short-term borrowing	(500.00)	500.00
<b>Closing balances</b>		
Long-term borrowing	200.23	1,370.81
Current Maturities from long term borrowing	646.75	1,704.75
Short-term borrowing	-	500.00

b] 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

Place : Mumbai  
 Date : May 21, 2019

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  
 CS Membership No. : 30140

Place : Mumbai  
 Date : May 21, 2019

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

**Sunil Chellani**  
 Chief Financial Officer

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

#### 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 atleast 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 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



# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

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 lives 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.

**c) 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

# NOTES TO THE FINANCIAL STATEMENTS

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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 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.

## d) 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.

## e) 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,

# NOTES TO THE FINANCIAL STATEMENTS

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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.

## f) 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
- 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).

### i) 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.

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## ii) 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 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.

## g) 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

# NOTES TO THE FINANCIAL STATEMENTS

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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.

## h) Inventories:

I **tems 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 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.

## i) 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

# NOTES TO THE FINANCIAL STATEMENTS

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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.

## j) 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.

## k) Revenue recognition:

With effect from April 1, 2018, the Company has adopted Ind AS 115 "Revenues from Contracts with Customers". The comparative information in the statement of profit and loss is not re stated and its continues to be reported under Ind AS 18. The impact of effect of adoption of Ind AS 115 is insignificant.

Revenue is recognized when a customer obtains control and has the ability to direct the use of and obtain the benefits of products

or services for the consideration that the company expects to be entitled to in exchange for those products and services.

The Company exercises judgment whether the revenue should be recognized 'over time' or 'at a point of time'. The company considers detailed understanding of customer contractual arrangements, transfer of control vis a vis transfer of risk and reward, acceptance of delivery i.e when control is transferred.

Revenue is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

The specific recognition criteria described below must also be met before revenue is recognized:

- i) **Audio Right Receipt:** Revenue from sale is recognized at a point of time when a control is transferred to a customer based on terms of the agreement / contracts.
- ii) **Royalty from Music Rights:** Revenue from Music rights where a customer obtains "right to use" is recognized at the point of time the license is made available to the customer as per the terms of the agreement / contracts.
- iii) **Revenue from Films:**
  - Revenue from production of films is recognized on assignment of such rights as per the contract/ arrangements with the distributors.
  - Revenue from distribution of motion pictures is recognized based on ticket sales on exhibition of motion pictures at exhibition of theatres. Recoveries from films as overflows are recognized on the basis of business statements received from the distributors. Contracted minimum guarantees are recognized on theatrical rights.



# NOTES TO THE FINANCIAL STATEMENTS

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- iv) **Interest Income:** Interest income is accounted on accrual basis, at the contracted terms.
- v) **Others:** Revenue in respect of Insurance/Other claims is recognized only when it is reasonably certain that the ultimate collection is made.

## I) 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 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.



# NOTES TO THE FINANCIAL STATEMENTS

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## m) 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.

### 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.

# NOTES TO THE FINANCIAL STATEMENTS

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## n) 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.

## o) 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.

## p) 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.

## q) 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

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## r) 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.

## s) Impairment of non-financial assets:

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units).

## t) Borrowing costs:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred, unless they are capitalized.

# NOTES TO THE FINANCIAL STATEMENTS

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## 3) Property, Plant and Equipments

Description of Assets	As at March 31, 2019	(₹ in Lakhs) As at March 31, 2018
Carrying Amount of Cinematography Machinery	8.00	11.19
Plant & Machinery	-	-
Computers	3.04	0.47
Motor car	189.10	148.16
Furniture and Fixtures	2.38	5.33
Office Equipments	6.74	9.63
<b>Total</b>	<b>209.25</b>	<b>174.79</b>

Description of Assets	Cinematography Machinery	Plant & Machinery	Furniture & Fixtures	Office Equipments	Motor car	Computer	(₹ in Lakhs) Total
<b>GROSS BLOCK</b>							
Balance As at April 01, 2017	40.31	5.36	44.94	125.87	724.86	20.00	961.34
Additions	-	-	2.33	6.07	-	0.44	8.84
Disposal	-	-	-	-	4.98	-	4.98
<b>Balance As at March 31, 2018</b>	<b>40.31</b>	<b>5.36</b>	<b>47.27</b>	<b>131.94</b>	<b>719.88</b>	<b>20.44</b>	<b>965.20</b>
Balance As at April 01, 2018	40.31	5.36	47.27	131.94	719.88	20.44	965.20
Additions	-	-	-	3.43	126.32	3.05	132.81
Disposal	-	-	-	-	48.42	-	48.42
<b>As at March 31, 2019</b>	<b>40.31</b>	<b>5.36</b>	<b>47.27</b>	<b>135.37</b>	<b>797.79</b>	<b>23.49</b>	<b>1,049.59</b>
<b>Balance As at March 31, 2018</b>	28.91	5.36	42.13	122.32	571.72	19.97	790.41
Balance As at April 01, 2018	28.91	5.36	42.13	122.32	571.72	19.97	790.41
Depreciation charge for the year	3.19	-	2.96	6.32	85.26	0.49	98.22
Disposal	-	-	-	-	48.30	-	48.30
<b>Balance As at March 31, 2019</b>	<b>32.10</b>	<b>5.36</b>	<b>45.39</b>	<b>128.64</b>	<b>608.68</b>	<b>20.46</b>	<b>840.33</b>
<b>NET BLOCK VALUE</b>							
As at March 31, 2019	8.21	-	1.88	6.73	189.11	3.13	209.26
As at March 31, 2018	11.40	-	5.14	9.72	148.16	0.47	174.79

Note:

The company has borrowed from banks which carry charge over certain of the above PPE (Refer Note 34(for details))

# NOTES TO THE FINANCIAL STATEMENTS

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## 4) Investment Property

### I (a) Investment property (at cost less accumulated depreciation)

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Opening	2,809.83	2,809.83
Add : Additions	-	-
Less: Disposal	1,045.37	-
Closing	1,764.46	2,809.83
Less : Accumulated depreciation		
Opening	654.43	609.77
Add: Depreciation/Amotisation	31.87	44.66
Less : Disposal	(233.13)	-
Closing	453.17	654.43
<b>Net block</b>	<b>1,311.29</b>	<b>2,155.40</b>

### II Information regarding income and expenditure of Investment property

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
(a) Rental income derived from investment properties	92.15	149.25
(b) Profit arising from investment properties before depreciation and indirect expenses		
Less – Depreciation	31.87	44.66
Less – Property Tax & Maintenance Charges	12.74	13.78
<b>Profit arising from investment properties before indirect expenses</b>	<b>47.54</b>	<b>90.81</b>

### III Fair Value

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Investment Properties	2,818.22	3,211.58

### IV Estimation of fair value

The Company obtains valuations for its investment properties based on circle rates as prescribed by government from time to time.

# NOTES TO THE FINANCIAL STATEMENTS

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## 5) Non-Current Investments

Particulars	(₹ in Lakhs)			
	No. of shares As at March 31, 2019	No. of shares As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>(1) Investment in fully paid-up Equity Shares (Unquoted) (at Cost)</b>				
Label Mobile Media Private Limited Equity shares of ₹ 10/- each	5,000	5,000	0.50	0.50
<b>(2) Mutual Funds (Quoted)</b>				
<b>Investment carried at fair value through Profit &amp; Loss</b>				
(ii) Canara Robeco Capital Protection Oriented Fund-Series 7-Regular Growth Units of ₹ 10/- each	1,00,000	1,00,000	11.57	10.94
<b>Total</b>			<b>12.07</b>	<b>11.44</b>
Aggregate carrying value of quoted investments and market value thereof			-	-
Aggregate carrying value of unquoted investments			12.07	11.44
Aggregate provision for impairment in the value of investments			-	-

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

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
(a) Security Deposit against Premises to Related Parties	500.00	500.00
(b) Security Deposits -Others	22.93	22.29
<b>Total</b>	<b>522.93</b>	<b>522.29</b>

## 7) Other Financial Assets (Non-Current)

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Bank Deposits with more than 12 month maturity period	12.12	333.15
<b>Total</b>	<b>12.12</b>	<b>333.15</b>

- i) Fixed Deposit of ₹ Nil held as lien by bank against overdraft facility amount to ₹ 2500 Lacs (Previous Year ₹ 322.68 lacs)
- ii) Fixed deposit of ₹ 12.10 Lacs (Previous year ₹ 10.47 lacs) includes electricity deposit of ₹ 11.96 lacs (Previous year ₹ 10.35 lacs)

# NOTES TO THE FINANCIAL STATEMENTS

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## 8) Other Non-Current Assets

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
(a) Advances Given for Forthcoming Film Production	785.80	793.10
(b) Advances Given for Digital Rights	202.40	-
(c) Deposits with Government Authorities	225.33	141.50
<b>Total</b>	<b>1,213.53</b>	<b>934.60</b>

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

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Unamortised Cost of Production	2,866.04	5,745.55
<b>Total</b>	<b>2,866.04</b>	<b>5,745.55</b>

## 10) Trade Receivables (Unsecured, considered Good)

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Trade Receivables		
Unsecured, considered good	1,057.59	899.00
Credit impaired	8.25	-
Less: Provision for loss allowance	(8.25)	-
<b>Total</b>	<b>1,057.59</b>	<b>899.00</b>

## 11) Cash & Cash Equivalents

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
(a) Cash on Hand	3.21	8.35
(b) Balance with Banks in Current Accounts		
- Current Account	865.93	548.45
- Margin money	0.19	0.18
<b>Total</b>	<b>869.33</b>	<b>556.98</b>



# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## 12) Bank Balances other than cash and Cash Equivalents

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
(a) Bank Deposits with 3-12 months- Maturity @	51.82	224.91
(b) Earnarked Balance with Banks (Unclaimed Dividend)	7.04	6.55
<b>Total</b>	<b>58.86</b>	<b>231.46</b>

@ These deposits are in the form of Bank Guarantee

## 13) Other Financial Assets (Unsecured, considered Good)

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Loans to Employees	12.41	15.72
<b>Total</b>	<b>12.41</b>	<b>15.72</b>

## 14) Current Tax (Net)

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
<b>Advance payment of Income tax and Tax Deducted at Source</b> (net of Provision for Taxation ₹ 462.51 lacs (L/Y 312. 22) lacs)	370.87	180.54
<b>Total</b>	<b>370.87</b>	<b>180.54</b>

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

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
(a) Advances for film Projects in Hand	824.83	8,171.25
(b) Prepaid Expenses	0.18	0.18
(c) Balances with Government Authorities	75.81	282.95
(d) Others	53.35	23.54
<b>Total</b>	<b>954.17</b>	<b>8,477.92</b>

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	Amount	Number of Shares	Amount
a) Authorised 2,00,00,000 Equity Shares of ₹ 10 each	2,00,00,000	2,000.00	2,00,00,000	2,000.00
b) Issued, Subscribed and fully paid-up	1,43,18,659	1,431.87	1,43,18,659	1,431.87
<b>Total</b>	<b>1,43,18,659</b>	<b>1,431.87</b>	<b>1,43,18,659</b>	<b>1,431.87</b>

## 17) Other Equity

Particulars	As at March 31, 2019	As at March 31, 2018
1 General Reserves	551.25	551.25
2 Securities Premium Reserve	1,798.72	1,798.72
3 Capital Redemption Reserve	298.72	298.72
4 Retained Earnings	2,994.35	2,887.17
<b>Total</b>	<b>5,643.05</b>	<b>5,535.87</b>

### 1 General Reserves

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the Beginning of the year	551.25	551.25
<b>Balance at the end of the year</b>	<b>551.25</b>	<b>551.25</b>

**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

Amount expressed in INR Lakhs unless otherwise stated

## 2 Securities Premium Reserve

Particulars	As at March 31, 2019	(₹ in Lakhs) As at March 31, 2018
Balance at the Beginning of the year	1,798.72	1,798.72
<b>Balance at the end of the year</b>	<b>1,798.72</b>	<b>1,798.72</b>

**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	As at March 31, 2019	(₹ in Lakhs) As at March 31, 2018
Balance at the Beginning of the year	298.72	298.72
<b>Balance at the end of the year</b>	<b>298.72</b>	<b>298.72</b>

**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

## 4 Retained Earnings

Particulars	As at March 31, 2019	(₹ in Lakhs) As at March 31, 2018
Balance at the Beginning of the year	2,887.17	2,721.66
Net profit for the period	284.76	312.54
<b>Other comprehensive income for the year</b>		
Remeasurement gain (loss) of post employment benefit obligations (net of taxes)	(4.96)	25.31
Dividend Paid	(143.19)	(143.19)
Dividend Distribution Tax Paid	(29.43)	(29.15)
<b>Balance at the end of the year</b>	<b>2,994.35</b>	<b>2,887.17</b>

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

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

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
<b>Secured Term Loans</b>		
(a) From Bank	200.23	1,071.18
(b) From Others	-	299.63
<b>Total</b>	<b>200.23</b>	<b>1,370.81</b>

## 19) Other Financial Liabilities

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Security Deposit	24.00	22.76
<b>Total</b>	<b>24.00</b>	<b>22.76</b>

## 20) Deferred Tax Liabilities (Net)

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
<b>Deferred Tax Liabilities</b>		
Property, plant, equipment and investment property	284.99	-
Value of Inventories	829.74	-
<b>Deferred Tax Assets</b>		
Employees benefit Obligations	(15.62)	-
Provision for loss allowance	(2.40)	-
MAT credit	(808.02)	-
Others	-	-
<b>Total</b>	<b>288.69</b>	<b>-</b>

## 21) Employee Benefit Obligations(Non Current)

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Gratuity (Refer Note No.34 (14))	47.60	30.67
<b>Total</b>	<b>47.60</b>	<b>30.67</b>

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## 22) Borrowings

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Intercompany Deposits	-	500.00
<b>Total</b>	<b>-</b>	<b>500.00</b>

## 23) Trade Payables

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
(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	1,130.04	473.11
<b>Total</b>	<b>1,130.04</b>	<b>473.11</b>

## 24) Other Financial Liabilities

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
(a) Current maturities of Long-Term debt		
(i) Bank *	646.75	1,704.75
(b) Interest accrued but not due on borrowings	-	0.25
(c) Unclaimed Dividends **	7.04	6.55
<b>Total Other Financial Liabilities</b>	<b>653.79</b>	<b>1,711.55</b>

\* 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.

## 25) Employee Benefit Obligations

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Gratuity (Refer Note no 34(14))	1.22	1.24
<b>Total</b>	<b>1.22</b>	<b>1.24</b>

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## 26) Other Current Liabilities

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
(a) Advances from Customers	0.36	9,093.85
(b) Amount payable to Government Authorities	49.62	67.11
<b>Total</b>	<b>49.98</b>	<b>9,160.96</b>

## 27) Revenue from Operations

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>Sale of Services</b>		
Income from Satellite Rights Films	13,650.00	490.00
Licence fees	6,673.88	4,258.91
<b>Total Revenue from Operations</b>	<b>20,323.88</b>	<b>4,748.91</b>

### a) Disaggregation of revenue from contracts with customers

Revenue by Geography	(₹ in Lakhs)			
	License Fees (Audio/ Video)		Film Production / Distribution	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Domestic	4,220.82	2,781.33	13,650.00	490.00
International	2,453.06	1,477.59	-	-
	<b>6,673.88</b>	<b>4,258.91</b>	<b>13,650.00</b>	<b>490.00</b>

### Timing of Revenue Recognition

Services transferred at a point in time	6,673.88	4,258.91	13,650.00	490.00
<b>Total Revenue from Contracts with Customers</b>	<b>6,673.88</b>	<b>4,258.91</b>	<b>13,650.00</b>	<b>490.00</b>

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## b] Contract Balances

The following table provides information about receivables from contracts with customers.

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Receivables, which are included in 'trade and other receivables'	1,057.59	899.00

## 28) Other Income

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
<u>Interest Income</u>		
On Fixed Deposits with banks	15.80	21.32
On Income Tax Refund	1.36	22.47
Rent Income	92.15	149.25
Liabilities/Provisions no longer required written back	4.53	41.54
Bad Debts Recovered	-	6.97
Profit on Sale of Assets	239.12	0.85
Insurance Claim Received	43.78	-
Maturity proceeds of Key Man Insurance Policy	42.68	-
Foreign Exchange Gain	5.76	-
Profit on Sale of Mutual funds	0.63	0.03
Fair value of Mutual Funds	-	0.88
Other Non-operating Income	2.68	0.63
<b>Total</b>	<b>448.49</b>	<b>243.94</b>



# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## 29) Cost of Productions/Distribution of films

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
<u>Opening-</u>		
Cost of Under Production films	-	-
Unamortised cost at beginning of the year	5,745.55	7,491.77
Add: Cost incurred during the year	13,339.88	0.70
<u>Less Closing-</u>		
Unamortised cost at the close of the year	(2,866.04)	(5,745.55)
Cost of underproduction films carried forward	-	-
<b>Total</b>	<b>16,219.39</b>	<b>1,746.92</b>

## 30) Employee Benefits Expenses

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Salary, Wages & Bonus	674.16	621.32
Contribution to Provident and other Funds	9.76	9.36
Gratuity	10.91	14.47
Staff Welfare Expenses	12.55	15.49
<b>Total</b>	<b>707.38</b>	<b>660.64</b>

## 31) Finance Costs

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Interest on Term Loan	7.37	72.20
Interest Paid to Banks	95.92	403.10
Interest on Loan to Directors	42.18	93.48
Loan Prepayment charges	14.46	-
Other Interest	59.14	94.61
<b>Total</b>	<b>219.07</b>	<b>663.39</b>

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## 32) Depreciation and Amortisation Expenses

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Depreciation of property, plant and equipment	98.22	94.59
Amortization on Investment Property	31.87	44.66
<b>Total</b>	<b>130.09</b>	<b>139.25</b>

## 33) Other Expenses

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Electricity Expenses	8.23	8.48
Rent	102.83	102.79
<u>Repairs &amp; Maintenance :</u>		
-Office Premises	60.57	30.39
Insurance	131.49	130.82
Rates and Taxes	75.42	54.85
Legal and Professional	348.34	359.44
In-house Music Production/Acquisition Cost	743.62	239.61
Advertisement Expenses	671.50	146.10
Travelling and Conveyance	19.73	9.01
<u>Audit Fees</u>		
-Statutory Fees	11.00	10.00
-Out of pocket expenses	0.44	0.34
Donation	87.89	32.19
Bad Debts and Advances Written Off	110.08	41.51
Provision for Doubtful Debts	8.25	-
Miscellaneous Expenses	388.03	217.40
<b>Total</b>	<b>2,767.42</b>	<b>1,382.93</b>

# 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 :

#### a] Claims against the Company not acknowledged as debt

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Penalty under FEMA Act*	90.00	90.00
Demand by Sales Tax Department **	1,962.52	1,781.27

\* 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.

b] There has been a Supreme Court Judgement dated 28 Feb 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF act. There are interpretative aspects related to the judgement including the effective date of application. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any.

### 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	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
<b>Current Tax</b>		
Current Tax on Profit for the Year	150.29	87.18
Excess provision for the earlier years written back	3.24	-
Deferred tax liability	290.73	-
<b>Total Current Tax</b>	<b>444.26</b>	<b>87.18</b>
<b>Total</b>	<b>444.26</b>	<b>87.18</b>

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## B. Amounts recognised in other comprehensive income

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
<b>Items that will not be reclassified to profit or loss</b>		
<u>Remeasurements of defined benefit liability (asset)</u>		
Before tax	(7.00)	25.31
Tax (expenses)/ benefit	2.04	-
<b>Net of taxes</b>	<b>(4.96)</b>	<b>25.31</b>

## C. Reconciliation of effective tax rate

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
<b>Profit Before Tax</b>	729.02	400.07
Tax using the Company's domestic tax rate of 33.384% (PY 33.063%)	243.38	132.28
<b>Tax effect of :</b>		
Deferred tax for the year	290.73	-
Tax deduction Chapter VIA	(14.67)	(4.96)
Others	(75.17)	(40.13)
	<b>444.26</b>	<b>87.18</b>

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## D. Movement in deferred tax balances

(₹ in Lakhs)

Particulars	March 31, 2019					
	Net balance April 1, 2018#	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
<b>Deferred tax asset / (liabilities)</b>						
Property, plant, equipment and investment property	-	(284.99)	-	(284.99)	-	(284.99)
Inventories	-	(829.74)	-	(829.74)	-	(829.74)
Employee benefits	-	15.62	-	15.62	15.62	-
Provision for Doubtful Debts	-	2.40	-	2.40	2.40	-
<b>Deferred tax asset / (liabilities)</b>	-	<b>(1,096.71)</b>	-	<b>(1,096.71)</b>	<b>18.08</b>	<b>(1,114.74)</b>
MAT Credit Entitlement		808.02		808.02	808.02	
<b>Net Deferred tax assets / (liabilities)</b>	-	<b>(288.69)</b>	-	<b>(288.69)</b>	<b>826.10</b>	<b>(1,114.74)</b>

## 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 Lacs (previous year – ₹ 103 Lacs).

## 5] Corporate Social Responsibility

As required by Section 135 of Companies Act, 2013 and rules therein, a Corporate social responsibility (CSR), are not applicable on Company for current financial year and as well for previous financial year.

## 6] Proposed Dividend

The Board of Directors at its meeting held on May 21, 2019 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, 2019. The same amounts to ₹ 143.19 Lacs excluding dividend distribution tax of ₹ 29.43 Lacs. Same is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognized as a liability.

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## 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:**

(₹ in Lakhs)

Particulars	March 31, 2019		March 31, 2018	
	No. of shares	% of holding	No. of shares	% of holding
Kumar S Taurani	28,81,915	20.13	28,81,915	20.13
Ramesh S Taurani	28,75,911	20.09	28,75,911	20.09
Varsha R Taurani	24,74,718	17.28	24,74,718	17.28
Renu K Taurani	24,68,718	17.24	24,68,718	17.24

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

(₹ in Lakhs)

Particulars	March 31, 2019		March 31, 2018	
	Number	Amount	Number	Amount
Share outstanding at the beginning of the year	1,43,18,659	1,431.87	1,43,18,659	1,431.87
Shares outstanding at the end of the year	1,43,18,659	1,431.87	1,43,18,659	1,431.87

d] **Information on equity shares allotted without receipt of cash or allotted as bonus shares or shares bought back**

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/-

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## 8] Borrowings :

### Nature of Securities and Terms of Repayment

#### i] Overdraft Facilities

Overdraft Facility of ₹ 847 lacs (March 31, 2018 ₹ 2,229 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, 2021 and April, 2025 respectively.

#### ii] Term Loans

- a) 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. During the year, said loan is repaid.
- b) 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. During the year, said loan is repaid.

## 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	(₹ in Lakhs)	
	March 31, 2019	March 31, 2018
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	-	-



# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## 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. Sunil Chellani - Chief Financial Officer (From 01.06.2018)  
Mr. I T Gursahani - Chief Financial Officer (Upto 31.05.2018)  
Ms. Bijal Patel - Company Secretary

#### Non Executive Independent Director

Ms. Radhika Pereira  
Mr. Amitabh Mundhra  
Mr. Venkitaraman Iyer

#### 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 (Upto 31.05.2018)

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

NIL

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

(₹ in Lakhs)

Particulars	March 31, 2019			March 31, 2018		
	Key Management Personnel	Relatives of Key Management Personnel	Total	Key Management Personnel	Relatives of Key Management Personnel	Total
Loan Taken	643.50	-	<b>643.50</b>	1,069.50	-	<b>1,069.50</b>
Loan Repayment	644.50	-	<b>644.50</b>	1,059.50	-	<b>1,059.50</b>
Rent Paid	-	84.00	<b>84.00</b>	-	84.00	<b>84.00</b>
Interest Paid	42.18	-	<b>42.18</b>	93.48	-	<b>93.48</b>
Legal & Profession Fees Paid	24.58	23.00	<b>47.58</b>	-	24.00	<b>24.00</b>
Director Remuneration Paid	336.00	-	<b>336.00</b>	336.00	-	<b>336.00</b>
Salary Paid	6.75	99.50	<b>106.25</b>	6.00	51.00	<b>57.00</b>
Sitting Fees paid to Non Executive Independent Director	4.00	-	<b>4.00</b>	4.80	-	<b>4.80</b>
<b>Balances Outstanding at the year</b>						
Receivable Loans	-	-	-	10.00	-	<b>10.00</b>
Receivable Deposits	-	500.00	<b>500.00</b>	-	500.00	<b>500.00</b>

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

## 11] Segment Reporting

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

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

Company Disclosure as per the requirements of Indian Accounting Standard – 17 for "Segment Reporting" is as under :

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.

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## Segment Reporting

### Information about reportable segments

(₹ in Lakhs)

Particulars	March 31, 2019			March 31, 2018		
	Music (Audio/Video)	Film Production/Distribution	Total	Music (Audio/Video)	Film Production/Distribution	Total
<b>Segment Revenues</b>						
Sales & License Fees	6,673.88	13,650.00	20,323.88	4,258.91	490.00	4,748.91
<b>Total</b>	<b>6,673.88</b>	<b>13,650.00</b>	<b>20,323.88</b>	<b>4,258.91</b>	<b>490.00</b>	<b>4,748.91</b>

(₹ in Lakhs)

Particulars	March 31, 2019			March 31, 2018		
	Music (Audio/Video)	Film Production/Distribution	Total	Music (Audio/Video)	Film Production/Distribution	Total
Segment Results	4,774.63	(2,816.60)	1,958.03	3,576.83	(1,370.25)	2,206.58
Finance Cost	-	-	219.07	-	-	663.39
Other unallocated expenditure (net)	-	-	1,009.94	-	-	1,143.14
<b>Profit Before Tax</b>			<b>729.02</b>			<b>400.05</b>

(₹ in Lakhs)

Particulars	March 31, 2019				March 31, 2018			
	Music (Audio/Video)	Film Production/Distribution	Unallocated	Total	Music (Audio/Video)	Film Production/Distribution	Unallocated	Total
Segment depreciation and amortisation	2.96	3.19	123.94	130.09	2.96	3.19	133.10	139.25
Segment non-cash expenditure other than depreciation and amortisation	-	-	-	-	8.22	(0.90)	-	7.31

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

(₹ in Lakhs)

Particulars	March 31, 2019			March 31, 2018		
	Music (Audio/Video)	Film Production/Distribution	Total	Music (Audio/Video)	Film Production/Distribution	Total
Segment Assets	1,361.53	4,505.87	5,867.39	986.08	15,163.04	16,149.12
<b>Reconciliation to total assets</b>						
Investment			11.57			10.94
Current Tax Assets (Net)			370.87			180.54
Other Unallocable Assets			3,220.64			3,898.25
<b>Total Assets as per Balance Sheet</b>			<b>9,470.47</b>			<b>20,238.84</b>

(₹ in Lakhs)

Particulars	March 31, 2019				March 31, 2018			
	Music (Audio/Video)	Film Production/Distribution	Unallocated	Total	Music (Audio/Video)	Film Production/Distribution	Unallocated	Total
Addition to non current assets other than financial assets	-	-	132.81	132.81	-	-	8.84	8.84

(₹ in Lakhs)

Particulars	March 31, 2019			March 31, 2018		
	Music (Audio/Video)	Film Production/Distribution	Total	Music (Audio/Video)	Film Production/Distribution	Total
Segment Liabilities	41.87	1,042.25	1,084.12	38.36	9,542.44	9,580.80
<b>Reconciliation to total liabilities</b>						
Borrowings			846.98			1,370.81
Other Unallocable Liabilities			464.46			2,319.50
<b>Total Liabilities as per Balance Sheet</b>			<b>2,395.56</b>			<b>13,271.11</b>

## 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.

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

(₹ in Lakhs)

March 31, 2019	Carrying Amount				Fair Value			
	FVPTL	FVYOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>								
<b>Non Current</b>								
Investment			0.50	0.50				
Mutual Fund	11.57			11.57	11.57			11.57
Rent Deposits			522.93	522.93				
Other Financial Assets			12.12	12.12				
<b>Current Assets</b>								
Trade Receivables			1,057.59	1,057.59				
Cash & Cash Equivalents			869.33	869.33				
Bank Balances other than above			58.86	58.86				
Other Financial Assets			12.41	12.41				
<b>Financial Liabilities</b>								
<b>Non Current</b>								
Borrowings			200.23	200.23				
Other Financial Liabilities			24.00	24.00				
<b>Current Liability</b>								
Borrowings			-	-				
Trade Payable			1,130.04	1,130.04				
Other Current Liabilities			653.79	653.79				

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

(₹ in Lakhs)

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

There are no transfers between Level 1 and Level 2 during the year

## Financial instruments – Fair values and risk management

- i] The carrying value of trade receivables, cash and cash equivalents, other bank balances, loans, trade payables and other financial assets and liabilities are considered to be the same as their fair values due to their short term nature. The fair value of financial instruments as

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

referred to in note above have been classified into three categories depending on the inputs used in valuation technique. The hierarchy gives highest priority to quoted prices in active market for identical assets or liabilities (Level 1 measurement) and lowest priority to unobservable inputs (Level 3 measurement).

- ii] Valuation technique used to determine fair value Specific valuation technique used to value financial instruments include:  
The mutual funds are valued using closing NAV available in the market.

## **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**

#### **a] Credit Risk management**

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 ₹ 928.19 Lacs as on March 31, 2019 (March 31, 2018 : ₹ 788.44 Lacs). The cash and cash equivalents are held with bank counterparties with good credit ratings.



# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## c] Loans and Advances :

The Company held Loans and Advances of ₹ 510 Lacs as on March 31, 2019 (March 31, 2018 : ₹ 510/-). The loans and advances are in nature of rent deposit paid to landlords and are fully recoverable.

## d] Trade receivables :

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business. Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

## 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, 2019 and March 31, 2018 the Company had unutilized credit limits from banks of ₹ 2,725 Lacs, ₹ 2,416 Lacs 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.

(₹ in Lakhs)

March 31, 2019	Contractual Cash Flows						
	Carrying Amount	Total	Less than 6 months	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
<b>Current Financial Liabilities</b>							
Borrowings	-	-	-	-	-	-	-
Trade Payables	1,130.04	1,130.04	1,130.04	-	-	-	-
Other Financial Liabilities	653.79	653.79	653.79	-	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

(₹ in Lakhs)

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	-	-	-	-

## 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.

## a] Currency Risk

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

## i) 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 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2018 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, 2019		March 31, 2018	
	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
USD	230.93	-	82.98	47.75
GBP	82.96	-	87.18	64.55
EURO	-	0.16	-	15.08
OTHERS	-	-	-	10.96
<b>Total</b>	<b>313.89</b>	<b>0.16</b>	<b>170.15</b>	<b>138.34</b>

(₹ in Lakhs)

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## ii) Net Exposure to Foreign Currency Risk

(₹ in Lakhs)

(Assets – Liabilities)			
Currency		March 31, 2019	March 31, 2018
USD		230.93	35.22
GBP		82.96	22.62
EURO		(0.16)	(15.08)
OTHERS		-	(10.96)
<b>TOTAL</b>		<b>313.72</b>	<b>31.81</b>

## iii) 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.

(₹ in Lakhs)

Effect in INR	March 31, 2019		March 31, 2018	
	Profit or Loss		Profit or Loss	
	Strengthening	Weakening	Strengthening	Weakening
USD - 10 % Movement	23.09	(23.09)	3.52	(3.52)
GBP - 10 % Movement	8.30	(8.30)	2.26	(2.26)
EURO - 10 % Movement	(0.02)	0.02	(1.51)	1.51
OTHER - 10 % Movement	-	-	(1.10)	1.10

## b) 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.

## i) 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.

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Borrowings		
Fixed Rate Borrowings	-	546.98
Variable Rate Borrowings	846.98	2,228.95

## ii) Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

## iii) Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

INR	Profit or (loss)	
	100 bp increase	100 bp decrease
<b>March 31, 2019</b>		
Variable-rate instruments	(846.98)	(846.98)
<b>Cash flow sensitivity (net)</b>	(846.98)	(846.98)
<b>March 31, 2018</b>		
Variable-rate instruments	(2,228.95)	(2,228.95)
<b>Cash flow sensitivity (net)</b>	<b>(2,228.95)</b>	<b>(2,228.95)</b>

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

## c) Price Risk

Price risk refers to risk that the fair value of a financial instrument may fluctuate because of the change in the market price. The Company is exposed to the price risk mainly from investment in mutual funds. Investments in mutual funds are made primarily in units of fixed maturity and liquid funds and are not exposed to significant price risk.

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## 13] Capital Management

### a] Risk Management

The Company's capital management objectives are:

- safeguard their ability to continue as A going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of net debt to equity ratio and maturity profile of overall debt portfolio of the Company

### b] Dividend on equity shares

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
<b>Dividend declared and paid during the year</b>		
Final Dividend for the year ended March 31, 2018 of ₹ 1/- (March 31, 2017 - ₹ 1/- per fully paid share (along with Dividend distribution tax)	172.62	172.34
<b>Proposed Dividend not recognised at the end of the reporting period</b>		
In addition to the above dividend, since year end the directors have recommended the payment of final Dividend for the year ended of ₹ 1/- (March 31, 2018 - ₹ 1/- per fully paid share (along with Dividend distribution tax). The proposed dividend is subject to the approval of shareholder in the ensuing annual general meeting. Hence no liability has been recognised in books.	172.62	172.62

## 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 ₹ 8.56 Lacs for year ended March 31, 2019 (₹ 8.28 Lacs for year ended March 31, 2018) 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, 2019. 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.

### Employee Benefits:

#### Gratuity

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

		(₹ in Lakhs)	
Particulars	March 31, 2019	March 31, 2018	
<b>a] Reconciliation of opening and closing balances of the present value of the defined benefit obligation:</b>			
Present value of obligation at the beginning of the year	91.20	114.68	
Current service cost	8.00	10.79	
Interest cost	6.94	7.10	
<u>Remeasurements (gains) / losses</u>			
Actuarial (gain)/ loss arising from changes in financial assumptions	1.42	(11.35)	
Actuarial (gain)/ loss arising from changes in experience adjustments	3.35	(13.08)	
Benefits paid	(3.17)	(16.94)	
<b>Present value of obligation at the end of the year</b>	<b>107.73</b>	<b>91.20</b>	
<b>b] Reconciliation of the opening and closing balances of the fair value of plan assets:</b>			
Fair value of plan assets at the beginning of the year	59.29	68.38	
Adjustment to opening fair value of plan assets	6.94	(0.71)	
Interest Income	4.51	4.08	

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

Particulars	March 31, 2019	March 31, 2018
Remeasurements gains / (losses)		
Return on plan assets (excluding amount included in net interest cost)	(0.68)	0.88
Contributions by employer	1.00	3.60
Benefits paid	(3.17)	(16.94)
<b>Fair value of plan assets at the end of the year</b>	<b>67.88</b>	<b>59.29</b>
<b>c] Reconciliation of the present value of the defined benefit obligation and the fair value of plan assets:</b>		
Present value of obligation at the end of the year	107.73	91.20
Fair value of plan assets at the end of the year	67.88	59.29
<b>Liabilities recognised in the balance sheet</b>	<b>39.85</b>	<b>31.91</b>
<b>d] Actual Return of Plan Assets</b>	<b>3.85</b>	<b>4.96</b>
<b>e] Re-measurements losses/(gains) recognised in the Other Comprehensive Income</b>		
Return on plan assets (excluding amount included in net interest cost)	0.68	(0.88)
Effect of changes in financial assumptions	1.42	(11.35)
Effect of changes in experience adjustments	3.35	(13.08)
<b>Total re-measurement included in Other Comprehensive Income</b>	<b>5.45</b>	<b>(25.31)</b>
<b>f] Expense recognised in Statement of Profit or Loss:</b>		
Current service cost	8.00	10.79
Net interest cost	2.43	3.02
<b>Total expense recognised in Statement of Profit and Loss (refer note 33)</b>	<b>10.43</b>	<b>13.81</b>
<b>g] Category of plan assets:</b>	in %	in %
Fund with Life Insurance Corporation of India	<b>100</b>	<b>100</b>
<b>h] Maturity profile of defined benefit obligation:</b>		
Within 1 year	1.22	
1 - 2 years	1.37	
2 - 3 years	1.54	
3 - 4 years	23.82	
4 - 5 years	1.44	
5 - 10 years	74.26	



# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

Particulars		March 31, 2019	March 31, 2018
i]	<b>Principal actuarial assumptions:</b>		
	Discount rate	7.61%	7.74%
	Salary growth rate	10%	10%
	Mortality Rate during employment	IALM (2006-08) Ult.	IALM (2006-08) Ult.
j]	<b>Sensitive Analysis</b>	Discount Rate	
		PVO DR + 1%	PVO DR - 1%
		97.54	119.68
		Salary Escalation Rate	
		PVO ER + 1%	PVO ER - 1%
		119.21	97.72

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.

## 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. The total provision recorded by the Company towards this obligation was ₹ 3.74 lakhs and ₹ 2.48 lacs as at March 31, 2019 and March 31, 2018

## Employee Benefits:

## 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

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

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

### i] Expenditure / Payments In Foreign Currency

	March 31, 2019	March 31, 2018
Shooting Expenses	3,408.07	2,720.65
Data Storage Expenses	5.20	4.57
Travelling Expenses	4.11	-
<b>Total</b>	<b>3,417.39</b>	<b>2,725.22</b>

### ii] Earnings In Foreign Currency

	March 31, 2019	March 31, 2018
Royalty	2,453.06	1,477.59
<b>Total</b>	<b>2,453.06</b>	<b>1,477.59</b>

## 16] Recent accounting pronouncements - Standards issued but not yet effective:

### i] Ind AS 116 - Leases

On March 30, 2019, Ministry of Corporate affairs have notified Ind AS 116 – “Leases”. Ind AS 116 will replace the existing leases standards Ind AS 17 – “Leases” and related interpretations. The new standard sets out the principles for the recognition, measurement, presentation and disclosures of lease for both lease and lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise the assets and liabilities for all leases with a term of more than 12 months, unless the underlying assets are of

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

low value. Ind AS 116 substantially carried forward the accounting treatment prescribed for lessor. The effective date for adoption of Ind AS 116 is annual period beginning on or after April 01, 2019. The Company is evaluating the impact of the issued Ind AS 116 on its financial statements.

## ii] Ind AS 12 – “Income taxes” - Appendix C – Uncertainty over income tax treatments

On March 30, 2019, Ministry of Corporate affairs have notified Appendix C to Ind AS 12, uncertainty over the income tax treatments which is to be applied while performing the determination of taxable profits/(loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, the company needs to determine the probability of the relevant tax authorities accepting the each tax treatments that the companies have used or plan to use in their income tax filings which has to be considered to compute the most likely amount or expected value of the tax treatments, when determining the taxable profits/(loss), tax bases, unused tax losses, unused tax credits and tax rates. The effective date for adoption of Ind AS 12 is annual period beginning on or after April 01, 2019. The Company is evaluating the impact of the issued appendix C on its financial statements.

## 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

	(₹ in Lakhs)	
	March 31, 2019	March 31, 2018
<b>Profit/(Loss) attributable to equity shareholders</b>		
Continuing Operation	284.76	312.54
Profit attributable to equity holders of the Company for basic earnings	284.76	312.54
Profit attributable to equity holders of the Company adjusted for the effect of dilution	284.76	312.54

### b] Weighted average number of ordinary shares

	(₹ in Lakhs)	
	March 31, 2019	March 31, 2018
Issued ordinary shares at April 1	143.18	143.18
Weighted average number of shares at March 31 for basic and Diluted EPS	143.18	143.18

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## c] Basic and Diluted earnings per share

	(₹ in Lakhs)	
	March 31, 2019	March 31, 2018
Basic earnings per share	1.99	2.19
Diluted earnings per share	1.99	2.19

## 18] 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 21, 2019

For and on behalf of the Board of Directors of

**TIPS INDUSTRIES LIMITED**

**CIN : L92120MH1996PLC099359**

**Kumar S. Taurani**

Chairman & Managing Director

DIN : 00555831

**Bijal Patel**

Company Secretary

CS Membership No. : 30140

Place : Mumbai

Date : May 21, 2019

**Ramesh S. Taurani**

Managing Director

DIN : 00010130

**Sunil Chellani**

Chief Financial Officer



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## 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](http://www.tips.in) **E-mail:** [response@tips.in](mailto:response@tips.in)

### ATTENDANCE SLIP

(To be presented at the entrance)

**23<sup>RD</sup> ANNUAL GENERAL MEETING – MONDAY, SEPTEMBER 23, 2019 AT 11.00 A.M.**

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 **23<sup>rd</sup> ANNUAL GENERAL MEETING** of the Company at **Jubilee Room, Hotel Sun-N-Sand, Juhu, Mumbai 400049**, on **Monday, September 23, 2019**.

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Name of the Member / Proxy

---

Signature of Member / Proxy

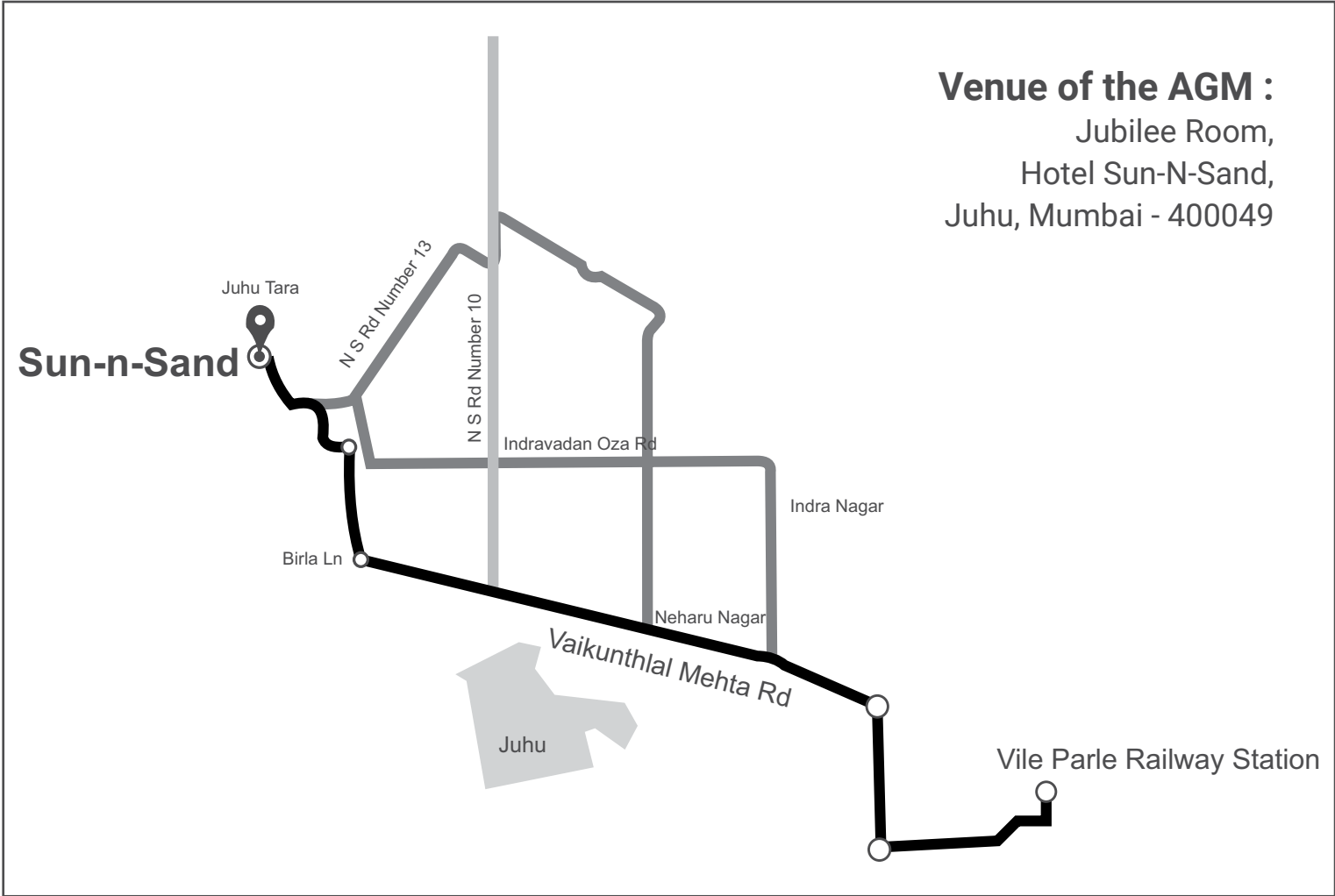
#### NOTE:

- 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](http://www.tips.in) **E-mail:** [response@tips.in](mailto: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 23<sup>rd</sup> Annual General Meeting of the Company, to be held on the Monday, September 23, 2019 at 11.00 a.m. at Jubilee Room, Hotel Sun-n-Sand, Juhu, Mumbai 400049 and at any adjournment thereof in respect of such resolutions as are indicated below:

Reso. No.	Description
<b>ORDINARY BUSINESS</b>	
1	Adoption of Audited Financial Statements, Reports of the Board of Directors and Auditors for the financial year ended March 31, 2019
2	Declaration of Dividend on Equity Shares for the financial year ended March 31, 2019
3	Re-appointment of Mr. Kumar Taurani, who retires by rotation and being eligible, offers himself for re-appointment
4	Re-appointment of M/s. SSPA & Associates, Chartered Accountants as Statutory Auditors of the Company
<b>SPECIAL BUSINESS</b>	
5	To make/ratify contribution to bona fide charitable and other funds

Signed this \_\_\_\_\_ day of, \_\_\_\_\_ 2019

\_\_\_\_\_  
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  
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Website: [www.tips.in](http://www.tips.in)

Concept, Content & Design

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