



August 18, 2022

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: Corrigendum to the Annual Report for the year ended March 31, 2022 (“Annual Report”)**

Dear Sir,

This is in furtherance to our letter dated August 6, 2022 wherein the Company had submitted its Annual Report for FY 2021-22 of the 26<sup>th</sup> Annual General Meeting ("AGM") of the shareholders of the Company scheduled to be held on August 29, 2022. A few inadvertent formatting errors were noticed on pages no.68 and 69 in the Annual Report for the financial year ended March 31, 2022 and the same have been rectified.

It may be noted that these were minor formatting errors, not material in nature and have no impact on the financial statements in any manner.

The Revised Annual Report for FY 2021-22 is enclosed herewith and is also available on the website of the Company at [www.tips.in](http://www.tips.in).

The inconvenience caused in this regard is regretted.

Please take the above information on record.

Thanking you,  
For **Tips Industries Limited**

**Bijal R. Patel**  
Company Secretary

Encl: a/a

**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](mailto:response@tips.in) Website : [www.tips.in](http://www.tips.in)  
CIN: L92120MH1996PLC099359

Tips Industries Limited

Annual Report 2021-22



Music  
is **priceless**



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# Music is **priceless**

Music is a unifying force that transcends borders and boundaries; that makes it priceless. Tips Industries Limited is a leading Indian music label which creates and monetizes music. It has an extensive music catalogue of film, non-film, devotional, pop and remixes in Hindi, Punjabi, Gujarati, Bhojpuri and other languages straddles all genres of popular Indian music. The catalogue is licensed to over the top (OTT) video platforms, social media platforms, content aggregators, television channels, telecom companies, radio stations, advertisers, event management companies, hotels, restaurants and others. Social media and gaming are emerging as new sources of monetization. Through a robust multi-year track record, the company has demonstrated consistent success in creating high quality music and acquiring music related intellectual property rights (IPR).

## Our Corporate Culture



### Our Vision:

To be amongst the Top 3 music companies in India.



### Our Purpose:

Deliver Entertainment



### Our Mission:

To create, acquire and deliver quality music having high catalogue value to a wide range of audiences.



### Our Core Values:

- Honesty
- Commitment
- Teamwork
- Passion
- Positive attitude



Chairman's  
Message  
to **Shareholders**

## **Dear Fellow Shareholders,**

Music unites us, therefore music is priceless. It transcends borders and boundaries as a force for good. That's why at Tips, our endeavours are about shaping culture through the power of artistry. We deploy knowledge and innovation to help fans connect with the artists and music they love and in ways they want.

FY2022 has been a watershed year in many ways. In this first year the Music business established itself as a freestanding Company capable of charting out its own destiny. Your Company achieved its highest ever Revenues of Rs. 135.6 crores and PAT of Rs. 64.55 crores. It is a matter of great satisfaction and personal pride that the Company has been able to create more jobs within the Company as well as offer more opportunities to artists, contributed more in taxes and has also been able to create value for its shareholders.

We are actively creating and acquiring new IP. We had 276 new releases in FY2022. During the year, these new releases have clocked over 2.8bn views, including UGC, on YouTube alone. Recreations of old songs are about 4 to 5% of new releases but energise the portfolio and also provide strategic opportunities. No doubt, recreations derive strength from the originals. But in essence these are completely new songs with different lyrics, changed music and new videos picturised on different actors. An important underappreciated difference is that these songs are sung by completely

different singers. This should provide a flavour of the levers which the Company has to discover, test, promote and boost new artists.

At this juncture, music and technology are both contributing to growth of our business. We believe new technological advancements in the areas of social media, digital health/fitness and gaming offer exciting new market opportunities. We expect social media to become a large revenue generator and expect exponential growth to begin in the next two to three years. Other potential areas for future growth include music products and experiences developed for metaverse and Web3 platforms. These range from streaming within metaverse services, to digital merch, collectibles, and fan-oriented NFT products.

Building on these advancements, we expect the existing addressable streaming market to be expanded through the penetration of Smart Audio Devices – “wearables” (smart watches, earbuds) – Smart TVs and Connected Cars. These developments may increase engagement and consumption and support new listening behaviours, creating a powerful driver for customer acquisition and retention.

We believe the future will bring more opportunities for us.

**Jai Hind**

**Kumar Taurani**



Your Company achieved its highest ever Revenues of Rs. 135.6 crores and PAT of Rs. 64.55 crores. It is a matter of great satisfaction and personal pride that the Company has been able to create more jobs within the Company as well as offer more opportunities to artists, contributed more in taxes and has also been able to create value for its shareholders.

# Corporate Information

## BOARD OF DIRECTORS:

<b>Mr. Kumar Taurani</b>	<i>Chairman &amp; Managing Director</i>
<b>Mr. Ramesh Taurani</b>	<i>Executive Director</i>
<b>Mr. Girish Taurani</b>	<i>Executive Director</i>
<b>Mr. Amitabh Mundhra</b>	<i>Independent Director</i>
<b>Ms. Radhika Dudhat</b>	<i>Independent Director (till May 30, 2022)</i>
<b>Mr. Venkitaraman Iyer</b>	<i>Independent Director (till May 30, 2022)</i>
<b>Ms. Tara Subramaniam</b>	<i>Independent Director (from May 31, 2022)</i>
<b>Mr. Shashikant Vyas</b>	<i>Independent Director (from May 31, 2022)</i>

## CHIEF FINANCIAL OFFICER:

**Mr. Sunil Chellani**

## COMPANY SECRETARY & COMPLIANCE OFFICER:

**Ms. Bijal R. Patel**

## REGISTERED OFFICE:

601, Durga Chambers, Linking Road,  
Khar (West), Mumbai 400 052  
Contact No.: +91 22 6643 1188  
E-mail I.D: info@tips.in  
Website: www.tips.in  
CIN: L92120MH1996PLC099359

## CORPORATE OFFICE:

2nd Floor, Raheja Chambers,  
Linking Road and Main Avenue  
Santacruz (West), Mumbai - 400054

## STATUTORY AUDITORS:

**M/s. SSPA & Associates**  
Chartered Accountants  
1st floor, Arjun, Plot No. 6A, V. P. Road,  
Andheri (West), Mumbai - 400 058

## INTERNAL AUDITORS: (FY 2021-22)

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

## SECRETARIAL AUDITORS:

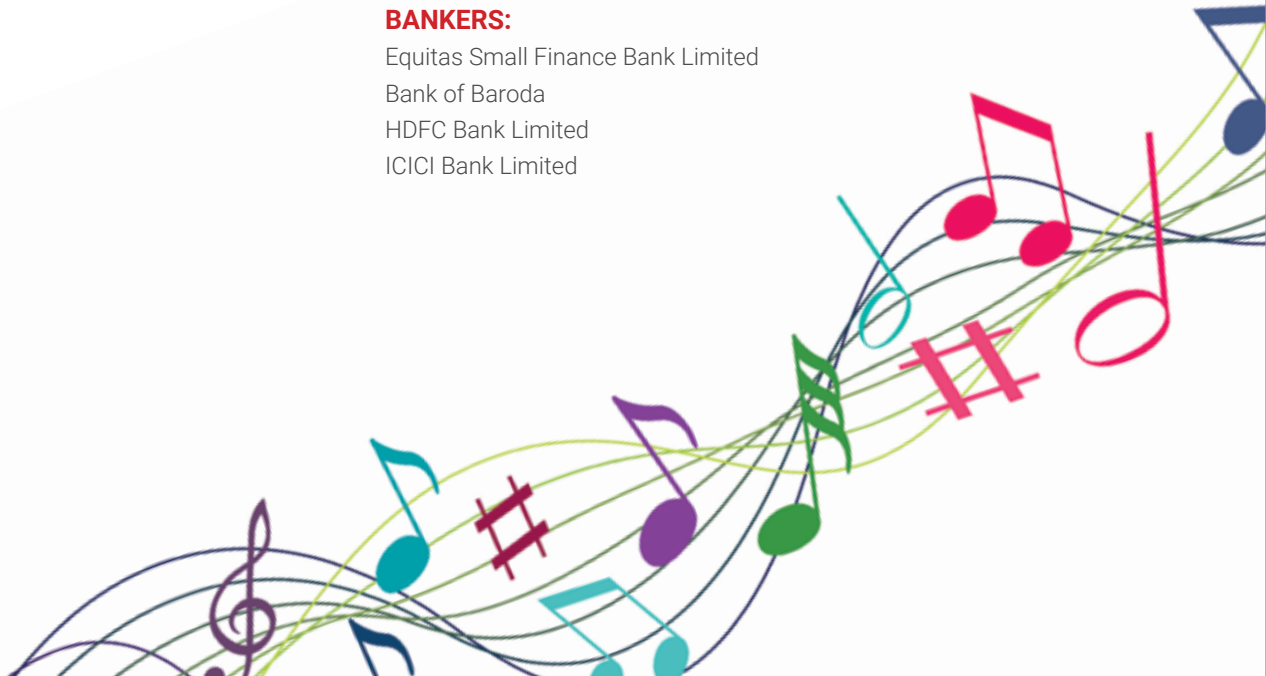
**NL Bhatia & Associates**  
507, Skyline Wealth Space, 5th Floor,  
C2 Wing, Skyline Oasis Complex,  
Premier Road, Near Vidyavihar Station,  
Ghatkopar (West), Mumbai - 400 086

## REGISTRAR & SHARE TRANSFER AGENT:

**Link Intime India Pvt. Ltd.**  
C- 101, 247 Park, LBS Marg,  
Vikhroli (West), Mumbai - 400 083  
Contact No.: Tel: +91 22 4918 6000  
Fax No.: +91 22 4918 6060  
E-mail I.D: rnt.helpdesk@linkintime.co.in  
Website: www.tips.in

## BANKERS:

Equitas Small Finance Bank Limited  
Bank of Baroda  
HDFC Bank Limited  
ICICI Bank Limited



# Notice of the Annual General Meeting

**NOTICE** is hereby given that the 26th Annual General Meeting of the Members of Tips Industries Limited will be held on **Monday, August 29, 2022 at 11:00 a.m. (IST)** through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following businesses:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2022 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, 2022.\*
3. To appoint a director in place of Mr. Girish Taurani (DIN: 08695775), who retires by rotation and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS:

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

**"RESOLVED THAT** pursuant to provisions of Sections 196, 197, 198, 203 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") and Schedule V of the Act read with Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to other requisite approvals, if any, consent of the Members of the Company be and is hereby accorded for re-appointment of Mr. Kumar Taurani (DIN: 00555831) as Chairman and Managing Director of the Company for a period of three years w.e.f. June 1, 2022 to May 31, 2025 on the terms and conditions of appointment and remuneration as mentioned below and as approved by the Board of Directors of the Company on recommendation of the Nomination and Remuneration Committee.

### (A) Remuneration:

Minimum Rs.14 lakhs per month only i.e. Rs.168 lakhs per annum only or 5% of net profit of the Company, as may be decided by the Board from time to time, as laid down in Section 197 of the Act and Listing Regulation.

### (B) Perquisites:

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

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

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

### (C) Powers and duties as per the provisions of the Articles of Association of the Company.

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

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

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

**"RESOLVED THAT** pursuant to provisions of Sections 152, 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") and Schedule V of the Act read with Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to other requisite approvals, if any, consent of the Members of the Company be and is hereby





accorded for re-appointment of Mr. Girish Taurani (DIN: 08695775) as an Executive Director of the Company for a period of three years w.e.f. June 1, 2022 to May 31, 2025 on the terms and conditions of appointment and remuneration as mentioned below and as approved by the Board of Directors of the Company on recommendation of the Nomination and Remuneration Committee.

**(A) Remuneration:**

Rs.5 lakhs per month only i.e. Rs.60 lakhs per annum only

**(B) Perquisites:**

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

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

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

**(C) Powers and duties as per the provisions of the Articles of Association of the Company.**

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

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

6. To consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION:**

**RESOLVED THAT** pursuant to provisions of Section 152, 203 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") and Schedule V of the Act read with Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 and

the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to other requisite approvals, the consent of the members of the Company be and is hereby accorded to appoint Mr. Ramesh Taurani (DIN: 00010130) as an Executive Director of the Company, who was earlier designated as the Managing Director of the Company, for a period of three years w.e.f. June 1, 2022 to May 31, 2025 on the terms and conditions of appointment and remuneration as mentioned below and as approved by the Board of Directors of the Company on recommendation of the Nomination and Remuneration Committee.

**(A) Remuneration:**

The appointment of Mr. Ramesh Taurani as an Executive Director of the Company shall be without remuneration.

**(B) Perquisites:**

No Perquisites shall be provided to Mr. Ramesh Taurani.

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

**(C) Powers and duties as per the provisions of the Articles of Association of the Company.**

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

7. To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule IV to the said Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force) and on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the

Company, Ms. Tara Subramaniam (DIN: 07654007), who meets the criteria of independence as prescribed under the Act and the Listing Regulations as amended from time to time, and who was appointed as an Additional Director designated as an Independent Director and in respect of whom the Company has received a notice from member proposing her candidature for the office of Director under Section 160 of the Act, be and is hereby appointed as Non-Executive Independent Director of the Company to hold office for a term of five consecutive years from May 31, 2022, and shall not be liable to retire by rotation.

**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.”

8. To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with Schedule IV to the said Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment thereof for the time being in force) and on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Shashikant Vyas (DIN: 00237150), who meets the criteria of independence as prescribed under the Act and the Listing Regulations as amended from time to time, and who was appointed as an Additional Director designated as an Independent Director and in respect of whom the Company has received a notice from member proposing him candidature for the office of Director under Section 160 of the Act, be and is hereby appointed as Non-Executive Independent Director of the Company to hold office for a term of five consecutive years from May 31, 2022, and shall not be liable to retire by rotation.

**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.”

9. To consider and if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:

**“RESOLVED THAT** pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with rules made thereunder and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to all applicable approvals, permissions and such conditions as may be prescribed by any of the concerned authorities while granting such approvals, basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into, contract(s)/ arrangement(s)/ transaction(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) as mentioned in the explanatory statement with Tips Films Limited for the Financial Year 2022-23, for an aggregate value of up to Rs. 20 Crores, subject to such contract(s)/arrangement(s)/transaction(s) being carried out at arm’s length and in the ordinary course of business of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board / Committee be and is hereby authorized to agree, make, accept and finalize all such terms, condition(s), modification(s) and alteration(s) as it may deem fit within the aforesaid limits and the Board/ Committee is also hereby authorized to resolve and settle all questions, difficulties or doubts that may arise with regard to such payment and to finalize and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental as the Board / Committee in its absolute discretion may deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have been given approval thereto expressly by the authority of this resolution.”

Place: Mumbai

Date: May 30, 2022

**Registered Office:**

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

**By Order of the Board of Directors**

**Bijal R. Patel**

**Company Secretary**

\*The actual equity dividend to be declared by the shareholders at the 26th 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, 2022 in accordance with the Rules framed by the Board as per Note No.11 hereinafter appearing.



## Notes:

1. In view of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 08, 2021, Circular No. 21/2021 dated December 14, 2021 and Circular No. 2/2022 dated May 05, 2022 issued by the Ministry of Corporate Affairs (collectively referred to as 'MCA Circulars') and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, read with the Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020, No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by the SEBI (collectively referred to as 'SEBI Circulars'), companies are allowed to hold AGM through VC/OAVM, without the physical presence of members at a common venue. In compliance with the Circulars, the AGM of the Company is being held through VC/OAVM.
2. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed hereto.
3. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.
4. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
5. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business under Item No. 4 to 9, are annexed hereto. The relevant details of the Directors seeking appointment/re-appointment under Item No. 3 to 8, 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.
6. In compliance with the Circulars, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose e-mail address is registered with the Company/ Depository Participants. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2021-22 will also be available on the Company's website [www.tips.in](http://www.tips.in); websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com). Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
7. For receiving all communication (including Annual Report) from the Company electronically and updating email addresses / Bank Account
  - Members holding shares in physical mode and who have not registered / updated their e-mail address or other KYC details are requested to submit duly filled in Form ISR-1 to update their email, bank account and other KYC Details with Company's RTA, Link Intime India Private Limited at [rnt.helpdesk@linkintime.co.in](mailto:helpdesk@linkintime.co.in) or by post to C-101, 247 Park, LBS Marg, Vikhroli West, Mumbai 400083.
  - Members holding shares in dematerialised mode are requested to register / update their e-mail address with the relevant Depository Participant.
8. The Register of Members and Share Transfer Books of the Company will remain closed from August 23, 2022 to August 29, 2022 (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 August 22, 2022 as per details furnished by the Company's Share Registrar and Transfer Agent and the Depositories for this purpose.
10. If the final dividend, as recommended by Board of Directors, is approved by the shareholders, payment of dividend will be subject to deduction of tax at source.

In terms of the Income Tax Act, 1961 ("the Act"), as amended by the Finance Act, 2020, dividend income is taxable in the hands of

members effective April 1, 2020 and therefore, the Company is required to deduct tax at source (TDS) at the prescribed rates on dividend payable to members.

In the absence of details of valid Permanent Account Number (PAN) of any member, the Company will have to deduct tax at a higher rate as prescribed under the Act. Members holding shares in electronic form are requested to submit their PAN details to their Depository Participant with whom they maintain their demat accounts and members holding physical shares are requested to submit their PAN details to our RTA.

Members not liable to pay income tax are also requested to submit necessary declaration viz., Form 15G, 15H etc. as may be applicable in their case, to avail the benefit of non-deduction of tax at source to [bijal@tips.in](mailto:bijal@tips.in) on or before August 19, 2022.

In terms of the amendment by the Finance Act, 2021, to the Act, a new section 206AB has been introduced mandating higher rate of deduction in case of non-filers with respect to tax deductions. Accordingly, the Company will be using the new functionality, "Compliance Check for Sections 206AB and 206CCA" provided by the Central Board of Direct Taxes through reporting portal of Income Tax Department. In case of non-filers as per the report available under the new functionality, tax will be deducted at twice the prescribed rate or 5% whichever is higher

11. 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, 2022 shall fill up the form and send it to the Company's Registrar on or before August 22, 2022 (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). 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.
12. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member desires to opt-out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form No. ISR-3 or Form No. SH-14, as the case may be. The said forms are available on the website of the Company [www.tips.in](http://www.tips.in). Members are requested to submit the said details to their DP in case the shares are held by them in dematerialised form, and to the RTA, in case the shares are held in physical form.
13. All unclaimed dividends up to the final dividend for FY 2013-14 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 2014-15 will fall due for transfer to the IEPF on September 19, 2022. Those Members, who have not encashed their dividends for the FY 2014-15, 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.
14. 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 September 19, 2022 shall be transferred by the Company to Investor Education and Protection Fund ("IEPF"). 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 September 19, 2022 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).
15. SEBI has vide circular no. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2021/655 dated November 3, 2021, mandated furnishing of PAN, KYC details and Nomination by Members holding shares in physical form. In view of the same, concerned shareholders are requested to furnish the requisite documents/information at the earliest. Non-availability of the same on or after April 1, 2023 will result in freezing of the folios of such shareholders pursuant to the aforesaid SEBI circular. The Company has sent communications to the concerned shareholders explaining the aforesaid requirements. The necessary forms for updation of the aforementioned information are available on the website of the Company at [www.tips.in](http://www.tips.in). Members may contact the Company's RTA for assistance in this regard.
16. Attention is drawn to Regulation 40 of the SEBI Listing Regulations which has mandated that transfer of securities would be carried out only in dematerialized form.
- Members are therefore requested to dematerialize their physical holdings. For any clarification, assistance or information relating to dematerialization of Company's shares, please contact the Registrar & Share Transfer Agents ("RTA") of the Company viz., M/s. Link Intime India Pvt. Ltd. C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083 at Tel: +91 22 4918 6000 or e-mail at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).

17. All documents referred to in the accompanying Notice and the Explanatory Statement can be obtained for inspection by writing to the Company at its email ID [bijal@tips.in](mailto:bijal@tips.in) till the date of AGM.
18. 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.
19. **VOTING THROUGH ELECTRONIC MEANS:**
- i) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations and Circulars, the Company is providing facility of remote e-voting to its members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with CDSL for facilitating voting through electronic means, as the authorized e-voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system during the AGM will be provided by CDSL.
  - ii) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. However, this number does not include the large Shareholders i.e. Shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
  - iii) Pursuant to MCA and SEBI Circular, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
  - iv) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as

on the cut-off date i.e. August 22, 2022 may obtain the login details in the manner as mentioned below.

**THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on August 26, 2022 at 9:00 a.m. and ends on August 28, 2022 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 August 22, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Members will be provided with the facility for e-Voting during the VC proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-Voting, will be eligible to exercise their right to vote at the end of discussion on such resolution(s) upon announcement by the Chairman. Members who have cast their vote on resolution(s) by remote e-Voting prior to the AGM will also be eligible to participate at the AGM through VC/OAVM but shall not be entitled to cast their vote on such resolution(s) again.
- (iv) The e-Voting module on the day of the AGM shall be disabled by CDSL for voting 15 minutes after the conclusion of the Meeting.
- (v) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (vi) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

Type of shareholders	Login Method
	<p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.**

(vii) Login method for e-Voting and joining virtual meeting for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) 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 e-voting of any company, then your existing password is to be used.





6) If you are a first-time user follow the steps given below:

**For Shareholders holding shares in Demat Form other than individual and Physical Form**

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"><li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li></ul>
Dividend Bank Details	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.
<b>OR</b> Date of Birth (DOB)	<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.</li></ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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 shareholders 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) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xix) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - 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.

- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; bijal@tips.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

#### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **seven days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at bijal@tips.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **seven days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at bijal@tips.in. These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

#### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to bijal@tips.in or to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.



21. 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.
22. The Scrutinizer will submit his report to the Chairman or any other person authorised by the Chairman after completion of scrutiny of the votes cast through remote e-voting and through electronic voting at the AGM within a period of not exceeding 48 hours from the conclusion of the Meeting, who shall countersign the same and declare the results of the voting forthwith.
23. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.tips.in](http://www.tips.in) and on CDSL

e-voting website immediately after the declaration of results by the Chairman of the Meeting or a person authorized by him and the same shall be communicated to BSE Limited and National Stock Exchange of India Limited.

Place: Mumbai

**By Order of the Board of Directors**

Date: May 30, 2022

**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. 4:**

Mr. Kumar Taurani was re-appointed as a Chairman and Managing Director of the Company at the 25th Annual General Meeting held on September 21, 2021 for a period of one year with effect from June 1, 2021 at remuneration of Rs.14 lakhs per month. His current term of appointment as Chairman & Managing Director of the Company has expired on May 31, 2022.

Keeping in view Mr. Kumar Taurani's rich and varied experience in the Media and Entertainment, his involvement in the operations of the Company over a long period of time, and his pioneering role in guiding the Company and contribution towards improvement in performance of the Company, the Board of Directors of the Company, on recommendation of the Nomination and Remuneration Committee, at their Meeting held on May 30, 2022 approved the re-appointment of Mr. Kumar Taurani as Chairman and Managing Director of the Company for a period of three years effect from June 1, 2022 at minimum remuneration of Rs.14 lakhs p.m. i.e. Rs.168 lakhs p.a.

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

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

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

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

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

**Item No. 5:**

Mr. Girish Taurani was appointed as an Executive Director of the Company at the 24th Annual General Meeting held on September 25, 2020 for a period of three years with effect from February 13, 2020 at remuneration of Rs.5 lakhs per month. His current term of appointment

as an Executive Director of the Company will be expired on February 12, 2023.

Keeping in view Mr. Girish Taurani's rich and varied experience in the Media and Entertainment, his involvement in the operations of the Company over a long period of time, and his pioneering role in guiding the Company and contribution towards improvement in performance of the Company, the Board of Directors of the Company, on recommendation of the Nomination and Remuneration Committee, at their Meeting held on May 30, 2022 approved the re-appointment of Mr. Girish Taurani as an Executive Director of the Company for a period of three years effect from June 1, 2022 at minimum remuneration of Rs.5 lakhs p.m. i.e. Rs.60 lakhs p.a.

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

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

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

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

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

**Item No. 6:**

Mr. Ramesh Taurani was re-appointed as a Managing Director of the Company at the 25th Annual General Meeting held on September 21, 2021 for a period of one year with effect from June 1, 2021. His current term has expired on May 31, 2022.

Pursuant to the recommendation by the Nomination and Remuneration Committee, the Board of Directors at their meeting held on May 30, 2022, has re-designated and appointed Mr. Ramesh Taurani as an Executive Director of the Company for a period of three years effect from June 1, 2022 without any remuneration.



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

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

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

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

**Item No. 7:**

In compliance with the Companies Act, 2013 (the "Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the "Listing Regulations"), the Board of Directors, based on the recommendations of the Nomination and Remuneration Committee, had appointed Ms. Tara Subramaniam (DIN: 07654007) as an Additional Director designated as Non-Executive Independent Director of the Company, for a term of 5 (five) consecutive years from May 31, 2022, not liable to retire by rotation. Her appointment is subject to the approval of Members at the AGM.

The Nomination and Remuneration Committee and the Board has recommended the appointment of Ms. Tara Subramaniam and in terms of Section 160 of the Act, the Company has received a notice in writing from a member proposing the candidature of Ms. Tara Subramaniam for the office of Director of the Company.

The Company has received a declaration under Section 149 of the Act from Ms. Tara Subramaniam confirming that she meets the criteria of independence as prescribed under the Act and Listing Regulations, consent to act as Director of the Company in terms of Section 152 of the Act and a declaration that she is not disqualified from being appointed as Director in terms of Section 164 of the Act. She has further confirmed that she has registered herself with the Independent Directors' databank and is exempt from the online proficiency self-assessment test in terms of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

In the opinion of the Board, Ms. Tara Subramaniam fulfils the conditions of independence as specified in the Act and the Listing Regulations for appointment as an Independent Director and is independent of the Management.

Ms. Tara Subramaniam is independent of the management and possesses appropriate skills, experience and knowledge. Brief profile and additional information pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are included separately in this Notice. Keeping in view her vast expertise and knowledge, it will be in the interest of all the stakeholders that Ms. Tara Subramaniam is appointed as Independent Director. It is proposed to appoint for a term upto five consecutive years commencing from May 31, 2022.

Save and except Ms. Tara Subramaniam and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors or Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval by the shareholders.

**Item No. 8:**

In compliance with the Companies Act, 2013 (the "Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the "Listing Regulations"), the Board of Directors, based on the recommendations of the Nomination and Remuneration Committee, had appointed Mr. Shashikant Vyas (DIN: 00237150) as an Additional Director designated as Non-Executive Independent Director of the Company, for a term of 5 (five) consecutive years from May 31, 2022, not liable to retire by rotation. His appointment is subject to the approval of Members at the AGM.

The Nomination and Remuneration Committee and the Board has recommended the appointment of Mr. Shashikant Vyas and in terms of Section 160 of the Act, the Company has received a notice in writing from a member proposing the candidature of Mr. Shashikant Vyas for the office of Director of the Company.

The Company has received a declaration under Section 149 of the Act from Mr. Shashikant Vyas confirming that he meets the criteria of independence as prescribed under the Act and Listing Regulations, consent to act as Director of the Company in terms of Section 152 of the Act and a declaration that he is not disqualified from being appointed as Director in terms of Section 164 of the Act. He has further confirmed that he has registered himself with the Independent Directors' databank and is exempt from the online proficiency self-assessment test in terms of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

In the opinion of the Board, Mr. Shashikant Vyas fulfils the conditions of independence as specified in the Act and the Listing Regulations for appointment as an Independent Director and is independent of the Management.

Mr. Shashikant Vyas is independent of the management and possesses appropriate skills, experience and knowledge. Brief profile and additional information pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are included separately in this Notice. Keeping in view his vast expertise and knowledge, it will be in the interest of all the stakeholders that Mr. Shashikant Vyas is appointed as Independent Director. It is proposed to appoint for a term upto five consecutive years commencing from May 31, 2022.

Save and except Mr. Shashikant Vyas and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors or Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

The Board recommends the Special Resolution set out at Item No. 8 of the Notice for approval by the shareholders.

#### Item No. 9:

Tips Industries Limited is engaged in the business of exploitation of audio content library digitally in India and overseas on various platforms.

In line with the above objective and in the best interest of the Company, the Company has been entering into various business transactions with the group company in the ordinary course of business and at arms' length basis.

Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 ('LODR Regulations') was amended vide notification dated November 9, 2021, inter alia, enhancing the scope of related party, related party transactions (RPTs) and the materiality threshold for seeking shareholder approval with effect from April 1, 2022, ie. If transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs. 1,000 Crore or 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

Considering the nature of business of the Company and the relevance of the transactions in the business, the transactions with Tips Films Limited are of continuous in nature and are being made in the Ordinary Course of Business at an arm's length basis.

As the value of transaction(s) may exceed the materiality threshold limit, as provided under the SEBI (LODR) Regulations, 2015, your approval is being sought for the Related Party Transactions as set out in the resolution for the financial year 2022-23.

The other related information as envisaged under the Act and SEBI Regulations, 2015 are furnished hereunder:

SN	Description	Details
a	Name of the Related Party	Tips Films Limited
b	Nature of relationship	Group Company
c	Tenure of the proposed transaction	One year i.e. Financial Year 2022-23.
d	Nature, material terms, monetary value and particulars of contracts or arrangement	The transaction involves Purchase/sale of rights, Loans and advance receive/provide or any other transactions for transfer of resources, services or obligations and other reimbursements for business purpose from/ to Tips Films Limited during FY 2022-2023, aggregating up to Rs. 20 Crores.
e	Value of Transaction	Up to Rs. 20 Crores
f	Percentage of annual consolidated turnover considering FY 2021-22 as the immediately preceding financial year	15%
g	Justification for the transaction	The RPTs with Tips Films Limited will help the Company achieve synergies, economies of scale and will be in the best interest of the members.
2	Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:	
a	details of the source of funds in connection with the proposed transaction	Internal Accruals

SN	Description	Details
b	where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments - nature of indebtedness; - cost of funds; and - tenure	Not Applicable
c	applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	This is an Unsecured Loan and the same will be repaid as mutually agreed by both parties.
d	the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	The fund will be utilized for production of films, web-series and other business purposes.
3	A copy of the valuation or other external report, if any, such report has been relied upon	Not Applicable

SN	Description	Details
4	Any other information that may be relevant	All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Companies Act, 2013 and forms a part of this Notice.

Apart from the above, none of the other directors and key managerial personnel or their relatives are interested in the resolution as set out in item no. 9 of this notice.

The Board recommends the resolution set forth in the above item for the approval of the members by way of Ordinary Resolution.

Place: Mumbai  
Date: May 30, 2022

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

### I. GENERAL INFORMATION

- Nature of the Industry:** The Company is in the Media & Entertainment Industry. The Company is in the business of exploitation of audio content library digitally in India and overseas on various platforms .
- Date of expected date of commencement of commercial production:** The Company was incorporated on May 8, 1996. The Company had since commenced its business.
- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** N. A.
- Financial Performance: - (Based on the audited financial statement for the year ended year 2021-22)**

	(Rs. in Lakh)
Turnover	13,558.64
Other Income	320.88
Total Expenditure	5,017.81
Net Profit before tax	8,861.71

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

### II. INFORMATION ABOUT THE APPOINTEE:

#### ➤ KUMAR TAURANI

##### 1. Background details:

Mr. Kumar S. Taurani is Founder, Promoter and Chairman and Managing Director of the Company since inception. His 42 years of experience in the industry has brought the Company to its current prominence. He has a deep understanding of Media and Entertainment Industry. With his constant untiring efforts to take Tips to new heights and his significant contribution till date, his vision and direction is essential for the progress of the Company.

##### 2. Past Remuneration :

During the Financial Year 2021-22, the Company had paid Rs.14 lakhs per month vide Special Resolution passed by the Members in the 25th AGM of the Company held on September 21, 2021.

##### 3. Recognition or awards:

The phenomenal growth in the Company's music turnover is attributable to the hard work of Mr. Kumar Taurani.

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

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

##### 5. Remuneration proposed:

The Abstract containing details of remuneration proposed to be paid to the Chairman & Managing Director are contained in the Resolution No. 4 of the Notice of the 26th Annual General Meeting.

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

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

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

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

#### ➤ MR. GIRISH TAURANI

##### 1. Background details:

Mr. Girish Taurani holds a bachelor's degree in Commerce from the Mumbai University. He has joined the Company as Sr. VP (Music Business) of the Company since November 1, 2016. He is having rich experience in the business of Media and Entertainment Industry and has expertise in field of Music. He is in charge of the overall responsibilities of operating the Music and Digital Business. He is responsible for the expansion and overall management of the business of the Company.



## 2. Past Remuneration:

During the Financial Year 2021-22, the Company has paid remuneration of Rs.5 lakhs per month.

## 3. Recognition or awards:

The phenomenal growth in the Company's music turnover is attributable to the hard work of Mr. Girish Taurani.

## 4. Job profile and his suitability:

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

## 5. Remuneration proposed:

The Abstract containing details of remuneration proposed to be paid to the Executive Director are contained in the Resolution No. 5 of the Notice of the 26th Annual General Meeting.

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

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

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

Mr. Girish Taurani is a Director of the Company. He has no other pecuniary relationship with the Company except to the

extent of his remuneration and shareholding in the Company. He is son of Mr. Kumar Taurani, Chairman & Managing Director of the Company.

## III. OTHER INFORMATION:

### 1. Reasons of inadequate profit:

As per the provision of the Companies Act, 2013 and Listing Regulation the Company has adequate profit and the Company has been running its operations efficiently and reporting good revenue.

### 2. Steps taken for improvement:

The Company remains committed to generate good returns for its stakeholders and has been successfully taking business initiatives to grow size of its operations and the profits.

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

The Company has shown significant improvements during the financial year 2021-22 and reporting healthy profits. The above measure undertaken is expected to yield positive results in the coming years. While it is difficult to give precise figures, the above initiatives are expected to improve the financial performance of the Company.

## IV. DISCLOSURES

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

**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 8, 1996
<b>Qualification &amp; Expertise in specific functional areas</b>	Mr. Kumar Taurani holds the Bachelor degree in commerce. He is Promoter, Chairman and Managing Director of the Company. He possesses immense knowledge and expertise in the field of Media & Entertainment Industry for more than 42 years. He controls the affairs of the Company as a whole. Alongside delivering a long list of veritable super hit films under the Tips banner, he has also built one of India's most vibrant and sought after music catalogues. His music curation and distribution excellence have made Tips a household name in India. As part of industry bodies and societies he has been instrumental in crafting various agreements between music labels, artistes and consumers which enabled implementation of the various provisions of the Copyright (Amendment) Act 2012. With his significant contribution till date, vision and directions are 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 and father of Mr. Girish Taurani, Executive Director of the Company
<b>Number of Shares held as on March 31, 2022</b>	26,29,800 Equity shares
<b>Names of other listed entities in which he holds the directorship as on March 31, 2022</b>	NIL
<b>Names of other listed entities in which he holds Membership of Committees of the Board as on March 31, 2022</b> (Includes only Audit and Stakeholders' Relations Committee)	NIL

<b>Name of Director</b>	Mr. Girish K. Taurani
<b>Date of Birth</b>	January 30, 1987
<b>Date of Appointment</b>	February 13, 2020
<b>Qualification &amp; Expertise in specific functional areas</b>	Mr. Girish Taurani holds the Bachelor degree in commerce. He is having rich experience in the business of Media and Entertainment Industry and has expertise in field of Music. He is in charge of the overall responsibilities of operating the Music and Digital Business. He is responsible for the expansion and overall management of the business of the Company.  Over these years by dint of his hard work and commitment he has been able to successfully execute several projects for the Company. He has shown a knack for music curation. He has also successfully transformed the organization structure to meet the current and future needs of the business and has been responsible for creating a separate vertical for digital business and scaling up revenues of that vertical.
<b>Relationships between Directors inter-se</b>	Mr. Girish Taurani is son of Mr. Kumar Taurani, Chairman & Managing Director.
<b>Number of Shares held as on March 31, 2022</b>	NIL
<b>Names of other listed entities in which he holds the directorship as on March 31, 2022</b>	NIL
<b>Names of other listed entities in which he holds Membership of Committees of the Board as on March 31, 2022</b> (Includes only Audit and Stakeholders' Relations Committee)	NIL



<b>Name of Director</b>	Mr. Ramesh S. Taurani
<b>Date of Birth</b>	January 17, 1960
<b>Date of Appointment</b>	September 27, 2005
<b>Qualification &amp; Expertise in specific functional areas</b>	<p>Mr. Ramesh S. Taurani holds the Bachelor degree in commerce. He is one of the promoters of the Company and comes with a rich experience of almost 41 years in the Media &amp; Entertainment Industry. He has played a key role in the progress of the Company.</p> <p>His passion for films from an early age has honed his understanding of the film and music business. Over the years he has developed a sharp skill for music curation and film visualization. As Tips Industries branched out into film and music production, he has shouldered the responsibility for creative aspects of the business. He is widely credited for delivering several blockbuster films and bringing together several leading artistes for film projects, a difficult task for anybody in the industry. His deep network in the film fraternity is a source of strength for the Company. Mr. Ramesh Taurani's contribution to the creation of the Company's film and music libraries has been immense.</p>
<b>Relationships between Directors inter-se</b>	Mr. Ramesh S. Taurani, is brother of Mr. Kumar S. Taurani, Chairman and Managing Director of the Company
<b>Number of Shares held as on March 31, 2022</b>	26,24,283 Equity shares
<b>Names of other listed entities in which he holds the directorship as on March 31, 2022</b>	NIL
<b>Names of other listed entities in which he holds Membership of Committees of the Board as on March 31, 2022 (Includes only Audit and Stakeholders' Relations Committee)</b>	NIL
<b>Name of Director</b>	Ms. Tara Subramaniam
<b>Date of Birth</b>	September 7, 1952
<b>Date of Appointment</b>	May 31, 2022
<b>Qualification &amp; Expertise in specific functional areas</b>	Ms. Tara Subramaniam holds a bachelor's degree in law from University of Bombay. She has over 37 years of experience in the field of banking, real estate, project finance and business development. Prior to joining our Company, she was associated with JM Financial Group as a Managing Director, SGE Advisors (India) Private Limited as a Director and was associated with Housing Development Finance Corporation Limited. She is also on the Board of Restaurant Brands Asia Limited (formerly known as Burger King India Limited) and JM Financial Home Loans Limited as an Independent Director and is also a Founder President of NAREDCO, Mahi.
<b>Relationships between Directors inter-se</b>	NIL
<b>Number of Shares held as on March 31, 2022</b>	NIL
<b>Names of other listed entities in which he holds the directorship as on March 31, 2022</b>	Restaurant Brands Asia Limited (formerly known as Burger King India Limited)
<b>Names of other listed entities in which he holds Membership of Committees of the Board as on March 31, 2022 (Includes only Audit and Stakeholders' Relations Committee)</b>	Restaurant Brands Asia Limited (formerly known as Burger King India Limited) 1. Audit Committee - Chairperson 2. Stakeholders' Relations Committee -Member

<b>Name of Director</b>	Mr. Shashikant Vyas
<b>Date of Birth</b>	September 25, 1954
<b>Date of Appointment</b>	May 31, 2022
<b>Qualification &amp; Expertise in specific functional areas</b>	<p>Mr. Shashikant Vyas holds a bachelor's degree in commerce from University of Mumbai and is a Fellow Member of the Institute of Chartered Accountants of India (ICAI). He commenced his career as a Chartered Accountant for more than 2 decades and served clients across various Industries as a Financial Advisor, Tax &amp; Audit Consultant.</p> <p>Mr. Vyas is a Founder and Director in Pancham Nishad Creatives Private Limited which is promoting arts and culture through a different medium. He started his own music label for promoting Indian Classical music. His vision and passion is to preserve Indian performing Arts &amp; Culture and to promote it on a national and global level.</p>
<b>Relationships between Directors inter-se</b>	NIL
<b>Number of Shares held as on March 31, 2022</b>	NIL
<b>Names of other listed entities in which he holds the directorship as on March 31, 2022</b>	NIL
<b>Names of other listed entities in which he holds Membership of Committees of the Board as on March 31, 2022 (Includes only Audit and Stakeholders' Relations Committee)</b>	NIL



# Board's Report & Management Discussion and Analysis

## To The Members Tips Industries Limited

Your Directors are pleased to present the 26th Annual Report on the business and operations of the Company, together with the Audited Financial Statements for the financial year ended March 31, 2022. The Management Discussion and Analysis is also included in this Report.

### THE INDIAN MEDIA AND ENTERTAINMENT INDUSTRY

India's economy is recovering from the Covid-19 pandemic. In a globalised world, large, open economies like India's are also affected by external events. The war in Ukraine, rising interest rates and tightening of liquidity will affect India's growth this year. Despite all these uncertainties, the World Bank expects India's GDP to grow at 7.5% in the coming year.

The share of traditional media (television, print, filmed entertainment, OOH, music, radio) stood at 68% of M&E sector revenues in 2021, down from 75% in 2019.

The Indian M&E sector recovered by 16.4% to Rs.1.61 trillion (US\$21.5 billion), still 11% short of pre-pandemic 2019 levels, due to the second wave of COVID-19 which impacted the April – June quarter. While television remained the largest segment, digital media cemented its position as a strong number two segment followed by a resurgent print. The M&E sector is expected to grow 17% in 2022 to reach Rs.1.89 trillion (US\$25.2 billion) and recover its 2019 levels, then grow at a CAGR of 11% to reach Rs.2.32 trillion (US\$30.9 billion) by 2024.

Except for in-cinema advertising and TV subscription, all M&E segments grew in 2021. Digital media grew the most at Rs.68 billion and consequently, increased its contribution to the M&E sector from 16% in 2019 to 19% in 2021.

Segment	2019	2020	2021	2022E	2024E	CAGR 2021-2024
Television	787	685	720	759	826	5%
Digital media	221	235	303	385	537	21%
Print	296	190	227	241	251	3%
Online gaming	65	79	101	120	153	15%
Filmed entertainment	191	72	93	150	212	32%
Animation and VFX	95	53	83	120	180	29%
Live events	83	27	32	49	74	32%
Out of Home media	39	16	20	26	38	25%
Music	15	15	19	21	28	15%
Radio	31	14	16	18	21	9%
<b>Total</b>	<b>1,822</b>	<b>1,386</b>	<b>1,614</b>	<b>1,889</b>	<b>2,320</b>	<b>13%</b>

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

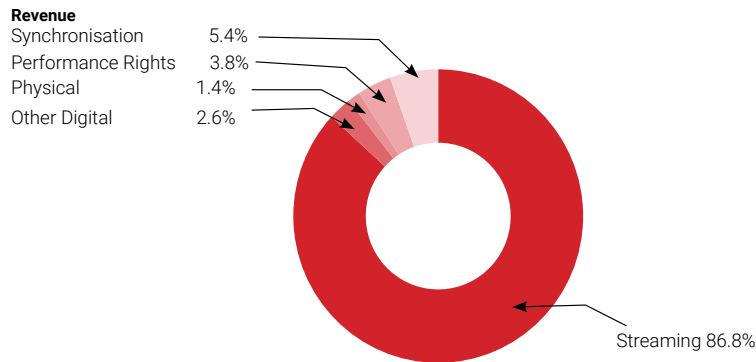
Source: FICCI–EY Media & Entertainment (M&E) Report 2022

### MUSIC

Music unites us, therefore it is priceless. It permeates our culture across all age groups, which makes India one of the world's most exciting music markets, as reflected in our growth rates. The recorded music industry in India has grown at CAGR of 15.78% over the past 5 years compared to the global industry's 10.61% over the same period. The Indian music market is ranked 17th in the world with revenue of Rs. 1620 crores as per IFPI metrics. According to IMI, the recorded music industry grew 20.3% in CY2021 over the previous year. India's market is largely digital with revenues from physical sales accounting for 1.4% and Sync revenues contributing 5.4% to total industry revenues. It is expected

that Industry revenues will surpass Rs.28 billion in the medium term on the back of increasing digital revenues and performance rights.

Category	Revenue
Streaming	86.8%
Other Digital	2.6%
Physical	1.4%
Performance Rights	3.8%
Synchronisation	5.4%



Source: IMI Report

Share of physical sales grew strongly from 1% in 2020 to 1.4% in 2021, albeit on a depleted base. Sales of vinyl records have been growing for ten years globally, but in India there has been no market so far, but indications are that it may be changing.

Digital revenues comprised 89.4% of total revenues, up from 68% in 2019. Younger people are generally early adopters of technology and more likely to subscribe to music streaming services. Music listeners aged 16-44 years are more likely to pay for audio streaming as they prefer an ad-free experience, the freedom to listen to anything, at any time, at the click of a button. Convenience and availability of millions of songs for a small price is driving penetration of subscription based music streaming services.

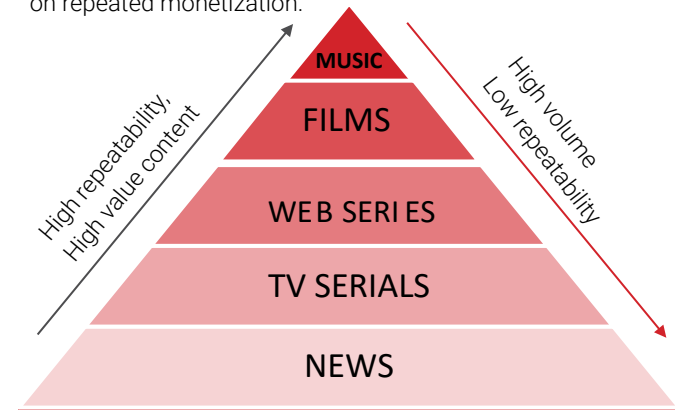
### KEY ASPECTS OF THE MUSIC INDUSTRY

Music is part of the broader content industry that comprises news, television serials, films, and music. Each of these sub-segments has their own economic attributes and appropriate monetization methods.

- **Value of content**

Many factors determine the value of content. Content that can be monetized multiple times naturally commands greater economic

value. Music ranks at the top of the content pyramid when ranked on repeated monetization.



**The Content Pyramid**

Once aired, news bulletins and TV serials lose relevance very quickly. Viewers rarely revisit such content. Films hold a special appeal and can be repeatedly aired. Superhit films may be viewed multiple times by audiences. Such films attract audiences even many years after release.

Music lovers can be very passionate about their favorite music and may listen to their favourite songs multiple times a week. It is entirely possible that listeners hear their favorite songs thousands of times over their lifetimes.

- **Intellectual Property Rights (IPR)**

The Copyright (Amendment) Act, 2012 protects music copyrights for 60 years in India. This is the longest period of protection when compared to any other type of intellectual property rights. In the United States, music copyrights are protected for much longer periods.

IPR protection for such long durations allows music labels to exploit multiple monetization strategies over time. Catalogues benefit from technological evolution, inflation, and increased market penetration over such long periods.

- **Impact of Internet**

The internet has made it possible to access the entire global audience for content with minimum intermediation. Physical distribution channels for selling cassettes, CDs and DVDs have been disrupted. In today's digital world, every content owner can directly connect with the end consumer via the internet. This ability to reach large audiences directly has improved terms of trade for content owners vis-a-vis distributors and other content aggregators.



## FACTORS AFFECTING GROWTH OF MUSIC INDUSTRY TODAY

- **Convenience**

Until the first decade of the current century, music lovers had to carry devices such as Walkmans or iPods or USB drives to hear music on the go. These and other functions have now converged into a single device; the smartphone. Listeners no longer need to carry separate devices; smartphone apps make music available 24x7 with a tap and a swipe.

- **Rising Data Consumption**

The Ericsson Mobility Report- November 2021 (EMR) estimates that data usage per smartphone will increase from 18 GB/month in 2021 to 50 GB/month in 2027. The report estimates total Mobile Data Traffic to grow at 18% CAGR between 2021 and 2027 in India. FICCI's M&E Report 2021 states that news, books, music, video, and gaming accounted for over 75% of data consumption in India. Rising data consumption provides a tailwind for growth.

- **More Subscribers**

As per EMR, there were 81 crore smart phone subscriptions in India in 2021 compared to 73 crore in 2020. This number is expected to touch 120 crore in 2027. According to TRAI, current tele-density in rural areas is only 59.5%. A lot of people are yet to be connected to smartphones and the Internet, so there is huge headroom for growth.

- **Faster Networks**

The number of 4G connections are expected to decline from 79 crore in 2021 to about 71 crore in 2027. 5G subscriptions are expected to be 50 crore in 2027 from none today. Higher speeds provide seamless user experience and improve adoption. Upgrading to faster connections will continue to drive an increase in content consumption.

- **Smarter Phones**

Smartphones provide improved user experience for media consumption compared to feature phones. New users and upgrades from feature phones to smartphones are both tailwinds for music consumption.

- **Cheap Data**

India has the lowest data costs in the world. Given such low costs, data prices are no longer a hindrance to adoption of mobile Internet.

EMR estimates data usage per smartphone to increase from 18.4 GB/Month in 2021 to 50GB/Month in 2027. Smart phones and video drive data consumption.

## BUSINESS OVERVIEW

TIPS is a leading Company in the Media & Entertainment Industry, and engaged in the business of exploitation of audio content library digitally in India and overseas. Founded in 1975, it is one of the oldest companies in the Indian M&E 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 and music that have wholesome entertainment for the entire family.

One of the strongest assets of TIPS is its rich and evergreen music collection. Its large and diversified music library has a collection of over 29,000 songs across all genres and major languages. The songs are digitized and available on all the leading online music stores, applications, and web platforms.

## FINANCIAL RESULTS

The Company earned Total Revenue, including Other Income of Rs. 13,879.52 lakhs as compared to the previous year of Rs. 9,542.22 lakhs. The Net Profit after Tax for the year stood at Rs. 6,455.55 lakhs, as compared to Rs. 4,346.88 lakhs 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:

(Rs. in Lakh)

Particulars	2021-22	2020-21
Income	13,879.52	9,542.22
Profit/(Loss) before Depreciation, Interest, Provision for Contingencies and Taxation	8,943.93	6,005.67
Less: Depreciation and Interest	82.22	83.26
Profit/(Loss) before Provision for Taxation, Extraordinary and Prior Period year items	8,861.71	5,922.41
Less: Provision for Taxation		
Current Tax	2,300.00	1,473.91
Taxes in respect of earlier years	90.55	136.90
Deferred Tax	15.61	(35.28)

Particulars	2021-22	2020-21
Profit/(Loss) after Provision for Taxation but before Extraordinary and Prior Period year items	6,455.55	4,346.88
Less: Prior Period Expenses	0.00	0.00
Profit/(Loss) after Taxation	6,455.55	4,346.88
Add: Balance Brought Forward	7,935.21	3,957.24
Profit/(Loss) after Taxation available for Appropriation	14,390.76	8,304.12
Transfer to General Reserves	0.00	0.00
Share Capital	1,296.87	1,296.87
Reserves & Surplus	8943.45	8,828.90

### PERFORMANCE REVIEW

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 a collection of over 29,000 songs, which are available for streaming and download across leading digital marketplaces like iTunes and Google Play, as well as popular streaming platforms like Amazon Prime and Spotify. During the financial year 2021-22, Company has released 276 new songs. The music revenue for FY 2021-22 was Rs. 13,558.64 lakhs as compared to Rs. 9,053.00 lakhs in the previous year.

### SCHEME OF ARRANGEMENT AND DEMERGER

With the view to create separate and focused entities for Music and Film businesses, for unlocking the shareholders' value and for capturing attractive growth opportunities, the Board of Directors, at its meeting held on May 10, 2021, approved the Scheme of Arrangement and Demerger between Tips Industries Limited ("Demerged Company"), Tips Films Limited ("Resulting Company") and their respective Shareholders, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

The Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench vide its order dated March 3, 2022 (the "Order"), had approved the Scheme of Arrangement and Demerger to demerge the Film Division (as defined in the Scheme) from Tips Industries Limited and the same has been vested and transferred in Tips Films Limited, on a going concern basis with effect from the Appointed Date i.e. April 1 2021. The Scheme had been made effective from March 23, 2022.

### DIVIDEND

The Directors recommend a final dividend of 20%, i.e. Rs 2.00 /- (Rupees Two) per share on fully paid-up Equity Share of Rs.10/- each of the Company. Dividend is subject to approval of members at the ensuing Annual General Meeting and shall be subject to deduction of income tax at source.

The Board of Directors of the Company had adopted the Dividend Distribution Policy on June 14, 2021 in line with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Policy is uploaded on the Company's website at <https://tips.in/wp-content/uploads/2021/09/Dividend-Distribution-Policy.pdf>.

### RESERVE

The Board of Directors has not recommended transfer of any amount to reserves and the amount of Rs. 6,455.55 lakhs is retained in the Profit and Loss Account.

### SHARE CAPITAL

The paid-up Equity Share Capital as of March 31, 2022, stood at 1,29,68,659 Equity Shares.

The Company has not issued shares with differential voting rights, nor has granted any stock options or sweat equity. As of March 31, 2022, 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

The following key Board level changes were effected to evolve and realign the senior management team after receiving the final NCLT order dated March 3, 2022:

- **Director Retiring by Rotation**

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

- **Re-appointment of Managing / Executive Directors**

The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, at their Meeting held on May 30, 2022, approved the re-appointment of Mr. Kumar Taurani as a Chairman and Managing Director and Mr. Girish Taurani as an Executive Director of the Company and change in designation of Mr. Ramesh Taurani as an Executive Director, for a period of three years with effect from June 1, 2022. The Board recommends the appointment of Directors for your approval.





- **Resignation of Independent Director**

Ms. Radhika Dudhat and Mr. Venkitaraman Iyer have tendered their resignation from the office of Independent Director of the Company with effect from May 30, 2022. The Board of Directors place on record their deep appreciation for the valuable services rendered as well as advice and guidance provided by Ms. Radhika Dudhat and Mr. Venkitaraman Iyer during their tenure.

- **Appointment of Independent Director**

Ms. Tara Subramaniam and Mr. Shashikant Vyas were appointed by the Board of Directors as an Additional Director in the capacity of Independent Director on the Board of the Company with effect from May 31, 2022 for a term of 5 (five) years subject to regularization of the appointment by the shareholders of the Company.

- **Declaration by Independent Directors**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act 2013, read with rules made thereunder, 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, 2022, 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.

## 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, 2022, 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, 2022, 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 five times during the financial year, i.e., from April 1, 2021, to March 31, 2022, on May 10, 2021, June 14, 2021, July 27, 2021, October 29, 2021 and January 24, 2022. Details of the Board Meetings and attendance of the Directors are provided in the Corporate Governance Report, which forms part of this Annual Report.

- **Committees of the Board**

With a view to having a more focused attention on the business and for better governance and accountability, the Board has constituted the Committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Risk Management Committee.

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

## AUDITORS

- **Statutory Auditors**

M/s. SSPA & Associates, Chartered Accountants, (Firm Registration No. 131069W) were re-appointed as the Statutory Auditor of the Company at the 23rd Annual General Meeting held on September 23, 2019, to hold the office for a period of 5 (five) years till the conclusion of the 28th Annual General Meeting to be held in the year 2024, in terms of the applicable provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules 2014.

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 for the Financial year 2021-22 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**

Copyright infringement remains a challenge for the music ecosystem. An estimated 27% of those surveyed used unlicensed methods to listen or obtain music in the past month, while 23% used illegal stream ripping services. The availability of quick remedies, including blocking orders, to tackle such pirate services is vital to protect the music industry and other creative industries. Furthermore, app stores and ISPs that host such services need to be proactive in recognizing this form of infringement and work with industry bodies to curb piracy. Piracy in the music ecosystem has reduced from 76% in 2018 to 67% in 2019 and remained flat in 2020, but is still higher than the global average of 27%. China has succeeded in curbing piracy with an estimated 96% of consumers listening to licenced music.

### OPPORTUNITIES

- **Digital / OTT Rights**

India is second globally in the digital consumption of services, following China. Video subscriptions grew 29% in 2021 as sports content went behind paywalls. Paid subscriptions crossed 80 million and generated Rs.56 billion in revenues. OTT players are expected to spend Rs.300 billion on content over 2021-25, Netflix, Disney and Amazon are expected to spend USD 66.6 billion on content in CY2022, a growth of 18.2% yoy.

### OUTLOOK

We believe the following secular trends will continue to drive growth in the recorded music industry.

- **Consumer Trends and Demographics**

Consumers today engage with music in more ways than ever. In 2021, Indian consumers spent 21.9 hours listening to music each week compared to 19.1 hours in 2019. Data indicate that the hours spent listening to music can grow further. Indians in the age group of 25- 34 listened to 24.8 hours of music a week. Consumption through paid audio streaming increased from 2.4 hours in 2019 to 3.3 hours in 2021. According to Nielsen, in 2019, teens and millennials in the United States listened to an average of 32.6 and 29.7 hours of music each week, respectively, above the 26.9 hours for all U.S. consumers.

Demographic trends and smartphone penetration have been key factors in driving growth in consumer engagement. Younger consumers typically are early adopters of new technologies, including music-enabled devices.

Members of older demographic groups are also increasing their music engagement. Indians in the age group of 55-64 listened to 16.7 hours of music in 2021 up 1.9 hours over 2019. According to



an IFPI survey of 19 leading geographic markets in 2019, 54% of 35 to 64 year olds used a streaming service to listen to music in the past month, representing an increase from 46% in 2018, which was the highest rate of growth for use of streaming services across all age groups.

Music permeates our culture across age groups, as evidenced by the footprint that music has across social media. According to a study conducted by visual capitalist in May 2021, 6 of the top 10 influencers across all social media platforms were musicians. As per the Recording Industry Association of America (RIAA), 9 out of 10 social media users do music related social media activity. This new monetization channel is showing great promise. According to YouTube, musicians owned the majority of videos that have achieved more than 1 billion lifetime views and/or have made it to the top 10 most watched videos of all time.

- **Streaming Still in Early Stages of Global Adoption and Penetration**

According to IFPI, global paid music streaming subscribers totalled 523 million at the end of 2021 and subscription revenue grew 21.9% to touch USD 12.3 billion. Subscription accounts have grown 18% over 2020 to 523 million, representing only 6.5% of the humans on this planet. In terms of smartphone users, it represents only 8.3% of the 6.3 billion smartphone users globally, as per the EMR. The fast growing population of paying subscribers is still only a small fraction of the reported user bases of large, globally scaled digital services such as Facebook, which reported 2.93 billion monthly active users across its services as of March 2022, and YouTube, which has 2.6 billion unique monthly users according to Statista.

The United States, with a population of under 330 million, generated 1.15 trillion on-demand streams (both audio and video) in 2019, according to Nielsen; continued growth is to be expected. That indicates the potential size of India's streaming market, even after assuming substantially lower realizations, when its population of 1.38 billion gets connected to the Internet.

The global music market derives 47.3% of revenues from paid subscriptions. In India, we expect to see advertisement-supported and subscription models co-exist. The evolution of Chinese markets over the past 7 years provides a firm basis for our belief that subscriptions will contribute substantial revenues in the near future.

According to IFPI, in 2013, China was ranked 21st in the world with total music industry revenues of approximately USD 82.6 million. The Indian music industry was much larger with revenues of USD 119.1 million at that time. Piracy in China was estimated to be over 95%. By the end of 2020, the Chinese market was ranked 6th in the world with revenues of USD 791.9 million. Subscription revenues in 2020 grew 55.8% over 2019.

- **Pricing improvements**

Internationally streaming subscription prices had remained flat for over a decade as players focused on penetration. Paid streaming is now entering a new phase as players have started raising prices. Spotify has recently raised subscription rates in 12 territories including US and UK. Other players are widely expected to follow suit. Amazon is experimenting by offering its Amazon Music HD at premium pricing in the US since 2019. Pricing improvements have aided paid streaming revenues to grow at 21.9% in 2021.

The Indian Government's crackdown on piracy from 2012 and changing attitudes of Indian consumers make it possible for the Indian music industry to follow a similar growth trajectory. The FICCI-EY Media & Entertainment Report 2022 expects paid subscribers for music streaming in India to cross 7 million by 2024.

As Indian OTT players inch closer towards public listing of their shares, they may opt to focus on subscription revenues. Bundling music with telecom services is also a viable option to reach a much wider but lower income audience.

- **Technology Enables Innovation and Presents Additional Opportunities**

Technological innovation has aided the penetration of music consumption across locations, including homes, offices and cars, as well as across devices, including smartphones, tablets, wearables, digital dashboards, gaming consoles, and smart speakers. These technologies represent advancements that are deepening listener engagement and driving further growth in music consumption by forming new listening habits. New technologies are likely to bring change in consumption patterns and provide new opportunities to engage with customers and increase penetration.

- **Device Innovation**

According to Nielsen, as of August 2019, U.S. consumers listened to music across an average of 4.1 devices per week. We believe that the use of multiple devices is expanding listening hours by bringing music into more moments of consumers' lives; the different uses that these devices enable are also broadening consumers' exposure to new and different genres of music. The music that consumers listen to during a commute may be different from the music they listen to while they exercise, and different still from the music they play through a smart speaker while cooking a meal. Smart speakers enable consumers to access music more readily by using their voices. According to PwC, smart speaker ownership is expected to increase at a 38% CAGR from 2018 through 2023, reaching 440 million devices globally in 2023. Smart speakers are fuelling further growth in streaming by converting more casual listeners into paid subscribers, drawn in by music as a critical application for these devices. According to Nielsen, 61% of

U.S. consumers who use a smart speaker weekly to listen to music currently pay for a subscription as well.

- **Format and Monetization Model Innovation**

Short-form music and music-based video content has grown rapidly, driven by the growth of global social video applications such as TikTok, which features 15-second videos often set to music. TikTok has reportedly been downloaded more than 3.3 billion times since its launch in 2017. TikTok has reported 1 billion monthly active users as of January 2022. Such applications have the potential for mass adoption, illustrating the opportunity for additional platforms of scale to be created to the benefit of the music and entertainment industry. Short-form music and music based videos have become popular on social media platforms like Facebook and Instagram too. It illustrates the growing number of pathways through which performing artistes and music labels may monetize their content. IMI reports that 19% of time spent on listening to music is on short form video apps, a close second to YouTube which accounts for 22% of such time.

The Media and Entertainment Industry in India continues to undergo a transformation. The rapid proliferation of mobile access is enabling on-demand, anytime-anywhere content consumption nationwide. For global players across the M&E value chain looking for a vibrant growth market, India provides an exciting opportunity to reach digitally empowered consumers. India ranks as one of the fastest growing app markets globally, a promising scenario for subscription-based and ad-supported music apps.

## 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. We have always had a mutually respectful and appreciative relationship with all our employees.

As of March 31, 2022, the number of employees on the payroll of the Company was 49.

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The information on top 10 employees as required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure forming part of the Report. In terms of the proviso to Section 136 (1) of the Act, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. The aforesaid Annexure is also available for inspection by Members at the Registered Office of the Company, 21 days before and up to the date of the ensuing Annual General Meeting during the business hours on working days.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to the Report as **Annexure II**.

## 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 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.

Pursuant to provision of Section 135 of the Companies Act 2013, read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the Board has also framed a CSR Policy for the Company, on the recommendations of the CSR Committee, and the policy is available on the website of the Company at [www.tips.in](http://www.tips.in).

The Annual Report on CSR activities as required under Companies (Corporate Social Responsibility) Rules 2014, including a brief outline of the Company's CSR Policy, is annexed to this Report as **Annexure III**.

## DEPOSITS

During the year under review, the Company neither accepted any deposits nor there were any amounts outstanding at the beginning of the year which were classified as 'Deposits' in terms of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 and hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Companies Act, 2013 is not applicable.

## 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

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return of the Company as on March 31, 2022 is available on the website of the Company at [www.tips.in](http://www.tips.in) in the investor section.



## SECRETARIAL STANDARDS

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

## FRAUD REPORTING

During the year under review, no instances of fraud were reported by the Auditors of the Company.

## 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 the 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 2013-2014, and thereafter, had transferred such unpaid or unclaimed dividends.

Unclaimed dividend for FY 2014-15 will fall due for transfer to the IEPF on September 19, 2022. Those Members who have not encashed their dividends for FY 2014-15 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).

## MATERIAL CHANGES

The Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench vide its order dated March 3, 2022 approved the Scheme of Arrangement and Demerger, which was filed with the office of the Registrar of Companies vide e-form INC 28 on March 23, 2022.

## OTHER DISCLOSURES

- Except mentioned above, 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.
- Except mentioned above, 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 30, 2022

# Annexure - I

## Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[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, 2022, 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, 2022 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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, 2018; **Not Applicable during the financial year**
- 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. There were no changes in the composition of the Board of Directors that took place during the period under review.

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 during the year** the Scheme of Arrangement and Demerger between Tips Industries Limited (the "Demerged Company), Tips Films Limited ("Resulting Company), and their respective shareholders duly approved by the Hon'ble NCLT, Mumbai vide its Order dated March 3, 2022 wherein the Film Division Business of the Demerged Company have been transferred to and vested in Resulting Company with effect from the appointed date i.e. April, 1st, 2021.

The Scheme, though operative from the Appointed Date i.e., April 1, 2021, but has become effective on March 23, 2022 being the date on which certified copies of the Order of the Hon'ble NCLT, Mumbai sanctioning the Scheme was filed with the Registrar of Companies, Mumbai both by the Demerged Company and Resulting Company.

**For M/s N. L. Bhatia & Associates  
Practicing Company Secretaries  
UIN: P1996MH055800  
UDIN: F005436D000363717**

**Bharat Upadhyay  
Partner  
FCS: 5436  
CP. No.:4457**

Date: May 23, 2022  
Place: Mumbai

## 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
Girish Taurani	9.63

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: 36.26%, CS: 25.00%

- (c) **The percentage increase in the median remuneration of employees in the financial year:** 4.53%
- (d) **The number of permanent employees on the rolls of the Company:** 49 Employees as on March 31, 2022.
- (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 2021-22 was 14.83%. There was no increase in the percentage of managerial remuneration for the year 2021-22. 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.
- (g) **There are employees drawing salary in excess of 120 Lakhs as stipulated under section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

Sr. No.	Name of the Employee and Relation*	Designation -Nature of Employee	Qualifications	Age Years	Date of commencement	Remuneration Received (Rs. in lacs)	Experience (Years)	Last Employment
1	Kumar Taurani	Chairman & Managing Director	Graduation	64	08.05.1996	168.00	42	-

\* Brother of Ramesh Taurani, Managing Director and Father of Girish Taurani, Executive Director of the Company



## Annexure III

### ANNUAL REPORT ON CSR ACTIVITIES

**1. Brief outline on CSR Policy of the Company:**

Tips believes in sharing the profits not only with its members but also with the society around it. The Company through its CSR initiatives will continue to enhance value and promote social sustainability, sustainable development of the environment and social welfare of the people and society at large.

The Board has approved the CSR Policy of the Company pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The complete CSR policy of the Company may be accessed at the website of the Company [www.tips.in](http://www.tips.in).

**2. Composition of CSR Committee:**

Sr. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Kumar Taurani	Chairperson – Executive Director	2	2
2	Mr. Amitabh Mundhra	Member Independent Director	2	2
3	Ms. Radhika Dudhat	Member Independent Director	2	2

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

<https://tips.in/wp-content/uploads/2018/07/Corporate-Social-Responsibility-Policy.pdf>

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):** Not Applicable

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:** NIL

**6. Average net profit of the company as per section 135(5):** Rs. 2,613.38 Lakhs

- 7.** (a) Two percent of average net profit of the company as per section 135(5): Rs. 52.27 lakhs  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL  
 (c) Amount required to be set off for the financial year, if any: NIL  
 (d) Total CSR obligation for the financial year (7a+7b- 7c): Rs. 52.27 lakhs

**8. (a) CSR amount spent or unspent for the financial year:**

(Rs. In lakh)

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer	Name of the Fund	Amount.	Date of transfer.
20.76	32.00	April 30, 2022	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year: Refer note no.11

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(Rs. in Lakh)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Sr No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project	Amount spent for the project	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
							Name	CSR registration number
1	Animal welfare	Schedule VII(iv)	Yes	Mumbai, Maharashtra	3.00	No	World For All Animal Care and Adoption	CSR00004003
2	"Netra Vasant" Rural Eye Health Project	Schedule VII(i)	Yes	Seraikela, Khunti and Ramgarh district, Jharkhand	10.26	No	Royal Commonwealth Society for The Blind (Sightsaver)	CSR00001381
3	Girl Education and Medical endeavours needs	Schedule VII(ii)	Yes	Mumbai, Maharashtra	2.50	No	Beti Association - Charity for Women	CSR00020750
4	Rural development	Schedule (x)	Yes	Mualdam, Assam	5.00	No	Chirag Rural Development Foundation	CSR00001301

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 20.76 lakhs

(g) Excess amount for set off, if any: NIL

(Rs. In lakh)

Sr. No.	Particular	FY 2021-22
(i)	Two percent of average net profit of the company as per section 135(5)	52.27
(ii)	Total amount spent for the Financial Year	20.76
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years[(iii)-(iv)]	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable  
 (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Refer note no. 11
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): NIL
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

The Company has unspent amount of CSR obligation of Rs.32 lakhs to be spend on CSR activities. Due to lockdown and other challenges during of Covid 19 pandemic, there was a delay in expenditure on the appropriate projects. the Company has transferred the Unspent CSR Account into the separate Bank Account, which will be spent within 3 years subsequent to the reporting FY as per the provisions of the Companies Act, 2013.

**Mr. Kumar Taurani**  
 Chairman & Managing Director  
 Chairman of CSR Committee

# Corporate Governance Report

## CORPORATE PHILOSOPHY

TIPS has a strong legacy of fair, transparent and ethical governance practices and it believes that good Corporate Governance is essential for achieving long-term corporate goals and enhancing stakeholders' value. The Company emphasizes the need for highest level of transparency and accountability in all its transactions in order to protect the interests of all its stakeholders. The Board considers itself as a trustee of its shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth on sustainable basis. The Management promotes honest and ethical conduct of the business along with complying with applicable laws, rules and regulations.

The Company's philosophy on Corporate Governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

The Company has complied with the governance requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and hereby presents the Corporate Governance Report for the financial year ended March 31, 2022.

## BOARD OF DIRECTORS

### • Composition of Board

The Company has an optimum combination of Executive and Non-Executive Directors with one woman independent director in line with the provisions of the Companies Act, 2013 ('the Act') and the SEBI Listing Regulations as amended from time to time. As on March 31, 2022, the Board consists of six Directors comprising

### • 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, 2022

Name	Category / position	No. of Directorships in other public Ltd Companies	Chairmanship/Membership of Committees in other Public Ltd Companies	
			Chairman	Member
Mr. Kumar Taurani DIN: 00555831	Promoter & Executive (Chairman & Managing Director)	1	NIL	NIL
Mr. Ramesh Taurani* DIN: 00010130	Promoter & Executive (Managing Director)	1	NIL	NIL

of three Executive Directors and three Non-Executive Independent Directors. The Chairman of the Board is an Executive Director.

The Directors are eminently qualified and experienced professionals in industrial, managerial, business, finance, marketing and corporate management that allow them to make effective contribution to the Board and its Committees. The Directors attend the meetings and actively participate in the deliberations by providing valuable guidance to the Management on various aspects of business, policy direction, governance, compliance etc. which adds value in the decision making process of the Board of Directors.

None of the Directors on the Board is a member of more than ten Committees or Chairman of five Committees (committees being Audit Committee and Stakeholders' Relationship Committee) across all Public Companies in India, in which he/she is a Director. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies. 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. As per the declarations received by the Company from each of the Directors, none of them are disqualified under Section 164(2) of the Companies Act, 2013.

The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013.

Name	Category / position	No. of Directorships in other public Ltd Companies	Chairmanship/Membership of Committees in other Public Ltd Companies	
			Chairman	Member
Mr. Amitabh Mundhra DIN: 00014227	Non-Executive Independent Director	2	NIL	NIL
Ms. Radhika Dudhat# DIN: 00016712	Non-Executive Independent Director	2	NIL	NIL
Mr. Venkitaraman Iyer# DI: 00730501	Non-Executive Independent Director	NIL	NIL	NIL
Mr. Girish Taurani DIN: 08695775	Executive Director	NIL	NIL	NIL

\* Re-designated from Managing Director to Executive Director w.e.f. June 1, 2022

# resigned w.e.f. closure of business hours of May 30, 2022

**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 as brother and Mr. Girish Taurani is the son of Mr. Kumar Taurani. None of other directors are related to each other.
  - Brief profiles of each of the above Directors are available on the Company's website [www.tips.in](http://www.tips.in).
- Details of name of other listed entities where Directors of the Company are Directors and the category of Directorship as on March 31, 2022 are as under:**

Name of Director	Name of Directorships in listed Company @	Category of directorship
Mr. Kumar Taurani	NIL	NIL
Mr. Ramesh Taurani	NIL	NIL
Mr. Amitabh Mundhra	NIL	NIL

Name of Director	Name of Directorships in listed Company @	Category of directorship
Ms. Radhika Dudhat	Jain Irrigation Systems Ltd.	Non-Executive Independent Director
	Parag Milk Foods Limited	Non-Executive Independent Director
Mr. Venkitaraman Iyer	NIL	NIL
Mr. Girish Taurani	NIL	NIL

@ Excluding Tips Industries Limited

- Independent Directors**

Independent Directors are Non-Executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations. The maximum tenure of the independent Directors is in compliance with the Companies Act, 2013. 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)

The Company has received declaration from the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstances or situations which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

The Board is of the opinion that the Independent Directors fulfill the conditions specified in the Act and the Listing Regulations and that they are independent of the management.

As stipulated by the Code for Independent Directors under the Companies Act, 2013 and the Listing Regulation, A separate meeting of Independent Directors of the Company without the presence of Executive Directors & Management Representatives was held on January 24, 2022 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.

Further, A meeting of Committee of Independent Directors of the Company was held on May 10, 2021 to recommend the proposed Scheme of Arrangement and Demerger ("Scheme") between Tips Industries Limited (the "Demerged Company"), Tips Films Limited (the "Resulting Company") and their respective shareholders.

#### • Board Meetings

The Board of Directors of the Company met five times during the financial year i.e. from April 1, 2021 to March 31, 2022 on May 10, 2021, June 14, 2021, July 27, 2021, October 29, 2021 and January 24, 2022. The necessary quorum was present for all the Board Meetings.

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 21, 2021	Number of shares held in the Company
	Held	Attended		
Mr. Kumar Taurani	5	5	Yes	26,29,800
Mr. Ramesh Taurani	5	5	Yes	26,24,283
Mr. Amitabh Mundhra	5	5	Yes	NIL
Ms. Radhika Dudhat	5	5	Yes	NIL
Mr. Venkitaraman Iyer	5	4	Yes	NIL
Mr. Girish Taurani	5	5	Yes	NIL

#### • Familiarisation Programme for Independent Directors

The Company has a familiarisation programme for its Independent Directors. The objective of the programme is to familiarise the Independent Directors to enable them to understand the Company, its operations, strategies, business, functions and policies of the Company. 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

#### • Details of the skills/ expertise/ competencies possessed by the Directors who were part of the Board are as follows :

Sr. No.	Board of Directors	Experience
1	Mr. Kumar Taurani	Industry Experience Leadership Experience Accounting and Finance Experience Risk Management Strategy development and implementation

Sr. No.	Board of Directors	Experience
2	Mr. Ramesh Taurani	Industry Experience Leadership Experience Accounting and Finance Experience Risk Management Strategy development and implementation
3	Mr. Amitabh Mundhra	Industry Experience Leadership Experience Accounting and Finance Experience Risk Management Strategy development and implementation
4	Ms. Radhika Dudhat	Industry Experience Accounting and Finance Experience Legal & Risk Management Strategy development and implementation
5	Mr. Venkitaraman Iyer	Industry Experience Accounting and Finance Experience Compliance & Risk Management Strategy development and implementation
6	Mr. Girish Taurani	Industry Experience Leadership Experience Accounting and Finance Experience Risk Management Strategy development and implementation

- 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.

The Code and Policy are available on the website of the Company.

## BOARD COMMITTEES

The Company is in compliance with the provisions of the Companies Act, 2013 and the Listing Regulations with regard to constitution of the Board Committees. Composition, terms of reference and duties and responsibilities of each of the Board Committee is based on the provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

The Board Committees play a crucial role in the governance structure of the Company and they deal with specific areas of concern for the Company that need a closer review. The Committees operate under the direct supervision of the Board and Chairpersons of the respective committees report to the Board about the deliberations and decisions taken by the Committees. The recommendations of the Committees are submitted to the Board for approval. Minutes of proceedings of the Committee meetings are circulated to the respective Committee members of the Board and placed before Board meeting for noting.

The Board has constituted the following Committees to take informed decisions in the best interests of the Company in accordance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

### 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	5
Ms. Radhika Dudhat	Member	Independent Director	5
Mr. Venkitaraman Iyer	Member	Independent Director	4
Mr. Kumar Taurani	Member	Executive Director	5

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 five times during the Financial Year 2021-22 on May 10, 2021, June 14, 2021, July 27, 2021, October 29, 2021 and January 24, 2022. 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 Dudhat	Chairperson	Independent Director	3
Mr. Amitabh Mundhra	Member	Independent Director	3
Mr. Venkitaraman Iyer	Member	Independent Director	3
Mr. Kumar Taurani	Member	Executive Director	3

The Company Secretary acts as the Secretary to the Committee.

The Committee met three times during the financial year 2021-22 on May 10, 2021, July 27, 2021 and January 24, 2022. The necessary quorum was present for all Meetings. The Chairperson of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company.

The Nomination and Remuneration Policy has been disclosed on website of the Company viz: [https://tips.in/wp-content/](https://tips.in/wp-content/uploads/2018/07/NOMINATION_AND_REMUNERATION_POLICY.pdf)

[uploads/2018/07/NOMINATION\\_AND\\_REMUNERATION\\_POLICY.pdf](https://tips.in/wp-content/uploads/2018/07/NOMINATION_AND_REMUNERATION_POLICY.pdf)

- **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, 2022 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 2021-22, the total sitting fees paid to the Non-Executive Independent Directors are as stated below:

Director's Name	Mr. Amitabh Mundhra	Ms. Radhika Dudhat	Mr. Venkitaraman Iyer
Sitting Fees	Rs.4.25 lakh	Rs.4.25 lakh	Rs.3.25 lakh

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	Designation	Remuneration	Bonuses & Stock options
Mr. Kumar Taurani	Chairman & Managing Director	Rs.14 Lakhs p.m.	NIL
Mr. Girish Taurani	Executive Director	Rs.5 Lakhs p.m.	NIL

- The Members of the Company at the 25th Annual General Meeting held on September 21, 2021 have passed Special Resolutions for re-appointment of Mr. Kumar Taurani for a period of one year effective from June 1, 2021 and payment of remuneration of Rs.14 lakhs per month.
- The Members of the Company at the 24th Annual General Meeting held on September 25, 2020 have passed Special Resolutions for appointment of Mr. Girish Taurani as an Executive Director for a period of three years effective from February 13, 2020 at remuneration up to Rs. 5 lakhs per month.

**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 Dudhat	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 financial year 2021-22 on June 14, 2021, July 27, 2021, October 29, 2021 and January 24, 2022. The necessary quorum was present for all Meetings. The Chairperson of the Stakeholders Relationship Committee was present at the last Annual General Meeting of the Company.

• **Terms of reference**

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

• **The details of Complaints received, redressed/ pending during the financial year 2021-22 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	1	1	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, 6th 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	2
Mr. Amitabh Mundhra	Member	Independent Director	2
Ms. Radhika Dudhat	Member	Independent Director	2

The Committee met two times during the financial year 2021-22 on June 14, 2021 and January 24, 2022.

- **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.

The details of the Corporate Social Responsibility Activities of the Company have also been disclosed in the Directors' Report section of the Annual Report.

## V. RISK MANAGEMENT COMMITTEE

The Company has complied with provision of Regulation 21 of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 and constituted Risk Management Committee on June 14, 2021.

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

Name of the Members	Designation	Category	Meetings Attended
Mr. Kumar Taurani	Chairperson	Executive Director	3
Mr. Ramesh Taurani	Member	Executive Director	3
Mr. Amitabh Mundhra	Member	Non – Executive Independent Director	3

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

The Committee met three times during the financial year 2021-22 on July 27, 2021, October 29, 2021 and January 24, 2022. The necessary quorum was present for all Meetings.

- **Terms of reference**

The Board of Directors has defined the role and responsibility of the Risk Management Committee. The Risk Management Committee monitor and review the risk management plan and other functions such as internal control system and other risks.

## 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 23, 2019 at 11.00 a.m.	The Jubilee Room, Hotel Sun-N-Sand, Juhu, Mumbai- 400049	NIL
September 25, 2020 at 11.00 a.m.	Video conferencing/ other audio visual means	Appointment of Mr. Girish Taurani as an Executive Director of the Company for a period of three years commencing from February 13, 2020 at remuneration upto Rs.5 lakhs p.m.
September 21, 2021 at 11.00 a.m.	Video conferencing/ other audio visual means	Re-appointment of Mr. Kumar Taurani and Mr. Ramesh Taurani, Managing Directors of the Company for a period of one year commencing from June 1, 2021 at remuneration of Rs.14 lakhs p.m. respectively.  Re-appointment of Mr. Venkitaraman Iyer as an Independent Director of the Company for second term of one year with effect from September 16, 2021

- **National Company Law Tribunal Convened Meeting**

Date and Time	Location	Special Resolutions
December 2, 2021 at 11.00 a.m.	Video conferencing/ other audio visual means	Approval of Scheme of Arrangement and Demerger between Tips Industries Limited ("Demerged Company"), Tips Films Limited ("Resulting Company") & its shareholders

- **Postal Ballot**

During the year 2021-22 no business was conducted through postal ballot.



## MEANS OF COMMUNICATION

### Website

The Company maintains a website [www.tips.in](http://www.tips.in), wherein all information relevant for the Shareholders are displayed under the 'Corporate Section'. Quarterly results, presentations to Financial Analysts and Institutional Investors, policies of the Company, earnings conference call transcripts, shareholding pattern, Annual Reports, etc. as required under Regulation 46 of LODR Regulations are made available on the website.

### Quarterly/Annual Financial Results

Quarterly Results of the Company are published in national English newspaper and in local language (Marathi) newspaper. i.e. Business Standard and Mumbai Lakshadeep. The results are also uploaded on the websites of BSE and NSE at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.

### Stock Exchanges

All periodical information, including the statutory filings and disclosures, are filed with BSE and NSE. The filings required to be made under the Listing Regulations, including the Shareholding pattern and Corporate Governance Report for each quarter are filed on BSE Listing Centre and NSE Electronic Application Processing System (NEAPS).

### Investors presentations

The Company makes detailed presentation to the Analysts and Institutional Investors on the quarterly financial results. These presentations are sent to stock exchanges and are also displayed on the Company's website at [www.tips.in](http://www.tips.in).

### Annual Report

Annual Report containing audited standalone financial statements together with Directors' Report, Auditor's Report and other important information are circulated to Members and is also made available on the Company's website: [www.tips.in](http://www.tips.in).

## GENERAL SHAREHOLDERS INFORMATION

### Date, Time and Venue of the Annual General Meeting

The ensuing AGM of the Company will be held on Monday, August 29, 2022 at 11:00 a.m. (IST) through video conferencing or other audio visual means.

### Financial Year

<b>Financial Year</b>	April 1, 2021 to March 31, 2022
<b>Date of Book Closure</b>	From August 23, 2022 to August 29, 2022 (both days inclusive)
<b>Dividend Payment Date</b>	On or before September 27, 2022

### Listing on Stock Exchanges

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

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

The listing fee for the year 2022-23 has been paid to the above Stock Exchanges.

### Stock Code, ISIN & CIN

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

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

Month	Share Prices on the BSE		Share Prices on the NSE	
	Highest (Rs.)	Lowest (Rs.)	Highest (Rs.)	Lowest (Rs.)
April-21	567.95	446.85	563.90	463.20
May-21	1064.00	555.25	1060.00	556.90
June-21	1452.90	811.00	1438.80	822.20
July-21	1508.30	1117.00	1508.00	1145.00
August-21	1379.00	985.00	1378.00	977.40
September-21	1357.65	1107.00	1382.00	1130.00
October-21	1552.10	1182.00	1564.20	1171.10
November-22	1579.90	1256.00	1589.95	1281.00
December-22	1919.95	1256.10	1899.00	1295.00
January-22	2620.30	1830.00	2628.75	1870.00
February-22	2384.90	1796.55	2384.95	1789.35
March-22	2394.00	1871.40	2398.00	1910.00

- 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 (BSE)		Closing Share Price (NSE)	
	Tips(Rs.)	Sensex (Rs.)	Tips (Rs.)	Nifty (Rs.)
April-21	559.050	48782.36	559.55	14631.10
May-21	930.300	51937.44	929.00	15582.80
June-21	1436.500	52482.71	1436.40	15721.50
July-21	1323.350	52586.84	1330.25	15763.05
August-21	1178.200	57552.39	1173.05	17132.20
September-21	1225.650	59126.36	1231.35	17618.15
October-21	1504.700	59306.93	1514.55	17671.65
November-22	1306.400	57064.87	1304.15	16983.20
December-22	1852.850	58253.82	1846.25	17354.05
January-22	2339.000	58014.17	2333.75	17339.85
February-22	1950.400	56247.28	1949.60	16793.90
March-22	2199.900	58568.51	2184.95	17464.75

- Registrar and Share Transfer Agent ('RTA')**

All work related to Share Registry, both in physical and electronic form, are handled by the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited. The communication address of the Registrar and Share Transfer Agent is given hereunder:

Link Intime India Pvt. Ltd.  
C-101, 247 Park, L.B.S Marg, Vikhroli (W), Mumbai – 400 083  
Tel: +91 22 4918 6000  
Fax: +91 22 4918 6060  
E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

- Share Transfer System**

The Company's shares are traded in the Stock Exchanges in the demat mode. These transfers are effected through NSDL and CDSL.

As mandated by SEBI, securities of the Company can be transferred/ traded only in dematerialised form. Further, SEBI vide its circular dated January 25, 2022, mandated that all service requests for issue of duplicate certificate, renewal/exchange of securities certificate, endorsement, subdivision/splitting/ consolidation of certificate, transmission and transposition which were allowed in

physical form should be processed only in dematerialised form. The necessary forms for the above request are available on the website of the Company at [www.tips.in](http://www.tips.in) Shareholders holding shares in physical form are advised to avail the facility of dematerialisation.

- Distribution of Shareholding as on March 31, 2022**

No. of Equity Shareholdings	No. of Shareholders	Percentage of shareholders	No. of Shares for the range	Percentage
1 - 500	19594	97.07	776308	5.99
501 -1000	261	1.29	197125	1.52
1001 –2000	132	0.65	185899	1.43
2001 –3000	58	0.29	146708	1.13
3001 – 4000	37	0.18	129336	1.00
4001 – 5000	17	0.08	78777	0.61
5001 – 10000	38	0.19	259250	2.00
10001-above	48	0.24	11195256	86.33
<b>Total</b>	<b>20185</b>	<b>100.00</b>	<b>12968659</b>	<b>100.00</b>

- Shareholding Pattern as on March 31, 2022**

Category	No. of Equity Shares held	Percentage of share held
Promoter & Directors	5254083	40.51
Promoters	4469269	34.46
Public	2423254	18.69
Other Bodies Corporate	369609	2.85
Hindu Undivided Family	228150	1.76
Foreign Portfolio Investors (Corporate)	130431	1.01
Non Resident (Non Repatriable)	29373	0.23
Non Resident Indians	27678	0.21
Investor Education And Protection Fund	17987	0.14
Body Corporate - Ltd Liability Partnership	10715	0.08
Alternate Invst Funds - III	4400	0.03
Clearing Members	3465	0.03
Trusts	245	0.00
<b>Total</b>	<b>12968659</b>	<b>100.00</b>

- Dematerialization of Shares**

As on March 31, 2022, 1,29,58,901 shares representing 99.92% of the Company's paid-up share capital (including 74.98% 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, 2022 is given below:

Particulars	Shares	%
Physical Shares	9758	0.07
Demat Shares		
NSDL	2243284	17.30
CDSL	10715617	82.63
<b>Total</b>	<b>12968659</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**

There are no outstanding GDRs / ADRs / Warrants / Convertible Instruments of the Company and hence, the same is not applicable to the Company.

- **Plant locations**

The Company does not have any plants.

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

No Credit Rating was obtained during the Financial Year 2021-22.

- **Address for Correspondence**

Shareholders can send their correspondence to the Company with respect to their shares, dividend, request for annual reports and other grievances. The contact details are provided below:

**Ms. Bijal R. Patel**

Company Secretary and Compliance Officer

Tips Industries Limited

601, Durga Chambers, Linking Road, Khar (West),

Mumbai 400 052

Tel No.: 022-66431188

Email I.D.: bijal@tips.in

website: www.tips.in

## DISCLOSURES

- **Related Party Transaction**

During the year ended March 31, 2022, 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 disclosed and complied with all the mandatory requirements under Listing Regulations. The details of these compliances have been given in the relevant sections of this report.

Among discretionary requirements, as specified in Part E of Schedule II of Listing Regulations, the Company has adopted the following:

- **Modified opinion(s) in Audit Report**

The Auditors of the Company have issued Audit Reports with unmodified opinion on the standalone financial statements for the year ended March 31, 2022.

- **Reporting of Internal Auditor**

The Internal Auditor reports to the Audit Committee.

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

During the year ended March 31, 2022, the Company does not have any material listed/unlisted subsidiary companies as defined in Regulation 16 of the Listing Regulations.

- **CEO and CFO CERTIFICATION**

As required under Regulation 17 of the Listing Regulations, the CEO and CFO Certificate is annexed herewith as a part of the report.

- **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations.**

The Company did not raise any funds through preferential allotment or qualified institutions placement during the year.

- **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.

- **Acceptance of recommendations of Committees by the Board of Directors**

In terms of the Listing Regulations, there have been no instances during the year under review, when the recommendations of any of the Committees were not accepted by the Board.

- **Fees paid to the statutory auditor**

Details relating to fees paid to statutory auditor are given in note 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 2021-22	NIL
2	Number of complaints disposed of during the financial year 2021-22	NIL
3	Number of complaints pending as on end of the financial year 2021-22	NIL

- **Auditor's Certificate on Corporate Governance**

The Auditor's Certificate on Corporate Governance obtained from SSPA & Associates, Chartered Accountants (Firm Registration No. 131069W) for compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed herewith as a part of the report.

- **Disclosure on Compliance**

The Company has complied with the requirements of the Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**Kumar S. Taurani**

Chairman and Managing Director

DIN: 00555831

Place: Mumbai

Date May 30, 2022



## 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, 2022.

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

Place: Mumbai  
Date May 30, 2022

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

## CEO AND CFO CERTIFICATION

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

We, Kumar S. Taurani, Chairman and Managing Director of Tips Industries Limited and 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, 2022 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.

Date: May 30, 2022  
Place: Mumbai

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

**Sunil Chellani**  
Chief Financial Officer

**CERTIFICATE UNDER REGULATION 34(3) AND CLAUSE C(10)(i) OF SCHEDULE V OF SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015****FOR YEAR ENDED 31ST MARCH, 2022****TO WHOMSOEVER IT MAY CONCERN**

This certificate is issued in accordance with the terms of your e-mail dated 15th July, 2022.

The said e-mail requires us 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 provided 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 above-mentioned Regulations. Our responsibility is to provide a certificate as mentioned below.

I, CS Shirish Shetye, a Company Secretary in Practice, Designated Partner of SAV & Associates LLP, have examined all relevant Registers, declarations and confirmations by the directors, files and other documents relating to **Tips Industries Limited [CIN: L92120MH1996PLC099359]**, having its registered office at 601, Durga Chambers, 6th Floor, Opp. B.P.L. Gallery, 278/E, Linking Road, Khar (West), Mumbai – 400052, pertaining to the Directors, for year ended **31st March, 2022**, 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 our examination as well as information and explanations furnished to us, which to the best of our knowledge and belief were necessary for the purpose of our certification, we 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 solely for the purpose of compliance of the Regulations and should not be used by any other person or for any other purpose. Accordingly, we 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 our prior consent in writing.

**For SAV & Associates LLP**Company Secretaries  
Peer Review Regn. No.: 1528/2021

Sd/-

**SHIRISH SHETYE**

Designated Partner

COP No.: 825

FCS: 1926

UDIN: F001926D000720908

Place: Mumbai  
Date: 01.08.2022





## **Independent Auditors' Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**To  
The Members,  
Tips Industries Limited  
601, Durga Chambers, Linking Road,  
Khar (West), Mumbai 400052**

1. This certificate is issued in accordance with the terms of our engagement letter dated September 21, 2021.
2. We have examined the compliance of the conditions of Corporate Governance by Tips Industries Limited (Company) for the year ended on March 31, 2022 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) as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

### **Management's Responsibility for compliance with the conditions of Listing Regulations**

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

### **Auditors' Responsibility**

4. 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.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2022.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
8. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
  - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
  - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
  - iii. Obtained and read the Register of Directors as on March 31, 2022 and verified that atleast one independent woman director was on the Board of Directors throughout the year;

- iv. Obtained and read the minutes of the following committee meetings / other meetings held from April 01, 2021 to March 31, 2022:
    - a) Board of Directors;
    - b) Audit Committee;
    - c) Annual General Meeting (AGM);
    - d) Independent Directors Meeting;
    - e) Nomination and Remuneration Committee;
    - f) Stakeholders Relationship Committee;
    - g) Corporate Social Responsibility Committee; and
    - h) Risk Management Committee.
  - v. Obtained necessary declarations from the directors of the Company.
  - vi. Obtained and read the policy adopted by the Company for related party transactions.
  - vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been preapproved prior by the audit committee.
  - viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
9. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

### Opinion

10. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
11. 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.

### Restriction on use

12. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we 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 our prior consent in writing.

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

Place: Mumbai  
Date: May 30, 2022

**Parag Ved**  
Partner  
Membership Number: 102432  
UDIN: 22102432AJXGOW5175:



# INDEPENDENT AUDITOR'S 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, 2022, 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, 2022 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.

#### Emphasis of Matter

We draw attention to Note No. 34 (17) to the annual financial results which describes the scheme of arrangement in respect of demerger of Film Production and Distribution business from Tips Industries Limited to Tips Films Limited. The annual financial results have been drawn giving effect to the scheme of arrangement for the year ended March 31, 2022.

Our report is not modified in respect of the above matters.

#### 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 Auditor's 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.

## Management and Board of Directors' Responsibility 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The 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 skepticism 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 in the financial statements made by Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors 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, 2020' (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, 2013, we give in the "Annexure-A" a statement on the matters specified in paragraph 3 and 4 of the Order to the extent applicable.
2. (A) 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 Statement of Cash Flow 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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".
2. (B) 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:
  - a) The Company has disclosed the impact of pending litigations as at March 31, 2022 on its financial position in its financial statements – Refer Note No. 34(1)(a) to the financial statements.
  - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - d) (i) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recoded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
(ii) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like or behalf of the Ultimate Beneficiaries.

- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under d(i) and d(ii) above, contain any material misstatement.
- e) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

As stated in Note No. 34(12)(b) to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

2. (C) 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 read with Schedule V 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 No. 102432  
UDIN: 22102432AJXJCW2002

Place: Mumbai  
Date: May 30, 2022

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF TIPS INDUSTRIES LIMITED FOR THE YEAR ENDED MARCH 31, 2022**

- i. In respect of Property, Plant and Equipment
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has no Intangible Assets during the year.
- (b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Property, Plant and Equipment 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) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company, in respect of immovable properties taken on lease and disclosed as right to use assets in the financial statements, the lease agreement are in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) during the year.
- (e) According to the information and explanation given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and rules made thereunder.
- ii. In respect of Inventories:
- (a) The company does not have Inventory during the year ended March 31, 2022 and hence clause (ii) of the Order is not applicable to the Company for the current year.
- (b) According to the information and explanation given to us and on the basis of our examination of the records of the Company

the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has granted loans to below parties during the year in respect of which the requisite information is as below. The Company has not granted any loan, secured or unsecured, to companies, firms or limited liability partnership during the year.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans as below :

(INR in Lakhs)

<b>Particulars</b>	<b>Loans</b>
<b>Aggregate amount during the year</b>	50.87
-Employee Loans	
<b>Balance Outstanding as at balance sheet date</b>	23.31
-Employee Loans	

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the loans granted during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in case of interest free loans given to other parties, the repayment of principal has been stipulated, however no amount is due to be received during the year. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety

days in respect of loans given. Further, the Company has not given any advance in the nature of loan to any party during the year.

- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advances in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- iv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits or amounts which are deemed to be deposits from public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder, except in respect of an advance received from the customer which has arisen on account of arrangement with the customer. As per the independent opinion obtained by the Company, which states as per Rule 2(1)(c)(xii)(e) of the Acceptance of Deposits Rules, 2014 provides that where advance is received and services are provided for over a period of five years in accordance with a proper agreement in place and if that is as per industry practice will be not be considered as deemed deposits as per provisions of the above sections.
- vi. 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. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
- The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since

effective 1 July 2017, these statutory dues has been subsumed into GST.

- (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.

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, 2022 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.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the Statute	Nature of dues	Amount (INR in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Service Tax	177.62	FY 2014-15 to FY 2016-17	Commissioner of CGST and CEX (Appeals- III)
Income Tax Act, 1961	Income Tax	17.57	FY 2019-20	Central Processing System
Income Tax Act, 1961	Income Tax	21.95	FY 2017-18	The Asstt. Commissioner of Income Tax

\*Amount is net of payments made under dispute

- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- ix. In respect of borrowings:
- (a) According to the information and explanations given to us and the records of the Company examined by us, the Company



- has not availed any loans or other borrowings from any lenders during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the Company has not taken any term loan during the year, hence, paragraph 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not raised any funds on short term basis during the year, hence, paragraph 3(ix)(d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or Joint ventures.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, associates or joint ventures .
- x. In respect of IPO / FPO and Private Placement / Preferential Allotment:
- (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. In respect of fraud and whistle blower complaints:
- (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT- 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) (a) to (c) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the transactions with the related parties are in compliance with provisions of sections 177 and 188 of Companies Act, 2013 where applicable and 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. In respect of Internal audit system:
- (a) In our opinion and based on our examination, the Company has adequate internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the Internal reports for the company issued till date for the period under audit.
- xv. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, provisions of section 192 of the companies Act, 2013 and paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. In respect of registration with RBI and reporting for Core Investment Company:
- (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered during our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, Clause 3(xviii) of the order is not applicable.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. In respect of unspent amount towards CSR:
- a) In our opinion and according to the information and explanations given to us, there is no unspent amount under subsection (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx) (a) of the Order is not applicable.
- b) According to the information and explanations given to us, in respect of ongoing projects, the Company has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with Section 135(6) of the said Act.

**For SSPA & Associates**

Chartered Accountants  
Firm Registration No. 131069W

**Parag Ved**

Partner

Membership No. 102432  
UDIN: 22102432AJXJCW2002

Place: Mumbai  
Date: May 30, 2022



## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF TIPS INDUSTRIES LIMITED FOR THE YEAR ENDED MARCH 31, 2022**

### **Report on the Internal Financial Controls with reference to the aforesaid financial statement under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

**(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

#### **Opinion**

We have audited the internal financial controls with reference to financial statements of **Tips Industries Limited** ("the Company") as of March 31, 2022 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, 2022, 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 and Board of Directors 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 Note and the Standards on Auditing, issued by ICAI and deemed to be

prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls 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 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

**Parag Ved**

Partner

Membership No. 102432  
UDIN: 22102432AJXJCW2002

Place: Mumbai  
Date: May 30, 2022



# Balance Sheet

as at March 31, 2022

(INR in Lakhs)

Particulars	Notes	As at	
		March 31, 2022	March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3	634.10	204.07
(b) Investment Property	4	16.84	1,253.96
(c) Financial Assets			
(i) Other financial assets	5	23.25	32.53
(d) Deferred Tax Assets	6	39.11	-
(e) Other non-current assets	7	1,080.59	443.08
<b>Total Non-current assets</b>		<b>1,793.89</b>	<b>1,933.64</b>
<b>Current assets</b>			
(a) Financial assets			
(i) Investments	8	339.32	1,804.06
(ii) Trade receivables	9	1,791.97	1,507.06
(iii) Cash and cash equivalents	10	2,207.41	3,110.71
(iv) Bank balances other than (iii) above	11	3,985.34	237.76
(v) Loans	12	23.31	17.19
(vi) Other financial assets	13	866.88	510.00
(b) Other Current Assets	14	3,248.80	5,597.95
(c) Current Tax Assets (Net)	15	420.86	291.90
<b>Total current assets</b>		<b>12,883.89</b>	<b>13,076.63</b>
<b>Total Assets</b>		<b>14,677.78</b>	<b>15,010.27</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	16	1,296.87	1,296.87
(b) Other equity	17	8,943.44	8,828.90
<b>Total Equity</b>		<b>10,240.31</b>	<b>10,125.77</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Lease Liabilities	18	361.35	-
(b) Deferred Tax Liability	19	-	235.54
(c) Employee Benefit Obligations	20	12.66	25.65
(d) Other Non-Current Liabilities	21	2,966.35	3,598.22
<b>Total non-current liabilities</b>		<b>3,340.36</b>	<b>3,859.41</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Lease Liabilities	22	33.91	-
(ii) Trade payables	23		
(a) Total outstanding dues of micro enterprises and small enterprises		2.60	2.30
(b) Total outstanding dues of creditors other than micro and small enterprises		415.45	625.13
(iii) Other financial liabilities	24	15.05	29.89
(b) Employee Benefit Obligations	25	2.19	1.26
(c) Other Current Liabilities	26	107.30	178.98
(d) Current tax liability (Net)	27	520.61	187.53
<b>Total current liabilities</b>		<b>1,097.11</b>	<b>1,025.09</b>
<b>Total Equity and Liabilities</b>		<b>14,677.78</b>	<b>15,010.27</b>

## Significant accounting policies

The notes referred to above form an integral part of the 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

**Ramesh S. Taurani**

Managing Director

DIN : 00010130

**Sunil Chellani**

Chief Financial Officer

Place : Mumbai

Date : May 30, 2022

Place : Mumbai

Date : May 30, 2022

# Statement of Profit and Loss

 for the year ended March 31, 2022

(INR in Lakhs)

Particulars	Note No.	Year ended	Year ended
		March 31, 2022	March 31, 2021
<b>I.</b> Revenue from operations	28	13,558.64	9,053.00
<b>II.</b> Other income	29	320.88	489.22
<b>Total Income (I+II)</b>		<b>13,879.52</b>	<b>9,542.22</b>
<b>III Expenses:</b>			
Employee Benefits Expense	30	625.84	806.81
Finance Costs	31	7.28	2.09
Depreciation and Amortization Expense	32	74.94	81.17
Other Expenses	33	4,309.75	2,729.74
<b>IV Total Expenses</b>		<b>5,017.81</b>	<b>3,619.81</b>
<b>V Profit before Tax</b>		<b>8,861.71</b>	<b>5,922.41</b>
<b>VI Tax Expenses:</b>			
(1) Current Tax		2,300.00	1,473.91
(2) Taxes in respect of earlier years		90.55	136.90
(3) Deferred Tax		15.61	(35.28)
<b>VII Profit / (Loss) for the year</b>		<b>6,455.55</b>	<b>4,346.88</b>
<b>VIII Other Comprehensive Income</b>			
Items that will not be reclassified to statement of Profit or Loss			
Remeasurement gain (loss) of post employment benefit obligations (net of taxes)		(10.79)	8.42
Other Comprehensive Income for the year, net of taxes		(10.79)	8.42
<b>IX Total Comprehensive income for the year</b>		<b>6,444.76</b>	<b>4,355.30</b>
<b>X Earnings per equity share of Rs. 10/- each</b>			
(1) Basic	34(16)	49.78	32.72
(2) Diluted	34(16)	49.78	32.72

### Significant accounting policies

The notes referred to above form an integral part of the financial statements.

In terms of our report of even date

For **SSPA & Associates**

Chartered Accountants

Firm Registration No. 131069W

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**Sunil Chellani**

Chief Financial Officer

Place : Mumbai  
Date : May 30, 2022

Place : Mumbai  
Date : May 30, 2022



# Cash Flow Statement for the year ended March 31, 2022

Particulars	(INR in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Cash flow from operating activities</b>		
Profit/(loss) before tax	8,861.71	5,922.41
<b>Adjustments</b>		
Depreciation and amortisation	74.94	81.17
Finance Cost	7.28	2.09
Profit on Sale of Investments	-	(1.49)
Fair value gain on Mutual Fund at FVTPL	(61.40)	(45.29)
Provision for/ (write back of) doubtful debts and advances	11.23	(2.96)
Bad Debts and Advances Written Off	-	27.99
(Profit)/Loss on sale of Property, Plant and Equipment	-	(3.50)
Non-cash expenses adjustment for Gratuity	(14.42)	11.25
Interest income	(159.70)	(117.65)
<b>Operating Profit before Working Capital changes</b>	<b>8,719.64</b>	<b>5,874.02</b>
<b>Working capital adjustments</b>		
(Increase)/ Decrease in trade and other receivables	(302.86)	279.27
(Increase) / Decrease in Other Financial Assets (Current)	(336.15)	-
(Increase) / Decrease in Other Loans (Current)	(12.72)	5.55
(Increase) / Decrease in Other Current Assets	(1,500.01)	(4,707.32)
(Increase) / Decrease in loans and advances and other assets (Non current)	(765.47)	(5.73)
(Increase) / Decrease in Other Financial Assets (Non Current)	(0.62)	(0.71)
(Increase) / Decrease in Other Non Current Assets	-	224.48
Increase/ (Decrease) in Employess Benefit Obligations (Current)	1.20	0.06
Increase/ (Decrease) in Employess Benefit Obligations (Non-Current)	12.32	(2.33)
Increase/ (Decrease) in Other Liabilities (Non-Current)	(631.83)	3,598.22
Increase/ (Decrease) in Other Liabilities (Current)	(62.69)	143.07
Increase/ (Decrease) in Trade payables	0.32	204.53
Increase/ (Decrease) in Financial Liabilities (Current)	0.16	(0.01)
<b>Cash generated from operations</b>	<b>5,121.29</b>	<b>5,613.10</b>
Direct Taxes Paid (Net of Refund)	(2,186.42)	(1,288.05)
<b>Net cash flows from operating activities</b>	<b>2,934.87</b>	<b>4,325.05</b>
<b>Cash flow from investing activities</b>		
Acquisition of Property, Plant and Equipments	(47.83)	(76.00)
Proceeds from sale of Property, Plant and Equipments	-	3.50
(Increase) / Decrease in Bank Deposits and other Deposits (Current)	(3,765.05)	(201.90)
(Increase) / Decrease in Intercompany Deposits (Current)	(506.35)	-
Redemption of Mutual Fund	1,900.50	254.53
Investment in Mutual Fund	(450.00)	(1,449.53)
Interest Received	159.70	117.65
<b>Net cash flows from investing activities</b>	<b>(2,709.03)</b>	<b>(1,351.75)</b>
<b>Cash flow from financing activities</b>		
(Repayment)/Procees of Long Term Borrowings	-	(188.98)
(Repayment)/Procees of Short Term Borrowings	-	-
Interest Paid	(7.28)	(2.09)
Repayment of Lease Liability	(18.22)	-
Buyback of shares	-	(1,890.00)
Tax on Buyback of shares	-	(182.80)
Dividend paid (including tax on dividend)	(259.37)	(194.53)
<b>Net cash flows from financing activities</b>	<b>(284.87)</b>	<b>(2,458.40)</b>

# Cash Flow Statement

 for the year ended March 31, 2022

Particulars	(INR in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Net increase / (decrease) in cash and cash equivalents</b>	(59.03)	514.90
Cash and cash equivalents at the beginning of the year	3,110.71	
Less : Transferred on account of Scheme of Arrangement {Refer Note No 34(17)}	(844.27)	
Adjusted Cash and Cash Equivalent at the beginning of the year	2,266.44	2,595.81
Cash and cash equivalents at the end of the year	2,207.41	3,110.71
<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	2,203.33	252.14
In Fixed Deposit	1.09	2,850.40
Cash on Hand	2.99	8.17
<b>Cash and Cash equivalents as restated as at the year end</b>	<b>2,207.41</b>	<b>3,110.71</b>
<b>Notes</b>		
<b>a]Debt reconciliation statement in accordance with Ind AS 7</b>		
<b>Opening balances</b>		
Long-term borrowing	-	188.98
Lease Liabilities	-	-
<b>Movements</b>		
Long-term borrowing	-	(188.98)
Lease Liabilities	395.26	-
<b>Closing balances</b>		
<b>Long-term borrowing</b>	<b>-</b>	<b>-</b>
<b>Lease Liabilities</b>	<b>395.26</b>	<b>-</b>

- 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".
- c] In pursuant to the Scheme of Arrangement, there is transfer of Cash and Cash Equivalent amounting to INR 844.27 (in lakhs) to resulting Company.

In terms of our report of even date

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

**Parag Ved**  
Partner  
Membership No. 102432

Place : Mumbai  
Date : May 30, 2022

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 30, 2022

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

**Sunil Chellani**  
Chief Financial Officer





# Statement of Changes in Equity

## A. Equity Share Capital

As at March 31, 2022

(INR in Lakhs)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1,296.87	-	-	-	1,296.87

As at March 31, 2021

(Rs. in Lakhs)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1,431.87	-	-	(135.00)	1,296.87

## B. Other Equity

(INR in Lakhs)

As at March 31, 2022	Reserves and Surplus				Total
	General Reserve	Securities Premium Reserve	Capital Redemption Reserve	Retained Earnings	
Balance as at April 01, 2021	416.25	43.72	433.72	7,935.21	8,828.90
Less : Transferred on account of Scheme of Arrangement {Refer Note No 34(17)}	-	(43.72)	-	(6,027.12)	(6,070.84)
Profit /(Loss) for the year	-	-	-	6,455.55	6,455.55
OCI for the year	-	-	-	(10.79)	(10.79)
Payment of dividends	-	-	-	(259.37)	(259.37)
<b>Balance as at March 31, 2022</b>	<b>416.25</b>	<b>0.00</b>	<b>433.72</b>	<b>8,093.47</b>	<b>8,943.44</b>

As at March 31, 2021

As at March 31, 2021	Reserves and Surplus				Total
	General Reserve	Securities Premium Reserve	Capital Redemption Reserve	Retained Earnings	
Balance as at April 01, 2020	551.25	1,798.72	298.72	3,957.25	6,605.94
Less : Buy Back of Shares	(135.00)	(1,755.00)	135.00	-	(1,755.00)
Profit /(Loss) for the year	-	-	-	4,346.88	4,346.88
OCI for the year	-	-	-	8.42	8.42
Tax on Buyback of shares	-	-	-	(182.81)	(182.81)
<b>Payment of dividends</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(194.53)</b>	<b>(194.53)</b>
<b>Balance as at March 31, 2021</b>	<b>416.25</b>	<b>43.72</b>	<b>433.72</b>	<b>7,935.21</b>	<b>8,828.90</b>

In terms of our report of even date

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

**Parag Ved**  
Partner  
Membership No. 102432

Place : Mumbai  
Date : May 30, 2022

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 30, 2022

**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

## 1a. 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.

## 1b. Explanatory Note on the Scheme of Arrangement:

Pursuant to the Scheme of Arrangement (the 'Scheme'), duly sanctioned by the National Company Law Tribunal (NCLT), Mumbai Bench vide Order dated March 3, 2022, with effect from the Appointed Date i.e., April 1, 2021, the Film Production and Distribution business of the Company ('the demerged undertaking'), stands transferred into the "Tips Films Limited", ('the resulting company' or 'TFL'). The financials of the Company for FY 2021-22 have been drawn after giving the effect of the Scheme. Hence to this extent, the financials for FY 2021-22 is not comparable with that of FY 2020-21.

Accounting of Film Production and Distribution business of the Company of Tips Industries Limited (Outgoing Business):

Pursuant to the Scheme, the net assets of INR 6070.84 Lakhs as of the Appointed date, in respect of the Outgoing Businesses had been transferred to Tips Films Limited at book value as per the terms of the Scheme. The difference between the carrying amount of assets and liabilities was set off first against the Securities Premium Account and balances with the Retained Earnings have been proportionately debited to this extent. {Refer Note No 34 (17)}

## 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 of financial statements:

#### 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 were approved by the Company's board of directors on May 30, 2022.

These financial statements are presented in Indian rupees (INR), which is the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest lakh, unless 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) that are measured at fair value.
- 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:



# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

- 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:**

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have effect on their recognition and measurement in the balance sheet and statement of profit and loss. The actual amounts realised may differs from the estimates.

Such estimates are reviewed at each reporting period and impact if any is given in current and future periods. Estimates and assumptions are required in particular for:

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

Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

### **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.

# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

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 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, over the useful life of the assets as prescribed under Part C of Schedule II of the Companies Act, 2013 except for Improvements to Leasehold Premises.

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

Depreciation on additions / deletions is calculated on a pro-rate basis from the date of addition / upto the date of deletion.

### **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) **Investment properties**

Properties that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that the future economic benefits



# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

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.

## e) 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).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the statement of profit and loss only to the extent that such gain or loss arises due to a change in factor market participants take into account when pricing the financial asset.

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.

# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

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.

## 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, 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.

### Impairment of financial assets:

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- b) Trade receivables - The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

### 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.



# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

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.

## **f) Fair Value**

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

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

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

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

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

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

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

## **g) Inventories:**

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

### **i) Cost of Feature Films:**

- The Company amortizes 60% of the cost of movie rights acquired or produced by it, on first theatrical release of the movie. The said amortization is made proportionately based on Management's estimates of revenues pertaining to Domestic Theatrical Rights, International Theatrical Rights, Television Rights, Video Rights and others over a period of 12 months from the date of theatrical release of the movie.

# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

- 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.

## h) In house music production/ acquisition cost for Audio film and non film albums:-

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

## i) Cash and cash equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with remaining maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

## 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:

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.





# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

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.
  - 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.
- l) 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 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.

# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

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.

## **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.

Current tax assets and liabilities are offset only if, the Company has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### **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.



# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when they relate to income taxes levied by the same taxation authority.

## **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.

# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

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:

The company recognizes a right-of-use asset and a lease liability at the lease commencement date.

Right-of-use asset (ROU):

The right-of-use asset is initially measured at cost. Cost comprises of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, any initial direct costs incurred by the lessee, an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

After the commencement date, a lessee shall measure the right-of-use asset applying cost model, which is Cost less any accumulated depreciation and any accumulated impairment losses and also adjusted for certain re-measurements of the lease liability.

Right-of-use asset is depreciated using straight-line method from the commencement date to the end of the lease term. If the lease transfers the ownership of the underlying asset to the company at the end of the lease term or the cost of the right-of-use asset reflects the company will exercise the purchase option, ROU will be depreciated over the useful life of the underlying asset, which is determined based on the same basis as property, plant and equipment.

Lease liability:

Lease liability is initially measured at the present value of lease payments that are not paid at the commencement date. Discounting is done using the implicit interest rate in the lease, if that rate cannot be readily determined, then using the company's incremental borrowing rate. Incremental borrowing rate is determined based on entity's borrowing rate adjusted for terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprises of fixed payments (including in substance fixed payments), variable lease payments that depends on an index or a rate, initially measured using the index or rate at the commencement date, amount expected to be payable under a residual value guarantee, the exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

Lease liability is measured at amortised cost using the effective interest method. Lease liability is re-measured when there is a change in the lease term, a change in its assessment of whether it will exercise a purchase, extension or termination option or a revised in-substance fixed lease payment, a change in the amounts expected to be payable under a residual value guarantee and a change in future lease payments arising from change in an index or rate.

When the lease liability is re-measured corresponding adjustment is made to the carrying amount of the right-of-use asset. If the carrying amount of the right-of-use asset has been reduced to zero it will be recorded in statement of profit and loss.



# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

Right-of-use asset is presented under “Property, Plant & Equipment” and lease liabilities are presented under “Financial liabilities” in the balance sheet.

The company has elected not to recognise right-of-use assets and lease liabilities for short term leases. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

**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.

## r) **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).

## s) **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 capitalised.

# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

## 3. PROPERTY PLANT AND EQUIPMENT

Description of Assets	As at	
	March 31, 2022	March 31, 2021
Carrying Amount of		
Plant & Equipment	-	3.14
Vehicles	34.39	122.98
Furniture and Fixture	3.45	5.29
Office Equipment	76.13	72.66
Right to Use Assets	520.13	-
<b>Total</b>	<b>634.10</b>	<b>204.07</b>

Particulars	Plant & Equipment	Furniture & Fixture	Vehicles	Office Equipment	Right to Use (refer Note 34(4))	Total
<b>Gross Block Value</b>						
Balance as at April 01, 2020	45.67	48.90	816.34	166.78	-	1,077.69
Additions	-	3.79	-	72.21	-	76.00
Disposal	-	-	(42.13)	-	-	(42.13)
<b>Balance as at March 31, 2021</b>	<b>45.67</b>	<b>52.69</b>	<b>774.21</b>	<b>238.99</b>	<b>-</b>	<b>1,111.56</b>
<b>Balance as at April 01, 2021</b>	<b>45.67</b>	<b>52.69</b>	<b>774.21</b>	<b>238.99</b>	<b>-</b>	<b>1,111.56</b>
Less : Transferred on account of Scheme of Arrangement {Refer Note No 34(17)}	40.31	-	-	-	-	40.31
Additions	-	-	8.14	39.69	547.40	595.23
Adjustments/Disposals/Transfer	-	-	376.74	-	-	376.74
<b>Balance as at March 31, 2022</b>	<b>5.36</b>	<b>52.69</b>	<b>405.62</b>	<b>278.68</b>	<b>547.40</b>	<b>1,289.75</b>
Accumulated Depreciation						
Balance as at April 01 2020	40.86	46.38	655.35	154.54	-	897.13
<b>Depreciation for the year</b>	<b>1.68</b>	<b>1.01</b>	<b>38.01</b>	<b>11.80</b>	<b>-</b>	<b>52.50</b>
<b>Disposal for the year</b>	<b>-</b>	<b>-</b>	<b>(42.13)</b>	<b>-</b>	<b>-</b>	<b>(42.13)</b>
Balance as at March 31, 2021	42.54	47.40	651.23	166.34	-	907.50
Balance as at April 01, 2021	42.54	47.40	651.23	166.34	-	907.50
Less : Transferred on account of Scheme of Arrangement {Refer Note No 34(17)}	37.17	-	-	-	-	37.17
Depreciation for the year	-	1.84	6.66	36.22	27.27	71.98
Adjustments/Disposals/Transfer	-	-	286.65	-	-	286.65
<b>Balance as at March 31, 2022</b>	<b>5.36</b>	<b>49.24</b>	<b>371.24</b>	<b>202.56</b>	<b>27.27</b>	<b>655.65</b>
<b>Net Block Value</b>						
<b>AS at March 31, 2021</b>	<b>3.14</b>	<b>5.29</b>	<b>122.98</b>	<b>72.66</b>	<b>-</b>	<b>204.07</b>
<b>AS at March 31, 2022</b>	<b>-</b>	<b>3.45</b>	<b>34.39</b>	<b>76.13</b>	<b>520.13</b>	<b>634.10</b>

# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

## 4 INVESTMENT PROPERTY

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

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Opening	1,764.46	1,764.46
Add : Additions	-	-
Less : Transferred on account of Scheme of Arrangement {Refer Note No 34(17)}	1,680.95	-
Closing	<b>83.51</b>	<b>1,764.46</b>
Less : Accumulated depreciation		
Opening	510.50	481.84
Add: Depreciation/amortisation	2.96	28.66
Less : Transferred on account of Scheme of Arrangement {Refer Note No 34(17)}	446.79	-
Closing	66.67	510.50
<b>Net block</b>	<b>16.84</b>	<b>1,253.96</b>

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

Particulars	As at	As at
	March 31, 2022	March 31, 2021
(a) Rental income derived from investment properties	28.77	110.92
(b) Profit arising from investment properties before depreciation and indirect expenses		
Less – Depreciation	2.96	28.66
Less – Property Tax & Maintenance Charges	0.57	8.40
<b>Profit arising from investment properties before indirect expenses</b>	<b>25.25</b>	<b>73.86</b>

### III Fair Value

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Investment Properties	396.92	2,818.22

### IV Estimation of fair value

Due to Covid restriction, Company is not able to obtain fair value of Investment Property from Registered Valuer. In such a case, the Company has considered the fair value which was obtained as on March 31, 2019.

V Title Deeds of the Immovable Properties as set out in the above table are in the name of the Company.

# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

## 5 OTHER FINANCIAL ASSETS (UNSECURED, CONSIDERED GOOD)

Particulars	As at March 31, 2022	As at March 31, 2021
Bank Deposits with more than 12 month maturity period *	14.19	13.57
Security Deposits -Others	9.06	18.96
<b>Total</b>	<b>23.25</b>	<b>32.53</b>

\*Fixed deposit of Rs.14.19 Lacs (Previous year Rs. 13.57 lacs) includes electricity deposit of Rs. 14.07 lacs (Previous year Rs. 13.44 lacs)

## 6 DEFERRED TAX ASSETS (NET)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Deferred Tax Assets</b>		
Property, plant, equipment and investment property	11.56	-
Employees benefit Obligations	3.74	-
Provision for doubtful debts	4.90	-
Others	18.91	-
<b>Total</b>	<b>39.11</b>	<b>-</b>

## 7 OTHER NON-CURRENT ASSETS (UNSECURED, CONSIDERED GOOD)

Particulars	As at March 31, 2022	As at March 31, 2021
a] Advances Given for Digital Rights	756.64	393.64
b] Deposits with Government Authorities	46.13	46.13
c] Capital Advances	-	3.31
d) Security Deposits -Others	277.82	-
<b>Total</b>	<b>1,080.59</b>	<b>443.08</b>

## 8 CURRENT INVESTMENTS

Particulars	No of Shares as at March 31, 2022	No of Shares as at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>(1) Investment in fully paid-up Equity Shares (Unquoted) (at Cost)</b>				
Label Mobile Media Private Limited Equity shares of Rs. 10/- each	-	5,000	-	0.50





# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

Particulars	No of Shares as at March 31, 2022	No of Shares as at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>(2) Mutual Funds</b>				
<b>Investment carried at fair value through Profit &amp; Loss</b>				
Baroda Overnight Fund	23,082.389	63,506.281	257.26	685.74
Baroda Large cap & midcap Fund	-	1,99,980.001	-	25.62
Baroda Banking & PSU Fund	-	4,99,975.001	-	50.02
Baroda Business Cycle Fund	-	-	-	-
SBI Overnight Fund	2,370.860	31,093.642	82.06	1,042.18
<b>Total</b>			<b>339.32</b>	<b>1,804.06</b>
Aggregate carrying value of quoted investments and market value thereof			-	-
Aggregate carrying value of unquoted investments			339.32	1,804.06
Aggregate provision for impairment in the value of investments			-	-

## 9 TRADE RECEIVABLES

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables		
Trade Receivables considered good Secured	-	-
Trade Receivables considered good Unsecured	1,791.97	1,507.06
Trade Receivables which have significant increase in credit risk	19.48	8.25
Less: Trade Receivables credit impaired	(19.48)	(8.25)
<b>Total</b>	<b>1,791.97</b>	<b>1,507.06</b>

For Ageing refer Note 34 {15(a)}

## 10 CASH & CASH EQUIVALENTS

Particulars	As at March 31, 2022	As at March 31, 2021
a] Cash on Hand	2.99	8.17
b] Balance with Banks in Current Accounts - Current Account	2,203.33	252.14
c] Bank Deposits with Maturity Less 3 months	1.09	2,850.40
<b>Total</b>	<b>2,207.41</b>	<b>3,110.71</b>

# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

## 11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at	As at
	March 31, 2022	March 31, 2021
a] Bank Deposits with 3-12 months- Maturity @	3,979.07	231.66
b] Margin Money (Sales Tax Deposit)	0.22	0.21
c] Earnarked Balance with Banks (Unclaimed Dividend)	6.05	5.89
<b>Total</b>	<b>3,985.34</b>	<b>237.76</b>

@ These deposits are in the form of Fixed Deposit of INR 3964.17 Lakhs (Previous Year INR 200 Lakhs) & Bank Guarantee INR 14.89 Lakhs (Previous Year INR 31.66 Lakhs)

## 12 LOANS (UNSECURED, CONSIDERED GOOD)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Employee Loan	23.31	17.19
<b>Total</b>	<b>23.31</b>	<b>17.19</b>

There are no loans or advances in the nature of loans granted to promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:

- (a) repayable on demand; or
- (b) without specifying any terms or period of repayment

## 13 OTHER FINANCIAL ASSETS (UNSECURED, CONSIDERED GOOD)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
a] Security Deposit against Premises to Related Parties	250.00	500.00
b] Security Deposits -Others	5.00	10.00
c] Other Receivables #	611.88	-
<b>Total</b>	<b>866.88</b>	<b>510.00</b>

The Company has not given any advances to directors of the Company either severally or jointly with any other persons or advances to firm or any other companies respectively in which any director is partner or a member.

# these are receivables from Related Party.



# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

## 14 OTHER CURRENT ASSETS (UNSECURED, CONSIDERED GOOD)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
a] Advances for film Projects in Hand	-	3,929.25
b] Advances for Music Audio & Video Rights	1,929.76	1,134.03
c] Prepaid Expenses	0.75	0.02
d] Balances with Government Authorities *	774.76	495.43
e] Inter corporate deposit	506.35	-
f] Advance for expenses	37.18	39.22
<b>Total</b>	<b>3,248.80</b>	<b>5,597.95</b>

\* Out of which INR 311.35 lakhs (Previous Year : NIL) credit of GST belong to erstwhile Films Division. INR 50.40 lakhs (Previous Year : INR 36.00 lakhs) is paid on account of dispute.

## 15 CURRENT TAX (NET)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>Advance payment of Income tax and Tax Deducted at Source</b> (net of Provision for Taxation INR. 2075.31 Lakhs (L/Y INR 560.47 Lakhs))	420.86	291.90
<b>Total</b>	<b>420.86</b>	<b>291.90</b>

## 16 EQUITY SHARE CAPITAL (REFER NOTE 34(6))

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of	Amount	Number of	Amount
	Shares		Shares	
a] Authorised 2,00,00,000 Equity Shares of Rs. 10 each	2,00,00,000	2,000.00	2,00,00,000	2,000.00
b] Issued, Subscribed and fully paid-up	1,29,68,659	1,296.87	1,43,18,659	1,431.87
c] Buyback of shares 13,50,000 shares @10/- per share	-	-	(13,50,000)	(135.00)
<b>Total</b>	<b>1,29,68,659</b>	<b>1,296.87</b>	<b>1,29,68,659</b>	<b>1,296.87</b>

## 17 OTHER EQUITY

Particulars	As at	As at
	March 31, 2022	March 31, 2021
1 General Reserves	416.25	416.25
2 Securities Premium Reserve	-	43.72
3 Capital Redemption Reserve	433.72	433.72
4 Retained Earnings	8,093.47	7,935.21
<b>Total</b>	<b>8,943.44</b>	<b>8,828.90</b>

# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

## 1 General Reserves

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the Beginning of the year	416.25	551.25
Less: Transferred to Capital Redemption Reserve	-	(135.00)
<b>Balance at the end of the year</b>	<b>416.25</b>	<b>416.25</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.

## 2 Securities Premium Reserve

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the Beginning of the year	43.72	1,798.72
Less: Buyback of Shares	-	(1,755.00)
Less : Transferred on account of Scheme of Arrangement {Refer Note No 34(17)}	(43.72)	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>43.72</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, 2022	As at March 31, 2021
Balance at the Beginning of the year	433.72	298.72
Add: Transferred from General Reserves	-	135.00
<b>Balance at the end of the year</b>	<b>433.72</b>	<b>433.72</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



# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

## 4 Retained Earnings

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the Beginning of the year	7,935.21	3,957.25
<b>Less : Transferred on account of Scheme of Arrangement {Refer Note No 34(17)}</b>	(6,027.12)	-
Net profit for the period	6,455.55	4,346.88
<b>Other comprehensive income for the year</b>		
Remeasurement gain (loss) of post employment benefit obligations (net of taxes)	(10.79)	8.42
Tax on buyback of Shares	-	(182.81)
Dividend Paid	(259.37)	(194.53)
<b>Balance at the end of the year</b>	<b>8,093.47</b>	<b>7,935.21</b>

## 18 Lease Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liabilities {Refer Note No 34(3)}	361.35	-
<b>Total</b>	<b>361.35</b>	<b>-</b>

## 19 Deferred Tax Liabilities (Net)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Deferred Tax Liabilities</b>		
Property, plant, equipment and investment property	-	240.85
Others	-	4.58
<b>Deferred Tax Assets</b>		
Employees benefit Obligations	-	(6.77)
Provision for loss allowance	-	(2.08)
Others	-	(1.02)
<b>Total</b>	<b>-</b>	<b>235.54</b>

## 20 EMPLOYEE BENEFIT OBLIGATIONS

Particulars	As at March 31, 2022	As at March 31, 2021
Gratuity {Refer Note No.34(13)}	12.66	25.65
<b>Total</b>	<b>12.66</b>	<b>25.65</b>

# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

## 21 OTHER NON CURRENT LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Advance from Customers	2,966.35	3,598.22
<b>Total</b>	<b>2,966.35</b>	<b>3,598.22</b>

## 22 LEASE LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liabilities {Refer Note No 34(3)}	33.91	-
<b>Total</b>	<b>33.91</b>	<b>-</b>

## 23 TRADE PAYABLES

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Total outstanding dues of micro and small enterprises {Refer Note No 34(8)}	2.60	2.30
(b) Total outstanding dues of Creditors other than micro and small enterprises	415.45	625.13
<b>Total</b>	<b>418.05</b>	<b>627.43</b>

For Ageing refer Note No {34 (15(b)}

## 24 OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Unclaimed Dividends **	6.05	5.89
(b) Security Deposit	9.00	24.00
<b>Total Other Financial Liabilities</b>	<b>15.05</b>	<b>29.89</b>

\*\* 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	As at March 31, 2022	As at March 31, 2021
Gratuity {Refer Note no 34(13)}	2.19	1.26
<b>Total</b>	<b>2.19</b>	<b>1.26</b>



# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

## 26 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Advances from Customers	12.08	140.05
(b) Statutory Dues	95.22	38.93
<b>Total</b>	<b>107.30</b>	<b>178.98</b>

## 27 CURRENT TAX LIABILITY (NET)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Provision for Taxation</b>		
(net of Advance payment of Income tax and Tax Deducted at Source INR 1779.38 Lakhs (L/Y INR 1286.38 Lakhs)	520.61	187.53
<b>Total</b>	<b>520.61</b>	<b>187.53</b>

## 28 REVENUES FROM OPERATIONS

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Sale of Services</b>		
Licence fees	13,558.64	9,053.00
<b>Total Revenue from Operations</b>	<b>13,558.64</b>	<b>9,053.00</b>

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

Revenue by Geography	License Fees (Audio/ Video)	
	Year Ended March 31, 2022	Year Ended March 31, 2021
Domestic	2,680.53	3,921.89
International	10,878.11	5,131.11
	<b>13,558.64</b>	<b>9,053.00</b>
<b>Timing of Revenue Recognition</b>		
Services transferred at a point in time	13,558.64	9,053.00
<b>Total Revenue from Contracts with Customers</b>	<b>13,558.64</b>	<b>9,053.00</b>

### b] Contract Balances

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

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Receivables, which are included in 'trade and other receivables' Refer Note No 9	1,791.97	1,507.06
Advance received from Customers Refer Note No 21 & 26	2,978.43	3,738.27

# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

## 29 OTHER INCOME

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest Income		
On Fixed Deposits with banks	159.71	117.64
Rent Income	28.77	110.92
Provisions for/(Write back of) doubtful debts and advances	-	2.96
Advances Written Back	-	195.00
Profit on Sale of Assets	-	3.50
Insurance Claim Received	0.71	8.35
Foreign Exchange Gain (Net)	21.72	3.99
Profit on Sale of Investments	-	1.49
Fair value gain on Mutual Fund at FVTPL	61.40	45.29
Other Non-operating Income	48.57	0.08
<b>Total</b>	<b>320.88</b>	<b>489.22</b>

## 30 EMPLOYEE BENEFITS EXPENSES

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Salary, Wages & Bonus	593.28	779.11
Contribution to Provident and other Funds	11.66	9.79
Gratuity	10.74	13.73
Staff Welfare Expenses	10.16	4.18
<b>Total</b>	<b>625.84</b>	<b>806.81</b>

## 31 FINANCE COSTS

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest Paid to Banks	-	2.09
Interest on Lease	7.28	-
<b>Total</b>	<b>7.28</b>	<b>2.09</b>

## 32 DEPRECIATION AND AMORTISATION EXPENSES

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
On account of property, plant and equipment	44.66	52.50
On account of Investment Property	30.28	28.67
<b>Total</b>	<b>74.94</b>	<b>81.17</b>





# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

## 33 OTHER EXPENSES

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Electricity Expenses	4.85	3.95
Rent	58.25	102.42
Repairs & Maintenance :		
-Office Premises	18.36	182.54
Insurance	73.86	252.55
Rates and Taxes	18.47	19.30
Legal and Professional	494.90	507.16
Corporate Social Responsibility	52.25	-
In-house Music Production/Acquisition Cost	2,372.03	863.46
Advertisement Expenses	836.36	455.62
Travelling and Conveyance	28.20	11.15
Auditors Remuneration (Refer below Note i)		
-Statutory Audit	13.50	12.00
-Out of pocket expenses	0.04	0.05
Donation	16.28	43.62
Bad Debts and Advances Written Off	-	27.99
Provisions for Doubtful Debts	11.23	-
Miscellaneous Expenses	311.17	247.93
<b>Total</b>	<b>4,309.75</b>	<b>2,729.74</b>
<b>i) Details of Auditors Remuneration</b>		
Audit Fees	13.50	12.00
Certificates - shown under Legal & Professional	2.50	-
Out of pocket expenses	0.04	0.05
	<b>16.04</b>	<b>12.05</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	As at March 31, 2022	As at March 31, 2021
Penalty under FEMA Act*	90.00	90.00
Service Tax matter	192.02	-
Income Tax liability for Assessment year 2020-21	17.57	-
Income Tax demand for Assessment year 2018-19 **	21.95	-
	<b>321.54</b>	<b>90.00</b>

\* 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.

\*\* As this demand is towards dividend distribution tax, which has been already paid by the company 26.09.2018, rectification letter u/s 154 of same has been filed on 18/05/22, on rectification of same at income tax site, the said amount would be refunded back to the company.

- 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.
- c] The Code on Social Security, 2020 (Code) relating to employees benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/ interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

### 2] Tax Expenses

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

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Current Tax</b>		
Current Tax on Profit for the Year	2,300.00	1,473.91
Excess provision for the earlier years written back	90.55	136.90
<b>Total Current Tax</b>	<b>2,390.55</b>	<b>1,610.81</b>
<b>Deferred Tax</b>	15.61	(35.28)
<b>Total</b>	<b>2,406.16</b>	<b>1,575.53</b>

# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

## B. Amounts recognised in other comprehensive income

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurements of defined benefit liability (asset)		
Before tax	(14.42)	11.25
Tax (expenses)/ benefit	3.63	(2.83)
<b>Net of taxes</b>	<b>(10.79)</b>	<b>8.42</b>

## C. Reconciliation of effective tax rate

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Profit Before Tax</b>	8,861.71	5,922.41
Tax using the Company's domestic tax rate of 25.17 % (PY 25.17%)	2,230.49	1,490.67
<b>Tax effect of :</b>		
On account of change in Tax Rate	-	(36.40)
Tax deduction Chapter VIA	-	(5.49)
Non Deductible Expense	(13.15)	-
Others	188.82	126.74
	<b>2,406.16</b>	<b>1,575.53</b>

## D. Movement in deferred tax balances

Particulars	March 31, 2022						
	Net balance April 1, 2021	Balance transferred pursuant to Scheme of Arrangement {Refer Note No 34(17)}	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	(240.85)	291.89	39.48	-	11.56	11.56	-
Employee benefits	6.77	(6.44)	0.22	(3.63)	3.74	3.74	-
Provision for Doubtful Debts	2.08	-	(2.82)	-	4.90	4.90	-
Others	(3.54)	1.18	(21.27)	-	18.91	18.91	-
<b>Net Deferred tax assets / (liabilities)</b>	<b>(235.54)</b>	<b>286.63</b>	<b>15.61</b>	<b>(3.63)</b>	<b>39.11</b>	<b>39.11</b>	<b>-</b>

## Movement in deferred tax balances

# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

Particulars	March 31, 2021					
	Net balance April 1, 2020	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	(276.90)	(36.05)	-	(240.85)	-	(240.85)
Employee benefits	9.79	0.19	2.83	6.77	6.77	-
Provision for Doubtful Debts	2.40	0.32	-	2.08	2.08	-
Others	(3.28)	0.26	-	(3.54)	-	(3.54)
<b>Net Deferred tax assets / (liabilities)</b>	<b>(267.99)</b>	<b>(35.28)</b>	<b>2.83</b>	<b>(235.54)</b>	<b>8.85</b>	<b>(244.39)</b>

### 3] Company as a lessee

Following are the changes in the carrying value of right-of- use assets for the year ended March 31, 2022:

Particulars	Leasehold premises
<b>Balance as at April 1, 2021</b>	-
Additions	547.40
Deletion	-
Depreciation	27.27
<b>Balance as at March 31, 2022</b>	<b>520.13</b>

Following are the changes in the carrying value of right-of-use assets for the year ended March 31, 2021:

Particulars	Leasehold premises
<b>Balance as at April 1, 2020</b>	-
Additions	-
Deletion	-
Depreciation	-
<b>Balance as at March 31, 2021</b>	-

Aggregate amount of depreciation has been included under 'Depreciation and amortisation expense' in the Statement of Profit and Loss (Refer Note 32).



# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

## The following is the break-up of current and non-current lease liabilities:

Particulars	As at March 31, 2022	As at March 31, 2021
Current lease liabilities	33.91	-
Non-current lease liabilities	361.35	-
<b>Total</b>	<b>395.26</b>	<b>-</b>

## The following is the movement in lease liabilities during the year ended March 31, 2022:

Particulars	Leasehold premises
Balance as at April 1, 2021	-
Additions	413.48
Finance Cost accrued during the year	7.28
Deletion	-
Payment of lease Liabilities	25.50
<b>Balance as at March 31, 2022</b>	<b>395.26</b>

Particulars	Leasehold premises
Balance as at April 1, 2020	-
Additions	-
Finance Cost accrued during the year	-
Deletion	-
Payment of lease Liabilities	-
<b>Balance as at March 31, 2021</b>	<b>-</b>

## Maturity analysis of Undiscounted Contractual Future lease Outflow are as follows

Period	As at March 31, 2022	As at March 31, 2021
Within One year	70.80	-
One to Five years	88.89	-
<b>More than Five Years</b>	<b>317.04</b>	<b>-</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Company has incurred expenses relating to short term leases and leases of low value assets 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 INR 58.25 Lakhs (2020-21 - INR 102.42).

# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

The total cash outflow for leases is INR 83.75 Lakhs (2020-21 - INR 102.42) for the year, including cash outflow for short term leases and leases of low value assets

## 4] Company as a Lessor

Rent income includes payments of INR 28.77 Lakhs (2020-21 - INR 110.92 Lakhs) for the year relating to agreements entered into by the Company. There are no restrictions imposed by lease arrangements and there are no contingent rents recognised as income for the period. These lease arrangements inter alia include escalation clause/option for renewal.

## 5] Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a CSR Committee has been formed by the Company. The Company has spent the following amount during the year towards corporate social responsibility (CSR) for activities listed under schedule VII of the Companies Act, 2013

Particulars	As at March 31, 2022	As at March 31, 2021
a Amount required to be spent by the company during the year	52.27	15.44
b Amount of expenditure incurred	20.76	NIL*
c Shortfall at the end of the year	31.51	NIL
d Total of previous years shortfall	NIL	NIL
e Reason for shortfall	Pertains to ongoing projects#	
f Nature of CSR activities	Animal Welfare, promoting Health care, Girl Education and Medical endeavours needs, Rural development	
g Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	NIL	NIL
h Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	31.51	NA

\* During the Financial year 2019-20, the Company was required to spend INR 8.81 lakh on CSR Activity and the Company had spent INR 59.71 lakh. The Company had spent INR 50.90 lakh as an excess amount on CSR Activity. In the Financial year 2020-21, the Company is required to spend INR 15.44 lakh, as per the provision of section 135(5) of the companies Act, 2013. According to third proviso to section 135(5) of the Companies Act read with the CSR Amendment Rules, 2021, The Company has taken benefit of set off of excess amount spend towards the CSR during the Financial year 2019-20.

# During the Financial year 2021-22, the Company has unspent amount of CSR obligation of INR 31.51 lakhs to be spend on CSR activities. Due to lockdown and other challenges during of Covid 19 pandemic, there was a delay in expenditure on the appropriate projects. the Company has transferred INR 32.00 lakhs into the Unspent CSR Account, which will be spent within 3 years subsequent to the reporting FY as per the provisions of the Companies Act, 2013 read with rules made thereunder.

# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

## 6] 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 Rs. 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

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

Particulars	March 31, 2022		March 31, 2021	
	No. of shares	% of holding	No. of shares	% of holding
Kumar S Taurani	26,29,800	20.28	26,29,800	20.28
Ramesh S Taurani	26,24,283	20.24	26,24,283	20.24
Varsha R Taurani	22,31,641	17.21	22,31,641	17.21
Renu K Taurani	22,26,128	17.17	22,26,128	17.17

## Details of equity shares held by Promoters in the Company:

Particulars	March 31, 2022			March 31, 2021		
	No. of shares	% of holding	% change during the year	No. of shares	% of holding	% change during the year
Kumar S Taurani	26,29,800	20.28	-	26,29,800	20.28	-
Ramesh S Taurani	26,24,283	20.24	-	26,24,283	20.24	-
Varsha R Taurani	22,31,641	17.21	-	22,31,641	17.21	-
Renu K Taurani	22,26,128	17.17	-	22,26,128	17.17	-
Shyam M Lakhani	11,500	0.09	-	11,500	0.09	-

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

Particulars	March 31, 2022		March 31, 2021	
	Number	Amount	Number	Amount
Share outstanding at the beginning of the year	1,29,68,659	1,296.87	1,43,18,659	1,431.87
Buyback of shares 13,50,000 shares @ Rs.10/- per share	-	-	(13,50,000)	(135.00)
Shares outstanding at the end of the year	1,29,68,659	1,296.87	1,29,68,659	1,296.87

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

During the Financial Year 2020-21, the Company had bought back 13,50,000 Equity Shares of Rs. 10/- each through tender offer route at a price of Rs. 140.00/-.

# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

## 7] Borrowings :

### Nature of Securities and Terms of Repayment

#### Overdraft Facilities

Overdraft Facility of Nil (Previous Year Nil) 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 at interest rate @ 11.20% p.a. Last installment dues were in August, 2021 and April, 2025 respectively, but repaid the same in 3/8/2020

## 8] Dues to micro and small suppliers

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

Particulars	March 31, 2022	March 31, 2021
1 Principal amount remaining unpaid to any supplier as at the year end	2.60	2.30
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	-	-

## 9] Related Party Disclosure

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

- |                                     |  |
|-------------------------------------|--|
| a) Subsidiaries where control exist | NIL  |
| b) Joint Ventures                   | NIL  |
| c) Key Management Personnel         | Mr. Kumar S Taurani -Chairman & Managing Director<br>Mr. Ramesh S Taurani - Managing Director<br>Mr. Girish K Taurani -Executive Director<br>Mr. Sunil Chellani - Chief Financial Officer<br>Ms. Bijal Patel - Company Secretary |





# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

## Non Executive Independent Director

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

## d) Relatives of Key Management Personnel

Mrs. Renu K Taurani  
Mrs. Varsha R Taurani  
Mr. Kunal K Taurani  
Ms. Sneha R Taurani  
Ms. Jaya R Taurani  
Ms. Raveena R Taurani  
Ms. Krsna G Taurani

## e) Enterprise owned or significantly influenced by Key Management

Propreitory Concern Yogisattava owned by Ms.Raveena Taurani

Tips Films Limited (Resulting Company) wef April 01, 2021

## Personnel or their relatives, where transactions have taken place

Particulars	March 31, 2022			March 31, 2021		
	Key Management Personnel	Relatives of Key Management Personnel	Total	Key Management Personnel	Relatives of Key Management Personnel	Total
Loan Taken	-	-	-	1.00	-	1.00
Loan Repayment	-	-	-	1.00	-	1.00
Rent Paid	-	42.00	42.00	-	84.00	84.00
Rent Received	-	-	-	-	13.75	13.75
Legal & Profession Fees Paid	32.40	-	32.40	26.92	30.00	56.92
Director Remuneration Paid	225.75	-	225.75	387.00	-	387.00
Salary Paid	10.00	41.25	51.25	8.25	97.00	105.25
Sitting Fees paid to Non Executive Independent Director	11.75	-	11.75	11.00	-	11.00
Reimbursement of Expenses	0.18	-	0.18	0.42	-	0.42
Advance paid	20.36	-	20.36	40.57	-	40.57
Business Promotion Expenses	-	-	-	-	0.08	0.08
Advance paid to Resulting Company (Net)	-	611.88	611.88	-	-	-
Advance paid to Resulting Company towards ITC	-	311.35	311.35	-	-	-
Balances Outstanding at the year						
Receivable from Resulting Company	-	923.23	923.23	-	-	-
Receivable towards Debtors (Rent Receivable)	-	-	-	-	0.71	0.71
Receivable Deposits	-	250.00	250.00	-	500.00	500.00

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

# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

## 10] Segment Reporting

The Company operates in single business segment i.e. Music (Audio/Video). Accordingly there are no separately reportable as per IndAs 108 on operating segment and no further disclosure required.

## 11] Financial instruments – Fair values and risk management

### A] Accounting classification and fair values

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

March 31, 2022	Carrying Amount				Fair Value				
	Particulars	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>									
<b>Non Current</b>									
Other Financial Assets	-	-	23.25	<b>23.25</b>	-	-	-	-	-
<b>Current Assets</b>									
Investment	339.32	-	-	<b>339.32</b>	339.32	-	-	-	<b>339.32</b>
Trade Receivables	-	-	1,791.97	<b>1,791.97</b>	-	-	-	-	-
Cash & Cash Equivalents	-	-	2,207.41	<b>2,207.41</b>	-	-	-	-	-
Bank Balances other than above	-	-	3,985.34	<b>3,985.34</b>	-	-	-	-	-
Loans	-	-	23.31	<b>23.31</b>	-	-	-	-	-
Other Financial Assets	-	-	866.88	<b>866.88</b>	-	-	-	-	-
<b>Financial Liabilities</b>									
<b>Non Current Liability</b>									
Lease Liabilities	-	-	361.35	<b>361.35</b>	-	-	-	-	-
<b>Current Liability</b>									
Lease Liabilities	-	-	33.91	<b>33.91</b>	-	-	-	-	-
Trade Payable	-	-	418.05	<b>418.05</b>	-	-	-	-	-
Other Financial Liabilities	-	-	15.05	<b>15.05</b>	-	-	-	-	-



# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

March 31, 2021 Particulars	Carrying Amount			Fair Value				
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>								
<b>Non Current</b>								
Other Financial Assets	-	-	32.53	32.53	-	-	-	-
<b>Current Assets</b>								
Investment	1,803.56		0.50	1,804.06	1,803.56			1,803.56
Trade Receivables	-	-	1,507.06	1,507.06	-	-	-	-
Cash & Cash Equivalents	-	-	3,110.71	3,110.71	-	-	-	-
Bank Balances other than above	-	-	237.76	237.76	-	-	-	-
Other Financial Assets	-	-	527.19	527.19	-	-	-	-
<b>Financial Liabilities</b>								
<b>Current Liability</b>								
Trade Payable	-	-	627.43	627.43	-	-	-	-
Other Financial Liabilities	-	-	29.89	29.89	-	-	-	-

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 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 Companies 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

# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

## 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 INR 6192.75 Lakhs as on March 31, 2022 (March 31, 2021 : INR 3,348.47 Lakhs). The cash and cash equivalents are held with bank counterparties with good credit ratings.

### c] Loans and Advances :

The Company held Loans and Advances of INR 255 Lakhs as on March 31, 2022 (March 31, 2021 : INR 510 Lakhs). 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.

On account of adoption of IND AS 109, the Company uses expected credit loss model to assess the Impairment loss. The Movement of expected credit provision (allowance for bad and doubtful receivables) made by the Company are as under:

Particulars	March 31, 2022	March 31, 2021
Opening Balances	8.25	8.25
Add: Provision made during the year (net)	11.23	-
<b>Closing Balance</b>	<b>19.48</b>	<b>8.25</b>

## 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, 2022 and March 31, 2021 the Company had unutilized credit limits from banks is Nil (fully repaid), INR 2143 Lakhs respectively.

### Maturity profile of financial liabilities

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

# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

March 31, 2022		Contractual Cash Flows					
Financial Liabilities	Carrying Amount	Total	Less than 6 months	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Lease Liabilities	395.25	395.25	19.15	24.68	65.79	285.63	-
Trade Payables	418.05	418.05	418.05	-	-	-	-
Other Financial Liabilities	15.05	15.05	15.05	-	-	-	-

March 31, 2021		Contractual Cash Flows					
Financial Liabilities	Carrying Amount	Total	Less than 6 months	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Trade Payables	627.44	627.44	627.44	-	-	-	-
Other Financial Liabilities	29.89	29.89	29.89	-	-	-	-

## iv] Market Risk

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

## 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 March 31, 2022 and March 31, 2021 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, 2022		March 31, 2021	
	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
USD	1,265.53	-	924.75	-
Euro	1.26	0.54	0.61	6.57
GBP	12.54	-	61.20	-
<b>TOTAL</b>	<b>1,279.33</b>	<b>0.54</b>	<b>986.56</b>	<b>6.57</b>

# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

## ii) Net Exposure to Foreign Currency Risk

### (Assets – Liabilities)

Currency	March 31, 2022		March 31, 2021	
USD	-	1,265.52	-	924.75
Euro	-	0.72	-	(5.96)
GBP	-	12.54	-	61.20
<b>TOTAL</b>		<b>1,278.78</b>		<b>979.99</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.

Effect in INR	March 31, 2022		March 31, 2021	
	Profit or Loss		Profit or Loss	
	Strengthening	Weakening	Strengthening	Weakening
USD - 10 % Movement	126.55	-126.55	92.48	-92.48
Euro - 10 % Movement	0.07	-0.07	-0.60	0.60
GBP - 10 % Movement	1.25	-1.25	6.12	-6.12

## 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

Particulars	As at March 31, 2022	As at March 31, 2021
Borrowings		
Fixed Rate Borrowings	-	-
Variable Rate Borrowings	-	-



# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

## 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, 2022</b>		
Variable-rate instruments	-	-
<b>Cash flow sensitivity (net)</b>	-	-
<b>March 31, 2021</b>		
Variable-rate instruments	-	-
<b>Cash flow sensitivity (net)</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.

## 12] 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

# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

## b] Dividend on equity shares

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Dividend declared and paid during the year</b>		
Final Dividend for the year ended March 31, 2022 of INR 2.00 (March 31, 2021 - INR 1.50- per fully paid share (along with Dividend distribution tax)	259.37	194.53
<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 March 31, 2022 of INR 2/- (March 31, 2021 - INR 2/- 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	259.37	259.37

## 13] 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 INR 9.56 Lacs for year ended March 31, 2022 (INR 9.00 Lacs for year ended March 31, 2021) 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.

### 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, 2022. 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.





# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

## Employee Benefits:

Gratuity

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

### a) Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of obligation at the beginning of the year	120.91	116.87
Less : Transferred on account of Scheme of Arrangement {Refer Note No 34(17)}	-25.59	-
Present value of obligation at the beginning of the year	95.32	116.87
Current service cost	11.01	11.28
Interest cost	6.36	7.87
Remeasurements (gains) / losses		
Actuarial (gain)/ loss arising from changes in financial assumptions	-8.63	0.85
Actuarial (gain)/ loss arising from changes in experience adjustments	22.35	-11.99
Benefits paid	-20.46	-3.96
<b>Present value of obligation at the end of the year</b>	<b>105.95</b>	<b>120.91</b>

Particulars	As at March 31, 2022	As at March 31, 2021
<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	94.00	87.68
Interest Income	6.63	6.28
Remeasurements gains / (losses)		
Return on plan assets (excluding amount included in net interest cost)	-0.70	-0.76
Contributions by employer	11.63	4.75
Benefits paid	-20.46	-3.96
<b>Fair value of plan assets at the end of the year</b>	<b>91.10</b>	<b>94.00</b>

### c) Reconciliation of the present value of the defined benefit obligation and the fair value of plan assets:

Present value of obligation at the end of the year	105.95	120.91
Fair value of plan assets at the end of the year	91.10	94.00
<b>Liabilities recognised in the balance sheet</b>	<b>14.85</b>	<b>26.91</b>

### d) Actual Return of Plan Assets

	5.93	5.52
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### e) Re-measurements losses/(gains) recognised in the Other Comprehensive Income

Return on plan assets (excluding amount included in net interest cost)	0.70	0.76
Effect of changes in financial assumptions	8.63	0.85
Effect of changes in experience adjustments	-22.35	-11.99
<b>Total re-measurement included in Other Comprehensive Income</b>	<b>-13.02</b>	<b>-10.39</b>

# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>f] Expense recognised in Statement of Profit or Loss:</b>		
Current service cost	11.01	11.28
Net interest cost	-0.28	1.59
<b>Total expense recognised in Statement of Profit and Loss (refer note No 30)</b>	<b>10.73</b>	<b>12.87</b>
<b>g] Category of plan assets:</b>	<b>in %</b>	<b>in %</b>
Fund with Life Insurance Corporation of India	100	100
<b>h] Maturity profile of defined benefit obligation:</b>		
Within 1 year	2.19	1.26
1 - 2 years	1.15	18.96
2 - 3 years	1.29	1.23
3 - 4 years	1.46	1.37
4 - 5 years	11.99	1.55
5 - 10 years	47.07	66.14
<b>i] Principal actuarial assumptions:</b>		
Discount rate	6.70%	6.70%
Salary growth rate	10%	10%
Mortality Rate during employment	IALM (2012-14) Ult.	IALM (2006-08) Ult.

Particulars	As at March 31, 2022		As at March 31, 2021	
	Discount Rate		Discount Rate	
	PVO DR + 1%	PVO DR - 1%	PVO DR + 1%	PVO DR - 1%
<b>j] Sensitive Analysis</b>				
PVO	94.54	1,194.13	109.63	134.17
	Salary Escalation Rate		Salary Escalation Rate	
	PVO ER + 1%	PVO ER - 1%	PVO ER + 1%	PVO ER - 1%
	118.86	94.77	133.54	109.91

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 INR 6.81 lakhs and INR 3.01 lakhs as at March 31,2022 and March 31,2021



# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

## 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

#### 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.

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

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below:

- 1) Ind AS 103 – Reference to Conceptual Framework - The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103
- 2) Ind AS 16 – Proceeds before intended use - The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.
- 3) Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract - The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.
- 4) Ind AS 109 – Annual Improvements to Ind AS (2021) - The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.
- 5) Ind AS 116 – Annual Improvements to Ind AS (2021) - The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration.

The Company is assessing the impact of these changes and will accordingly incorporate the same in the financial statements for the year ending March 2023.

# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

## 15) Details of Ageing

### 15(a) Trade Receivables ageing schedule as at March 31, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	UNBILLED	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	1,264.05	469.61	5.97	35.16	16.51	0.67	1,791.97
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	3.49	7.07	0.67	11.23
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	8.25	8.25
<b>Total</b>	<b>1,264.05</b>	<b>469.61</b>	<b>5.97</b>	<b>38.66</b>	<b>23.57</b>	<b>9.59</b>	<b>1,811.45</b>
Less: Allowance for expected credit loss							-19.48
<b>Total</b>							<b>1,791.97</b>

### 15(a) Trade Receivables ageing schedule as at March 31, 2021

Particulars	Outstanding for following periods from due date of payment						Total
	UNBILLED	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	522.17	916.24	28.46	38.85	1.34	-	1,507.06
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	8.25	8.25
<b>Total</b>	<b>522.17</b>	<b>916.24</b>	<b>28.46</b>	<b>38.85</b>	<b>1.34</b>	<b>8.25</b>	<b>1,515.31</b>
Less: Allowance for expected credit loss							-8.25
<b>Total</b>							<b>1,507.06</b>

# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

## 15 (b) Trade payables as at March 31, 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than year 1	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	2.60	-	-	-	2.60
(ii) Others	328.49	48.25	0.07	38.65	415.45
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>331.08</b>	<b>48.25</b>	<b>0.07</b>	<b>38.65</b>	<b>418.05</b>

## 15 (b) Trade payables as at March 31, 2021

Particulars	Outstanding for following periods from due date of payment				
	Less than year 1	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	2.30	-	-	-	2.30
(ii) Others	586.42	0.07	7.24	31.41	625.13
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>588.71</b>	<b>0.07</b>	<b>7.24</b>	<b>31.41</b>	<b>627.43</b>

## 15(c) Ratios: The following are analytical ratios for the year ended:

S. No	Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	Variance	Reasons
1	Current Ratios	Current assets	Current liabilities	11.74	12.76	-7.94%	
2	Debt Equity Ratio	Borrowing (current + non current)	Total Equity	-	-	0.00%	
3	Debt Service Coverage Ratio	"PAT + Depreciation and Amortization Expense (excluding lease amortisation expense) + Interest cost on Borrowings + (Profit)/ Loss on sale of Fixed assets "	"(Interest cost on Borrowings + Principal repayments made during the period for Long Term Borrowings) "	-	-	0.00%	
4	Return on Equity	Net profit after taxes	Average Total equity	16%	12%	32.45%	Due to Increase in profit

# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

S. No	Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	Variance	Reasons
5	Inventory Turnover Ratio	Sales of Product	Average inventory	-	-	0.00%	
6	Trade receivables turnover ratio	Gross Revenue from Operations	Average accounts receivable	2.05	1.36	50.78%	Due to Increase in Revenue from Operations and better collection
7	Trade payables turnover ratio	Purchases of Goods	Average trade payables			0.00%	
8	Net capital turnover ratio	Net sales	Working capital	1.15	0.75	53.13%	Due to Increase in Revenue from Operations
9	Net profit ratio	Profit after Tax	Revenue from Operation	48%	48%	-0.84%	
10	Return on capital employed (ROCE)	Earning before interest and taxes	"(Net worth + Total Debts + Deferred Tax Liabilities)"	86.61%	57.18%	51.47%	Significant increased in profitability
11	Return on investment	Profit after Tax	Average Total Equity	15.85%	11.97%	32.45%	Significant increased in profitability

## Note-15 d Additional regulatory information required by Schedule III

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company has not advanced or loaned or invested funds to any other person(s) or entity (is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lender invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.  
  
The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the current or previous year.
- The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.



# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

- 7 The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year.
- 8 The Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017
- 9 Relationship with Struck off Companies

Companies transactions with companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended March 31, 2022 and March 31, 2021 are given below:

Name of the struck off company	Balance outstanding as at		Relationship with the Struck off company
	March 31, 2022*	March 31, 2021*	
<b>Shares held by struck off company**</b>			
Chothani Fibres Private Limited	-	-	Equity shareholder
Vaishak Shares Limited	-	-	Equity shareholder
Shanti Credit And Holding Private Limited	-	-	Equity shareholder

\*0.00 denotes amounts less than INR 1.00 lacs

\*\*In the financial years ended March 31, 2022 and March 31, 2021, the Company did not have any transaction with above equity shareholders, being the companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956. Our Company has not allotted any Equity share to the said companies. The shareholding data is as per the record of beneficiary position downloaded by the Registrar and Transfer Agent of the Company from the database maintained by the depositories and reported to us for the purpose of this disclosure.

- 10 The Company does not have any bank borrowings during the current and previous year.
- 11 During the year , the Company has entered into a scheme pursuant to the Scheme of Arrangement (the 'Scheme'), duly sanctioned by the National Company Law Tribunal (NCLT), Mumbai Bench vide Order dated March 3, 2022, with effect from the Appointed Date i.e., April 1, 2021, the Film Production and Distribution business of the Company ('the demerged undertaking'), stands transferred into the "Tips Films Limited", ('the resulting company' or 'TFL'). of arrangement which has an accounting impact on current financial year. For a detail refer Note No 34(17)

## 16] 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	March 31, 2022	March 31, 2021
	Profit/(Loss) attributable to equity shareholders		
	Continuing Operation	6,455.55	4,346.88
	Profit attributable to equity holders of the Company for basic earnings	6,455.55	4,346.88
	Profit attributable to equity holders of the Company adjusted for the effect of dilution	6,455.55	4,346.88

# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

b] Weighted average number of ordinary shares	March 31, 2022	March 31, 2021
Issued ordinary shares at April 1	129.69	143.19
Weighted average number of shares at March 31 for basic and Diluted EPS	129.69	132.87

b] Weighted average number of ordinary shares	March 31, 2022	March 31, 2021
Basic earnings per share	49.78	32.72
Diluted earnings per share	49.78	32.72

## 17] Scheme of Arrangement

### a) Description

Pursuant to the Scheme of Arrangement (the 'Scheme'), duly sanctioned by the National Company Law Tribunal (NCLT), Mumbai Bench vide Order dated March 3, 2022, with effect from the Appointed Date i.e., April 1, 2021, the Film Production and Distribution business of the Company ('the demerged undertaking'), stands transferred into the "Tips Films Limited", ('the resulting company' or 'TFL').

On receipt of the order dated March 3, 2022 from NCLT sanctioning the Scheme and upon filing the same with Registrar of Companies on March 23, 2022, the Scheme has become effective. The NCLT order effect has been considered in the financial year ended March 31, 2022 by transferring the carrying amount of assets and liabilities pertaining to the demerged undertaking with effect from the Appointed Date of April 01, 2021.

On scheme becoming effective, the difference between the carrying amount of assets and liabilities was set off first against the Securities Premium Account and balances with the Retained Earnings. The total Net Assets transferred by the Company is INR 6070.84 Lakhs. Pursuant to the Scheme of Demerger of the business, as stated above, the figures for the year ended March 31, 2022 are not comparable with corresponding figures for the year ended March 31, 2021.

### b) The details of assets and liabilities transferred to the resulting company are as under:

Particulars	As at April 01, 2021
<b>Assets</b>	
<b>Non-Current Assets</b>	
Property, plant and equipment	3.14
Investment Property	1,234.16
Financial Assets	
Other Financial Assets	9.90
<b>Total Non-current assets</b>	<b>1,247.20</b>
<b>Current assets</b>	
<b>Financial Assets</b>	
Investments	75.64
Trade receivables	6.72
Cash and cash equivalent	844.27
Bank Balances other than Cash and Cash Equivalents	17.47





# Notes to the Financial Statements

Amount expressed in INR Lakhs unless otherwise stated

Particulars	As at April 01, 2021
Other financial assets	256.30
Other current assets	4,158.36
<b>Total Current assets</b>	<b>5,358.76</b>
<b>Total Assets (A)</b>	<b>6,605.96</b>
<b>Liabilities</b>	
<b>Non-current liabilities</b>	
Deferred tax liabilities (net)	286.63
Other non-current liabilities	25.31
<b>Total Non-current liabilities</b>	<b>311.94</b>
<b>Current liabilities</b>	
<b>Financial Liabilities</b>	
Trade payables	198.92
Other financial liabilities	15.00
Other current liabilities	9.26
<b>Total Current liabilities</b>	<b>223.18</b>
<b>Total Liabilities (B)</b>	<b>535.12</b>
<b>Net assets transferred (A-B)</b>	<b>6,070.84</b>

- c) Pursuant to the Order the difference between the book value of the assets and liabilities transferred to the resulting company Tips Films Limited has been debited to the following reserves of the Company

Particulars	Amount
Securities Premium Account	43.72
Retained earnings	6,027.12
	6,070.84

- 18] Previous year's figures have been regrouped/reclassified wherever necessary, to confirm to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective April 01, 2021.

In terms of our report of even date

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

**Parag Ved**  
Partner  
Membership No. 102432

Place : Mumbai  
Date : May 30, 2022

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 30, 2022

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

**Sunil Chellani**  
Chief Financial Officer





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