tips.in

March 11, 2020

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

Scrip Code: **532375**

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

Symbol: **TIPSINDLTD**

Re.: Buy-back of equity shares of Rs. 10/- each of Tips Industries Limited ("Company") in terms of Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 ("Buy-back Regulations") through tender offer route ("Buy-back").

Sub.: Audited condensed interim financial statements for the Nine Months ended December 31, 2019 (Audited Financial Statements) for Special purpose

Dear Sir/ Madam,

This is to inform you that the Audit Committee Meeting was held on today i.e. Wednesday, March 11, 2020 at registered office of the Company. The Committee has adopted Audited condensed interim standalone financial statements (Audited Financial Statements) along with Audit Report for the Nine Months ended December 31, 2019 for specific purpose of inclusion in the documents related to Buyback of Equity Shares through tender offer route.

The Audit Committee and Board have already approved the Unaudited Financial Results along with Balance sheet and Limited Review Report (LR) for the Nine Months ended December 31, 2019 on February 13, 2020. There is no change in the financial amount from the LR to the Audited Financial Statements for the Nine Months ended December 31, 2019.

Please find attached the Audited Financial Statements along with the Audit Report.

For **Tips Industries Limited**

BPatel

TIPS INDUSTRIES LTD. 601, Durga Chambers, 6th Floor, Linking Road, Khar (West), MUMBAI-400 052.

Bijal R. Patel
Company Secretary

Encl: a/a

TIPS INDUSTRIES LIMITED

Interim Condensed Balance Sheet As At December 31, 2019

(Rs. in Lacs)

Particulars	Notes	As at December 31, 2019	As at March 31, 2019
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	170.81	209.26
(b) Right of use Assets	4	177.23	-
(b) Investment Property	5	1,289.79	1,311.29
(c) Financial Assets			
(i) Investments	6	2,584.14	12.07
(ii) Loans	7	523.24	522.93
(iii) Other financial assets	8	12.51	12.12
(d) Other non-current assets	9	710.14	1,213.53
Total Non-current assets		**5,467.86**	**3,281.20**
Current assets			
(a) Inventories	10	134.05	2,866.04
(b) Financial assets			
(i) Trade receivables	11	1,470.37	1,057.59
(ii) Cash and cash equivalents	12	104.94	869.33
(iii) Bank balances other than (ii) above	13	34.96	58.86
(iv) Loans	14	202.14	-
(v) Other financial assets	15	27.30	12.41
(c)Current Tax (Net)	16	397.70	370.87
(d) Other Current Assets	17	1,351.45	954.17
Total current assets		**3,722.91**	**6,189.27**
Total Assets		**9,190.77**	**9,470.47**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	18	1,431.87	1,431.87
(b)Other equity	19	6,575.30	5,643.05
Total Equity		**8,007.17**	**7,074.92**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	-	200.23
(ii) Other Financial Liabilities	21	24.00	24.00
(b) Deffered Tax Liability	22	288.69	288.69
(c) Lease Liabilities	23	184.06	-
(d)Employee Benefit Obligations	24	52.80	47.60
Total non-current liabilities		**549.55**	**560.52**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	25	158.85	-
(ii) Trade payables	26		
(a) Total outstanding dues of micro enterprises and small entrprises		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		435.92	1,130.04
(iii) Other financial liabilites	27	5.90	653.79
(b) Employee Benefit Obligations	28	1.22	1.22
(c) Other Current Liabilities	29	32.16	49.98
Total current liabilities		**634.05**	**1,835.03**
Total Liabilities		**1,183.60**	**2,395.55**
Total Equity and Liabilities		**9,190.77**	**9,470.47**

The accompanying notes 1 to 37 are an integral part of these Interim Condensed Financial Statements

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

Parag S. Ved

Parag Ved
Partner
Membership No. 102432

SSPA & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

Place : Mumbai
Date : March 11, 2020

For and on behalf of the Board of Directors of
TIPS INDUSTRIES LIMITED
CIN :L92120MH1996PLC099359

Kumar S. Taurani
Chairman & Managing Director
DIN : 00555831

Ramesh S. Taurani
Managing Director
DIN : 00010130

Bijal Patel
Company Secretary
CS Membership No. : 30140

Sunil Chellani
Chief Financial Officer

Place : Mumbai
Date : March 11, 2020

TIPS INDUSTRIES LIMITED

Interim Condensed Statement of Profit and Loss for Nine Months Period Ended December 31, 2019

(Rs. in Lacs)

Particulars	Notes	Nine months period ended December 31, 2019	Nine months period ended December 31, 2018
I. Revenue from operations	30	7,247.83	17,800.50
II. Other income	31	1,712.20	372.44
Total Income (I+II)		**8,960.03**	**18,172.94**
III Expenses:			
Cost of Production / Distribution of Expenses	32	2,732.00	15,230.11
Employee Benefits Expense	33	585.74	527.29
Finance Costs	34	49.06	200.30
Depreciation and Amortization Expense	35	157.15	97.64
Other Expenses	36	4,079.36	1,861.91
IV Total Expenses		**7,603.31**	**17,917.25**
V Profit before Tax		**1,356.72**	**255.69**
VI Tax Expenses:			
(1) Current Tax		258.94	50.75
(2) Taxes in respect of earlier years		-	3.24
(3) Deferred Tax		-	-
VII Profit / (Loss) for the year		**1,097.78**	**201.69**
VIII Other Comprehensive Income			
Items that will not be reclassified to statement of Profit or Loss			
Remeasurement gain (loss) of post employment benefit obligations (net of taxes)		7.10	(9.20)
Other Comprehensive Income for the year, net of taxes		**7.10**	**(9.20)**
IX Total Comprehensive income for the year		**1,104.88**	**192.49**
X Earnings per equity share of Rs. 10/- each			
(1) Basic	37(10)	7.67	1.41
(2) Diluted	37(10)	7.67	1.41

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Bijal Patel
Company Secretary
CS Membership No. : 30140

Sunil Chellani
Chief Financial Officer

Place : Mumbai
Date : March 11, 2020

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Date : March 11, 2020

(Rs. in Lacs)

Interim Condensed Statement of Changes in Equity

A **Equity Share Capital**

	Number	Amount
As on April 1, 2018	1,43,18,659	1,431.87
Changes in Equity Share Capital	-	
As on December 31, 2018	**1,43,18,659**	**1,431.87**
As on April 1, 2019	1,43,18,659	1,431.87
Changes in Equity Share Capital	-	
As on December 31, 2019	**1,43,18,659**	**1,431.87**

(Rs. in Lacs)

B **Other Equity**

Particulars	General Reserve	Securities Premium Reserve	Capital Redemption Reserve	Retained Earnings	Total
Balance as at April 1, 2018	**551.25**	**1,798.72**	**298.72**	**2,887.17**	**5,535.87**
Profit for the year	-	-	-	201.69	201.69
Other comprehensive income for the year (net of tax)	-	-	-	(9.20)	(9.20)
Payment of dividends	-	-	-	(143.19)	(143.19)
Tax on Dividend	-	-	-	(29.43)	(29.43)
Balance as at December 31, 2018	**551.25**	**1,798.72**	**298.72**	**2,907.05**	**5,555.74**
Balance as at April 01, 2019	**551.25**	**1,798.72**	**298.72**	**2,994.35**	**5,643.05**
Profit for the year	-	-	-	1,097.78	1,097.78
Other comprehensive income for the year (net of tax)	-	-	-	7.10	7.10
Payment of dividends	-	-	-	(143.19)	(143.19)
Tax on Dividend	-	-	-	(29.44)	(29.44)
Balance as at December 31, 2019	**551.25**	**1,798.72**	**298.72**	**3,926.60**	**6,575.30**

The accompanying notes 1 to 37 are an integral part of these Interim Condensed Financial Statements

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Company Secretary
CS Membership No. : 30140

Sunil Chellani
Chief Financial Officer

Place : Mumbai
Date : March 11, 2020

TIPS INDUSTRIES LIMITED

(Amount in INR unless otherwise stated)

INTERIM CONDENSED CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2019

(Rs. in Lacs)

Particulars	For the year ended December 31, 2019	For the year ended December 31, 2018
Cash flow from operating activities		
Profit/(loss) before tax	1,356.72	255.69
Adjustments		
Depreciation and impairment of property, plant and equipment	157.16	97.64
Interest Expenses	49.06	200.30
Impact on Leases	(59.46)	-
Fair valuation of mutual funds	(51.39)	-
Provision for/ (write back of) doubtful debts and advances	(11.35)	-
Bad debts written off	937.09	-
Loss/ (Profit) on sale/disposal of fixed assets (net)	(7.75)	(237.62)
Actuarial gains and losses taken to OCI	7.10	(9.20)
Profit on Sale of Investment	-	(0.39)
Interest income	(41.98)	(15.50)
	2,335.20	**290.92**
Working capital adjustments		
(Increase)/Decrease in inventories	2,732.00	1,890.04
(Increase)/ Decrease in trade and other receivables	(1,349.88)	255.92
(Increase) / Decrease in loans and advances and other assets (Non current)	502.69	286.66
(Increase) / Decrease in loans and advances and other assets (Current)	(388.26)	7,851.53
Increase/ (Decrease) in Financial Liabilties	5.21	15.83
Increase/ (Decrease) in trade and other payables	(542.89)	(7,487.36)
	3,294.07	**3,103.53**
Income Tax paid	(285.77)	(224.08)
Net cash flows from operating activities	**3,008.30**	**2,879.45**
Cash flow from investing activities		
Purchase of fixed assets	(30.92)	(116.78)
Sale of fixed assets	7.75	1,122.85
Brokerage charges paid on sale of Fixed Assets	-	(72.86)
Sale of investments	11.86	-
Purchase of Investments	(2,524.90)	-
Loans ICD Given	(202.14)	-
Interest income	34.34	15.50
Net cash flows from investing activities	**(2,704.01)**	**948.71**
Cash flow from financing activities		
(Repayment)/Procees of Long Term Borrowings	(846.98)	(1,958.67)
(Repayment)/Procees of Short Term Borrowings	-	(223.00)
Interest Paid	(49.06)	(200.30)
Dividend paid (including tax on dividend)	(172.63)	(172.62)
Net cash flows from financing activities	**(1,068.67)**	**(2,554.59)**
Net increase / (decrease) in cash and cash equivalents	(764.40)	1,273.57
Cash and cash equivalents at the beginning of the year	869.34	556.97
Cash and cash equivalents at the end of the year	**104.94**	**1,830.54**
Reconciliation of Cash and Cash equivalents with the Balance Sheet		
Cash and Cash Equivalents as per Balance Sheet		
In Current Account	99.58	1,821.53
Cash on Hand	5.36	9.01
Cash and Cash equivalents as restated as at the year end	**104.94**	**1,830.54**

Notes

a]Debt reconciliation statement in accordance with Ind AS 7

	For the year ended December 31, 2019	For the year ended December 31, 2018
Opening balances		
Long-term borrowing	759.75	1,370.81
Current Maturities from long term borrowing	357.14	1,704.75
Short-term borrowing	-	500.00
Movements		
Long-term borrowing	(1,116.89)	(1,958.67)
Short-term borrowing	158.85	(500.00)
Closing balances		
Long-term borrowing	-	759.75
Current Maturities from long term borrowing	-	357.14
Short-term borrowing	158.85	-

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".

The accompanying notes 1 to 37 are an integral part of these Interim Condensed Financial Statements

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

Parag S. Ved

Parag Ved
Partner
Membership No. 102432

SSPA & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
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Chairman & Managing Director
DIN : 00555831

Ramesh S. Taurani
Managing Director
DIN : 00010130

Bijal Patel
Company Secretary
CS Membership No. : 30140

Sunil Chellani
Chief Financial Officer

Place : Mumbai
Date : March 11, 2020

Place : Mumbai
Date : March 11, 2020

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

Amount expressed in INR Lacs unless otherwise stated.

1. **Company Background:**

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

2. **Summary of Significant Accounting Policies:**

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

a) **Basis of Preparation:**

   i) **Compliance with Ind As:**

   These condensed interim financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") 34 Interim Financial Reporting prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

   ii) **Historical cost convention:**

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

   A) Certain financial assets and liabilities (including derivative instruments)

   B) Defined benefit plans assets measured at fair value

   iii) **Current/ Non- Current Classification:**

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

   a) it is expected to be realised or settled or is intended for sale or consumption in the Company's normal operating cycle;

   b) it is expected to be realised or settled within twelve months from the reporting date;

   c) it is held primarily for the purposes of being traded;

   d) the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;

   e) in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for atleast twelve months from the reporting date.

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

   For the purpose of current/ non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realisation in cash and cash equivalents.

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b) Use of accounting estimates and judgments:

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

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

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

ii) Recoverability of deferred income tax assets:

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

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

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

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

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

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

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

Capital work in progress and Capital advances

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

Derecognition

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

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MUMBAI
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d) **Intangible assets:**

Measurement at recognition:

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

Amortisation:

The Computer Software is amortised over a period of 3 years

Derecognition:

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

e) **Investment properties**

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

f) **Financial Instruments**

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

i) **Non-derivative financial assets:**

Initial recognition and measurement

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

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

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

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Subsequent measurement:

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

i) The Company's business model for managing the financial asset and
ii) The contractual cash flow characteristics of the financial asset.

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

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

i) Financial assets measured at amortised cost:

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

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

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

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

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

A financial asset is measured at FVTPL unless it is measured at amortised cost or at Fair Value through Other Comprehensive Income (FVTOCI). This is a residual category applies to inventories, share based payments and other investments of the Company excluding investment in subsidiary. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the statement of profit and loss.

Derecognition:

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

Presentation:

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

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MUMBAI
CHARTERED ACCOUNTANTS

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 acquistion of the financial liabilities.

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently carried at amortised cost; any difference between the initial carrying value and the redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest rate method. Other financial liabilities are recognised initially at fair value plus any directly attributable transaction costs.

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

Subsequent measurement:

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

Derecognition:

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

g) Fair Value

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

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

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: inputs that are unobservable for the asset or liability

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

h) **Inventories:**
Items of inventory are valued on the basis as given below:

i) **Cost of Feature Films:**

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

- Balance 40% of COP is amortized as per the management estimate / review of future revenues but not exceeding nine years and subject to a minimum of 4.4% in any year.

ii) **Cost of under Production Films:**
Expenses of under production films incurred till the films are ready for release are inventorised.

The production of films requires various types of materials in different qualities and quantities. Considering the peculiar nature of those items including their multiplicity and complexity, it is not practicable to maintain quantitative records of those items. Further, in the absence of certainty of reusability of such items, the same are not valued.

iii) The Company reassesses the realizable value and / or revenue potential of inventory based on market condition and future demand and appropriate write down is made in cases where accelerated write down is warranted.

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

Cash and cash equivalents comprise cash and bank balances.

j) **Foreign Currency Transactions**

Initial Recognition:

All transactions that are not denominated in the Company's functional currency are foreign currency transactions. These transactions are initially recorded in the functional currency by applying the appropriate daily rate which best approximates the actual rate of the transaction. Exchange differences arising on foreign exchange transactions settled during the period/ year are recognised in the statement of profit and loss.

Measurement of foreign current items at reporting date:

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

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

k) **Revenue recognition:**

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

Revenue is recognized when a customer obtains control and has the ability to direct the use of and obtain the benefits of products or services for the consideration that the company expects to be entitled to in exchange for those products and services.

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

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

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

i) **Audio Right Receipt:** Revenue from sale is recognized at a point of time when a control is transferred to a customer based on terms of the agreement / contracts.

ii) **Royalty from Music Rights:** Revenue from Music rights where a customer obtains "right to use' is recognized at the point of time the license is made available to the customer as per the terms of the agreement / contracts.

iii) **Revenue from Films:**

- Revenue from production of films is recognized on assignment of such rights as per the contract/ arrangements with the distributors.

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- 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 pension and gratuity plans is the present value of the defined benefits obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

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

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

Remeasurement gains and losses arising from experience adjustments and changes in acturaial 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

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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.

ii) Deferred tax:

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

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

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

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

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

Presentation of current and deferred tax:

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

iii) Minimum Alternative Tax ('MAT'):

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

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.

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p) Investment and other financial assets:

i) Classification:

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

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

b) those measured at amortised cost

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

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

ii) Measurement:

At intial 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 acquistion 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:

Operating Lease:

The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the Contract involves the use of an identified asset,

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of lease

(iii) the Company has the right to direct the use of asset

As at the date of commencement of the lease, the Company recognises a right of use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for the leases with a term of twelve month or less (short term leases). For these short term leases, the Company recognises the lease payments as an operating expense on a straight line basis over the period of lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

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The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term. The lease liability is initially measured at amortized cost at the present value of the future lease payments. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Transition

On transition, the Company adopted Ind AS 116 and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective approach and has taken the cumulative adjustment to right of use of assets, on the date of initial application. Consequently the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate at the date of initial application. Comparatives of previous periods have not retrospectively adjusted and therefore will continue to be reported under previously adopted accounting policy as per Ind AS 17.

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) **Segment Reporting:**

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

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

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

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

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

s) Impairment of non-financial assets:

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

t) Borrowing costs:

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

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(Amount in INR unless otherwise stated)

3 PROPERTY, PLANT AND EQUIPMNETS

(Rs. in Lacs)

Description of Assets	As at December 31,2019	As at March 31,2019
Carrying Amount of		
Cinematography Machinery	5.61	8.00
Plant & Machinery	-	-
Computers	7.76	3.04
Motor car	150.94	189.10
Furniture and Fixtures	2.81	2.38
Office Equipments	3.71	6.74
Total	**170.82**	**209.25**

(Rs. in Lacs)

Description of Assets	Cinematography Machinery	Plant & Machinery	Furniture & Fixtures	Office Equipments	Motor car	Computer	Total
GROSS BLOCK							
Balance As at April 01, 2018	40.31	5.36	47.27	131.94	719.88	20.44	965.20
Additions	-	-	-	3.43	126.32	3.05	132.81
Disposal	-	-	-	-	48.42	-	48.42
Balance As at March 31, 2019	**40.31**	**5.36**	**47.27**	**135.37**	**797.78**	**23.49**	**1,049.59**
Balance As at April 01, 2019	40.31	5.36	47.27	135.37	797.78	23.49	1,049.59
Additions	-	-	1.63	0.58	23.14	5.57	30.93
Disposal	-	-	-	-	32.50	-	32.50
As at December 31, 2019	**40.31**	**5.36**	**48.90**	**135.95**	**788.42**	**29.06**	**1,048.02**
DEPRECIATION							
Balance As at April 01, 2018	28.91	5.36	42.13	122.32	571.72	19.97	790.41
Depreciation charge for the year	3.19	-	2.96	6.32	85.26	0.49	98.22
Disposal	-	-	-	-	48.30	-	48.30
Balance As at March 31, 2019	**32.10**	**5.36**	**45.39**	**128.64**	**608.68**	**20.46**	**840.33**
Balance As at April 01,2019	32.10	5.36	45.39	128.64	608.68	20.46	840.33
Depreciation charge for the year	2.39	-	1.21	3.61	61.31	0.85	69.37
Disposal	-	-	-	-	32.50	-	32.50
Balance As at December 31, 2019	**34.49**	**5.36**	**46.60**	**132.25**	**637.49**	**21.31**	**877.20**
NET BLOCK VALUE							
As at December 31, 2019	5.82	-	2.30	3.70	150.93	7.75	170.81
As at March 31, 2019	8.21	-	1.88	6.73	189.11	3.13	209.26

Note:
The company has borrowed from banks which carry charge over certain of the above PPE (Refer Note 37(for details)

4 RIGHT OF USE ASSETS

(Rs. in Lacs)

Description of Assets	Building
GROSS BLOCK	
Gross Carrying amount as at April 01, 2019	-
Additions	243.51
Disposal	-
As at December 31, 2019	**243.51**
DEPRECIATION	
Balance As at April 01,2019	-
Depreciation charge for the year	66.28
Disposal	-
Balance As at December 31, 2019	**66.28**
NET BLOCK VALUE	
As at December 31, 2019	177.23
As at March 31, 2019	-

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(Amount in INR ur

(Amount in INR unless otherwise stated)

5 Investment Property

I Investment property (at cost less accumulated depreciation)

Particulars	As at December 31, 2019	As at March 31, 2019
Opening	1,764.46	2,809.83
Add : Additions	-	-
Less: Disposal	-	1,045.37
Closing	1,764.46	1,764.46
Less : Accumulated depreciation		
Opening	453.17	654.43
Add: Depreciation/Amotisation	21.50	31.87
Less : Disposal	-	(233.13)
Closing	474.67	453.17
Net block	**1,289.79**	**1,311.29**

6 Non-Current Investments

(Rs. in Lacs)

Particulars	No of Units/Shares as at December 31, 2019	No of Units/Shares as at March 31, 2019	As at December 31, 2019	As at March 31, 2019
(1) Investment in fully paid-up Equity Shares (Unquoted) (at Cost)				
Label Mobile Media Private Limited Equity shares of Rs. 10/- each	5,000	5,000	0.50	0.50
			-	-
(2) Mutual Funds (Quoted)			-	-
Investment carried at fair value through Profit & Loss				
(ii) Canara Robeco Capital Protection Oriented Fund-Series 7-Regular Growth Units of Rs. 10/- each		1,00,000	-	11.57
Baroda Overnight Fund C/Y 14139.506 Units @1036.4919 (L/y Nil)	14,139.506		146.56	-
SBI Artigrage Opportunities Fund C/y 961642.023 units @26.0032 (L/y Nil)	9,61,642.023		250.06	-
SBI Overnight Fund C/Y 16453.065 units @3218.1928 (L/Y Nil)	16,453.065		529.49	-
			-	-
(3) Fixed Deposits			1,657.53	-
Total			**2,584.14**	**12.07**

Aggregate carring value of quoted investments and market value thereof	-	-
Aggregate carring value of unquoted investments	2,584.14	12.07
Aggregate provision for impairment in the value of investments	-	-

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

(Rs. in Lacs)

Particulars	As at December 31, 2019	As at March 31, 2019
a] Security Deposit against Premises to Related Parties	500.00	500.00
b] Security Deposits -Others	23.24	22.93
Total	**523.24**	**522.93**

8 Other Financial Assets (Non-Current)

(Rs. in Lacs)

Particulars	As at December 31, 2019	As at March 31, 2019
Bank Deposits with more than 12 month maturity period	12.51	12.12
Total	**12.51**	**12.12**

Fixed deposit of Rs.12.10 Lacs (Previous year Rs. 10.47 lacs) includes electricity deposit of Rs. 11.96 lacs (Previous year Rs. 10.35 lacs)

9 Other Non-Current Assets

(Rs. in Lacs)

Particulars	As at December 31, 2019	As at March 31, 2019
a] Advances Given for Forthcoming Film Production	33.00	785.80
b] Advances Given for Digital Rights	600.00	202.40
c] Deposits with Government Authorties	46.80	225.33
d] Others	30.34	-
Total	**710.14**	**1,213.53**

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

(Rs. in Lacs)

Particulars	As at December 31, 2019	As at March 31, 2019
Unamortised Cost of Production	134.05	2,866.04
Total	**134.05**	**2,866.04**

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(Amount in INR ur

(Amount in INR unless otherwise stated)

11 Trade Receivables(Unsecured, considered Good)

(Rs. in Lacs)

Particulars	As at December 31, 2019	As at March 31, 2019
Trade Receivables		
Unsecured, considered good	1,470.37	1,057.59
Credit impaired	8.25	8.25
Less: Provision for loss allowance	(8.25)	(8.25)
Total	**1,470.37**	**1,057.59**

12 Cash & Cash Equivalents

(Rs. in Lacs)

Particulars	As at December 31, 2019	As at March 31, 2019
a] Cash on Hand	5.36	3.21
b] Balance with Banks in Current Accounts		
- Current Account	99.38	865.93
- Margin money	0.20	0.19
Total	**104.94**	**869.33**

13 Bank Balances other than cash and Cash Equivalents

(Rs. in Lacs)

Particulars	As at December 31, 2019	As at March 31, 2019
a] Bank Deposits with 3-12 months- Maturity @	29.06	51.82
b] Earnarked Balance with Banks (Unclaimed Dividend)	5.90	7.04
Total	**34.96**	**58.86**

@ These deposits are in the form of Bank Guarantee

14 Other loans and advances (Unsecured, considered good)

Particulars	As at December 31, 2019	As at March 31, 2019
Unsecured, considered good		
a] Compuage Infocom Ltd Corporate Deposit	200.00	-
b] Compuage Infocom Ltd Corporate Deposit Interest Receivable	2.14	-
Total	**202.14**	**-**

15 Other Financial Assets (Unsecured, considered Good)

(Rs. in Lacs)

Particulars	As at December 31, 2019	As at March 31, 2019
Loans to Employees	27.30	12.41
Total	**27.30**	**12.41**

16 Current Tax (Net)

(Rs. in Lacs)

Particulars	As at December 31, 2019	As at March 31, 2019
Advance payment of Income tax and Tax Deducted at Source (net of Provision for Taxation Rs. 721.45 lacs (L/Y 462.51) lacs	397.70	370.87
Total current tax assets (net)	**397.70**	**370.87**

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

(Rs. in Lacs)

Particulars	As at December 31, 2019	As at March 31, 2019
a] Advances for film Projects in Hand	1,058.84	824.83
b] Prepaid Expenses	2.00	0.18
c] Balances with Government Authorties	176.36	75.81
d] Others	114.25	53.35
Total	**1,351.45**	**954.17**

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18 Equity Share Capital (Refer Note 37(3))

(Rs. in Lacs)

Particulars	December 31, 2019 Number of Shares	December 31, 2019 Amount	March 31, 2019 Number of Shares	March 31, 2019 Amount
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	1,43,18,659	1,431.87	1,43,18,659	1,431.87
Total	**1,43,18,659**	**1,431.87**	**1,43,18,659**	**1,431.87**

19 Other Equity

(Rs. in Lacs)

Particulars	As at December 31, 2019	As at March 31, 2019
1 General Reserves	551.25	551.25
2 Securities Premium Reserve	1,798.72	1,798.72
3 Capital Redemption Reserve	298.72	298.72
4 Retained Earnings	3,926.61	2,994.35
Total	**6,575.30**	**5,643.05**

1 General Reserves

(Rs. in Lacs)

Particulars	As at December 31, 2019	As at March 31, 2019
Balance at the Beginning of the year	551.25	551.25
Balance at the end of the year	**551.25**	**551.25**

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

(Rs. in Lacs)

Particulars	As at December 31, 2019	As at March 31, 2019
Balance at the Beginning of the year	1,798.72	1,798.72
Balance at the end of the year	**1,798.72**	**1,798.72**

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

(Rs. in Lacs)

Particulars	As at December 31, 2019	As at March 31, 2019
Balance at the Beginning of the year	298.72	298.72
Balance at the end of the year	**298.72**	**298.72**

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

4 Retained Earnings

(Rs. in Lacs)

Particulars	As at December 31, 2019	As at March 31, 2019
Balance at the Beginning of the year	2,994.35	2,887.17
Net profit for the period	1,097.78	284.76
Other comprehensive income for the year		
Remeasurement gain (loss) of post employment benefit obligations (net of taxes)	7.10	(4.96)
Dividend Paid	(143.19)	(143.19)
Dividend Distribution Tax Paid	(29.43)	(29.43)
Balance at the end of the year	**3,926.61**	**2,994.35**

20 Borrowings (refer note to accounts No. 37 (4))

(Rs. in Lacs)

Particulars	As at December 31, 2019	As at March 31, 2019
Secured Term Loans		
(a) From Bank	-	200.23
(b) From Others	-	-
Total	-	**200.23**

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21 Other Financial Liabilties (Rs. in Lacs)

Particulars	As at December 31, 2019	As at March 31, 2019
Security Deposit	24.00	24.00
Total	**24.00**	**24.00**

22 Deferred Tax Liabilities (Net)

Particulars	As at December 31, 2019	As at March 31, 2019
Deferred Tax Liabilities		
Property, plant, equipment and investment property	284.99	284.99
Value of Inventories	829.74	829.74
Deferred Tax Assets		
Employees benefit Obligations	(15.62)	(15.62)
Provision for loss allowance	(2.40)	(2.40)
MAT credit	(808.02)	(808.02)
Total	**288.69**	**288.69**

23 Lease Liabilites

Particulars	As at December 31, 2019	As at March 31, 2019
Lease Liabilities	184.06	-
Total	**184.06**	-

24 Employee Benefit Obligations(Non Current) (Rs. in Lacs)

Particulars	As at December 31, 2019	As at March 31, 2019
Gratuity	52.80	47.60
Total	**52.80**	**47.60**

25 Borrowings (Rs. in Lacs)

Particulars	As at December 31, 2019	As at March 31, 2019
Intercorporate Deposits	158.85	-
Total	**158.85**	-

26 Trade Payables (Rs. in Lacs)

Particulars	As at December 31, 2019	As at March 31, 2019
(a) Total outstanding dues of micro and small enterprises	-	
(b) Total outstanding dues of Creditors other than micro and small enterprises	435.92	1,130.04
Total	**435.92**	**1,130.04**

27 Other Financial Liabilities (Rs. in Lacs)

Particulars	As at December 31, 2019	As at March 31, 2019
(a) Current maturities of Long-Term debt		
(i) Bank *	-	646.75
(b) Interest accrued but not due on borrowings	-	-
(c) Unclaimed Dividends **	5.90	7.04
Total Other Financial Liabilities	**5.90**	**653.79**

*Refer Note 20 for details of Nature of Securities and Terms of Repayment
** There are no amounts due for payment to the Investors Education and Protection fund under section 124 of the Companies Act, 2013, as at the year end.

28 Employee Benefit Obligations (Rs. in Lacs)

Particulars	As at December 31, 2019	As at March 31, 2019
Gratuity	1.22	1.22
Total	**1.22**	**1.22**

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29 Other Curent Liabilities

(Rs. in Lacs)

Particulars	As at December 31, 2019	As at March 31, 2019
(a) Advances from Customers	0.38	0.36
(b) Amount payable to Government Authorities	31.78	49.62
Total	**32.16**	**49.98**

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30 Revenues from Operations

(Rs. in Lacs)

Particulars	Nine months period ended December 31, 2019	Nine months period ended December 31, 2018
Sale of Services		
Income from Satelite Rights Films	(709.03)	13,650.00
Licence fees	7,956.86	4,150.50
Total Revenue from Operations	**7,247.83**	**17,800.50**

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

(Rs. in Lacs)

Revenue by Geography	License Fees (Audio/ Video)		Film Production/ Distribution	
	Nine months period ended December 31, 2019	Nine months period ended December 31, 2018	Nine months period ended December 31, 2019	Nine months period ended December 31, 2018
Domestic	5,503.80	2,672.91	(709.03)	13,650.00
International	2,453.06	1,477.59	-	-
	7,956.86	**4,150.50**	**(709.03)**	**13,650.00**
Timing of Revenue Recongnition				
Services transferred at a point in time	7,956.86	4,150.50	(709.03)	13,650.00
Total Revenue from Contracts with Customers	**7,956.86**	**4,150.50**	**(709.03)**	**13,650.00**

b] **Contract Balances**

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

(Rs. in Lacs)

	Nine months period ended December 31, 2019	Nine months period ended December 31, 2018
Receivables, which are included in 'trade and other receivables'	1,470.37	643.08

31 Other Income

(Rs. in Lacs)

Particulars	Nine months period ended December 31, 2019	Nine months period ended December 31, 2018
Interest Income		
On Fixed Deposits with banks	41.98	14.14
On Income Tax Refund	-	1.36
Rent Income	80.26	66.06
Liabilities/Provisions no longer required written back	11.35	4.53
Bad Debts Recovered	48.00	-
Profit on Sale of Assets	7.75	237.62
Insurance Claim Received	1.07	0.02
Foreign Exchange Gain Net	2.58	5.92
Fair value of Mutual Funds	51.39	0.39
Other Non-operating Income	1,467.82	42.40
Total	**1,712.20**	**372.44**

32 Cost of Productions/Distribution of films

(Rs. in Lacs)

Particulars	Nine months period ended December 31, 2019	Nine months period ended December 31, 2018
Opening-		
Cost of Under Production films	-	-
Unamortised cost at beginning of the year	2,866.04	5,745.55
Add: Cost incurred during the year	-	13,340.07
Less Closing-	-	-
Unamortised cost at the close of the year	(134.04)	(3,855.51)
Cost of underproduction films carried forward	-	-
	2,732.00	**15,230.11**

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33 Employee Benefits Expenses

(Rs. in Lacs)

Particulars	Nine months period ended December 31, 2019	Nine months period ended December 31, 2018
Salary, Wages & Bonus	527.30	503.61
Contribution to Provident and other Funds	7.25	7.29
Gratuity	41.07	7.63
Staff Welfare Expenses	10.12	8.75
	585.74	**527.29**

34 Finance Costs

(Rs. in Lacs)

Particulars	Nine months period ended December 31, 2019	Nine months period ended December 31, 2018
Interest on Term Loan	-	7.37
Interest Paid to Banks	2.41	89.67
Interest on Loan to Directors	22.85	33.74
Loan Prepayment charges	-	14.46
Interest on Lease	17.66	-
Interest on Service Tax	6.14	-
Other Interest	-	55.06
Total	**49.06**	**200.30**

35 Depreciation and Amortisation Expenses

(Rs. in Lacs)

Particulars	Nine months period ended December 31, 2019	Nine months period ended December 31, 2018
Depreciation of property,plant and equipment/ROU Assets	135.65	65.77
Amortization on Investment Property	21.50	31.87
Total	**157.15**	**97.64**

36 Other Expenses

(Rs. in Lacs)

Particulars	Nine months period ended December 31, 2019	Nine months period ended December 31, 2018
Electricity Expenses	7.27	6.91
Rent	-	77.12
Repairs & Maintainence :		
-Office Premises	9.47	55.66
Insurance	100.12	97.47
Rates and Taxes	1,105.34	17.98
Legal and Professional	304.92	240.92
CSR Expenses	7.71	-
In-house Music Production/Acquistion Cost	780.75	382.68
Advertisement Expenses	471.06	568.90
Travelling and Conveyance	23.75	14.53
Audit Fees		
-Statutory Fees	11.75	8.25
-Out of pocket expenses	0.16	0.27
Donation	17.12	87.36
Bad Debts and Advances Written Off	937.09	1.10
Miscellaneous Expenses	302.85	302.76
Total	**4,079.36**	**1,861.91**

SSPA & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

37) Notes forming part of Financial Statements (Rs. in Lacs)

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

		December 31, 2019	March 31, 2019
a]	Claims against the Company not acknowledged as debt		
	Penalty under FEMA Act*	90.00	90.00
	Demand by Sales Tax Department **	-	1,962.52

* 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.

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

3] **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

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

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

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

(Rs. in Lacs)

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

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

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

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

4] **Borrowings :**
Nature of Securities and Terms of Repayment

i] Overdraft Facilities
Overdraft Facility of Rs. Nil (March 31, 2019 Rs. 847 lacs) from a Bank is 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. During the period, the said loan is repaid fully.

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CHARTERED ACCOUNTANTS

5] Related Party Disclosure

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

a) Subsidiaries where control exits — NIL

b) Joint Ventures — NIL

c) Key Management Personnel

Mr. Kumar S Taurani -Chairman & Managing Director
Mr. Ramesh S Taurani - Managing Director
Mr. Sunil Chellani - Chief Financial Officer
Ms. Bijal Patel - Company Secretary

Non Executive Independent Director
Ms. Radhika Pereira
Mr. Amitabh Mundhra
Mr. Venkitaraman Iyer

d) Relatives of Key Management Personnel

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

e) Enterprise owned or significantly influenced by Key Management — NIL

Personnel or their relatives, where transactions have taken place

(Rs. in Lacs)

	December 31, 2019			March 31, 2019		
	Key Management Personnel	Relatives of Key Management Personnel	Total	Key Management Personnel	Relatives of Key Management Personnel	Total
Loan Taken	581.00	-	581.00	643.50	-	643.50
Loan Repayment	422.15	-	422.15	644.50	-	644.50
Rent Paid	-	63.00	63.00	-	84.00	84.00
Interest Paid	22.85	-	22.85	42.18	-	42.18
Legal & Profession Fees Paid	16.50	22.50	39.00	24.58	23.00	47.58
Director Remuneration Paid	252.00	-	252.00	336.00	-	336.00
Salary Paid	4.74	95.25	99.99	6.75	99.50	106.25
Sitting Fees paid to Non Executive Independent Director	3.50	-	3.50	4.00	-	4.00
Reimbursement of Expenses	-	4.03	4.03	-	-	-
Balances Outstanding at the year						
Loan Payable	158.85	-	158.85	-	-	-
Receivable Deposits	-	500.00	500.00	-	500.00	500.00

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

6] **Segment Reporting**

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

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

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

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

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

SSPA & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

6 Segment Reporting

Information about reportable segments

(Rs. in Lacs)

Particulars	December 31, 2019			March 31, 2019		
	Music (Audio/ Video)	Film Production/ Distribution	Total	Music (Audio/ Video)	Film Production/ Distribution	Total
Segment Revenues						
Sales & License Fees	7,956.86	(709.02)	7,247.83	6,673.88	13,650.00	20,323.88
Total	**7,956.86**	**(709.02)**	**7,247.83**	**6,673.88**	**13,650.00**	**20,323.88**

(Rs. in Lacs)

Particulars	December 31, 2019			March 31, 2019		
	Music (Audio/ Video)	Film Production/ Distribution	Total	Music (Audio/ Video)	Film Production/ Distribution	Total
Segment Results	6,652.50	(4,723.03)	1,929.47	4,774.63	(2,816.60)	1,958.03
Finance Cost			49.06			219.07
Other unallocated expenditure (net)			523.69			1,009.94
Profit Before Tax			**1,356.72**			**729.02**

(Rs. in Lacs)

Particulars	December 31, 2019				March 31, 2019			
	Music (Audio/ Video)	Film Production/ Distribution	Unallocated	Total	Music (Audio/ Video)	Film Production/ Distribution	Unallocated	Total
Segment depreciation and amortisation	2.22	2.39	152.54	**157.15**	2.96	3.19	123.94	**130.09**
Segment non-cash expenditure other than depreciation and amortisation	-	-	-	-	-	-	-	-

(Rs. in Lacs)

Particulars	December 31, 2019			March 31, 2019		
	Music (Audio/ Video)	Film Production/ Distribution	Total	Music (Audio/ Video)	Film Production/ Distribution	Total
Segment Assets	2,215.92	1,246.83	**3,462.75**	1,361.53	4,505.87	**5,867.39**
Reconciliation to total assets						
Investment			**926.60**			**11.57**
Current Tax Assets (Net)			**397.70**			**370.87**
Other Unallocable Assets			**4,403.71**			**3,220.64**
Total Assets as per Balance Sheet			**9,190.76**			**9,470.47**

(Rs. in Lacs)

Particulars	December 31, 2019				March 31, 2019			
	Music (Audio/ Video)	Film Production/ Distribution	Unallocated	Total	Music (Audio/ Video)	Film Production/ Distribution	Unallocated	Total
Addition to non current assets other than financial assets	-	-	274.44	274.44	-	-	132.81	**132.81**

(Rs. in Lacs)

Particulars	December 31, 2019			March 31, 2019		
	Music (Audio/ Video)	Film Production/ Distribution	Total	Music (Audio/ Video)	Film Production/ Distribution	Total
Segment Liabilities	302.05	20.73	322.78	41.87	1,042.25	1,084.12
Reconciliation to total liabilities	-	-	-	-	-	-
Borrowings						846.98
Other Unallocable Liabilities			860.32			464.46
Total Liabilities as per Balance Sheet			**1,183.10**			**2,395.56**

SSPA & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

7] 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

(Rs. in Lacs)

December 31, 2019	Carrying Amount				Fair Value			
	FVPTL	FVYOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Non Current								
Investment			0.50	0.50				
Mutual Fund	926.10			926.10	926.10			926.10
Fixed Deposits	1,657.53			1,657.53				
Rent Deposits			523.24	523.24				
Other Financial Assets			12.51	12.51				
Current Assets								
Trade Receivables			1,470.37	1,470.37				
Loans	202.14			202.14				
Cash & Cash Equivalents			104.94	104.94				
Bank Balances other than above			34.96	34.96				
Other Financial Assets			27.30	27.30				

December 31, 2019	Carrying Aamount				Fair Value			
	FVPTL	FVYOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Liabilities								
Non Current								
Borrowings			-	-				
Other Financial Liabilities			24.00	24.00				
Current Liability								
Borrowings			158.85	158.85				
Trade Payable			435.92	435.92				
Other Current Liabilities			5.90	5.90				

(Rs. in Lacs)

March 31, 2019	Carrying Amount				Fair Value			
	FVPTL	FVYOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Non Current								
Investment			0.50	0.50				
Mutual Fund	11.57			11.57	11.57			11.57
Rent Deposits			522.93	522.93				
Other Financial Assets			12.12	12.12				
Current Assets								
Trade Receivables			1,057.59	1,057.59				
Cash & Cash Equivalents			869.33	869.33				
Bank Balances other than above			58.86	58.86				
Other Financial Assets			12.41	12.41				

March 31, 2019	Carrying Aamount				Fair Value			
	FVPTL	FVYOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Liabilities								
Non Current								
Borrowings			200.23	200.23				
Other Financial Liabilities			24.00	24.00				
Current Liability								
Borrowings			-	-				
Trade Payable			1,130.04	1,130.04				
Other Current Liabilities			653.79	653.79				

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

SSPA & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

7] **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 Hierarchy includes financial instruments measured using quoted price.

Level-2 The fair value of financial instruments that are not traded in an active market is determined using valuation technique which maximise the use of observable

Level -3 If one or more of the significant inputs is not based on observable market data, the instrument is include in Level 3.

(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.

8] **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**

(Rs. in Lacs)

	December 31, 2019	March 31, 2019
Profit/(Loss) attributable to equity shareholders		
Continuing Operation	1,097.78	284.76
Profit attributable to equity holders of the Company for basic earnings	1,097.78	284.76
Profit attributable to equity holders of the Company adjusted for the effect of dilution	1,097.78	284.76

(Rs. in Lacs)

b] **Weighted average number of ordinary shares**

	December 31, 2019	March 31, 2019
Issued ordinary shares at April 1	143.19	143.19
Weighted average number of shares at March 31 for basic and Diluted EPS	143.19	143.19

(Rs. in Lacs)

c] **Basic and Diluted earnings per share**

	December 31, 2019	March 31, 2019
Basic earnings per share	7.67	1.99
Diluted earnings per share	7.67	1.99

9] Tax expenses have been provided based on the rate applicable for minimum alternate tax (MAT). The provision for tax (including deferred tax) will be accounted at the year end based on financial results for the entire year.

10] **Dividend declared and paid during the year**

	December 31, 2019	March 31, 2019
Final Dividend for the year ended March 31, 2019 fo ₹ 1/- (March 31, 2018) per fully paid share (along with Dividend distribution tax)	172.63	172.62

11] **Previous Year's figures have been regrouped wherever necessary**

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

Parag S. Ved

Parag Ved
Partner
Membership No. 102432

SSPA & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

Place : Mumbai
Date : March 11, 2020

For and on behalf of the Board of Directors of
TIPS INDUSTRIES LIMITED
CIN :L92120MH1996PLC099359

Kumar S. Taurani
Chairman & Managing Director
DIN : 00555831

Ramesh S. Taurani
Managing Director
DIN : 00010130

Bijal Patel
Company Secretary
CS Membership No. : 30140

Sunil Chellani
Chief Financial Officer

Place : Mumbai
Date : March 11, 2020

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SSPA & ASSOCIATES
Chartered Accountants
1st Floor, " Arjun", Plot No. 6 A,
V. P. Road, Andheri (W),
Mumbai - 400 058. INDIA.
Tel. : 91 (22) 2670 4376
91 (22) 2670 3682
Fax : 91 (22) 2670 3916
Website : www.sspa.in

Independent Auditor's Report

To the Board of Directors of Tips Industries Limited
Report on the Audit of the Interim Condensed Financial Statements

Opinion

We have audited the accompanying interim condensed financial statements of **Tips Industries Limited**("the Company"), which comprise the Condensed Balance sheet as at December 31, 2019, the Condensed Statement of Profit and Loss (including Other Comprehensive Income), the Condensed Statement of Changes in Equity and the Condensed statement of Cash Flows for the nine monthsperiod ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the interim condensed financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid interim condensed financial statements give a true and fair view in conformity with the Indian Accounting Standard 34 "Interim Financial Reporting"(Ind AS 34) referred in section 133 of the Companies Act, 2013 ("the Act"), of the state of affairs of the Company as at December 31, 2019, the profit and total comprehensive income, changes in equityand its cash flows for the nine months ended on that date .

Basis for opinion

We conducted our audit of the interim condensed financial statement 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 Interim Condensed 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 independence requirements that are relevant to our audit of the interim condensed financial statements under the provisions of the Act and the Rules made 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 audit opinion on the interim condensed financial statements.

Responsibilities of managementfor the interim condensed financial statements

The Company's Board of Directors are responsible for presentation and preparation of theseinterim condensed financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS 34 and other accounting principles generally accepted in India.This responsibility also includes maintenance of adequate accounting records for safeguarding 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 interim condensed financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

SSPA & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT
To the Board of Directors of **Tips Industries Limited**
Report on audit of the Interim Condensed Financial Statements

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

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

Auditor's responsibilities for the audit of the interim condensed financial statements

Our objectives are to obtain reasonable assurance about whether the interim condensed 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 interim condensed 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 interim condensed 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 but not for the purpose of expressing an opinion on effectiveness of the Company's internal financial controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the interim condensed 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 interim condensed financial statements, including the disclosures, and whether the interim condensed financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT
To the Board of Directors of **Tips Industries Limited**
Report on audit of the Interim Condensed Financial Statements

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.

Other matters

1. The accompanying interim condensed financial statements have been prepared, and this report thereon issued, solely for the purpose of proposed buy back of equity shares of the Company.
2. Attention is invited to note no. 37(9) regarding provision for tax (including deferred tax) which will be finalized at the year end.

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

Parag S. Ved

SSPA & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

Parag Ved
Partner
Membership Number - 102432
UDIN: 20102432AAAAAM5851

Place: Mumbai
Date: March 11, 2020