



September 1, 2020

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, C/1, G Block, Bandra Kurla Complex,  
Bandra (E), Mumbai – 400 050

Scrip Code: **532375**

Symbol: **TIPSINDLTD**

**Sub: Annual Report for the financial year 2019-20**

Dear Sir,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report of the Company for the financial year 2019-20.

Kindly take the same on your records.

For **Tips Industries Limited**

**Bijal R. Patel**  
Company Secretary



Encl: a/a

**TIPS INDUSTRIES LTD.**

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

Tel. : 022-6643 1188 Email : [response@tips.in](mailto:response@tips.in) Website : [www.tips.in](http://www.tips.in)

CIN : L92120MH1996PLC099359



# MUSIC... THE RHYTHM OF LIFE

**Tips Industries Limited**

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Annual Report  
2019-20

# Contents

<i>Pg. 01</i>	- <b>Music... The Rhythm of Life Our Corporate Culture</b>
<i>Pg. 02</i>	- <b>Chairman's Message to Shareholders</b>
<i>Pg. 06</i>	- <b>Board of Directors</b>
<i>Pg. 07</i>	- <b>Corporate Information</b>
<i>Pg. 09</i>	- <b>Notice</b>
<i>Pg. 20</i>	- <b>Board's Report &amp; Management Discussion and Analysis</b>
<i>Pg. 44</i>	- <b>Corporate Governance Report</b>
<i>Pg. 59</i>	- <b>Auditors' Report</b>
<i>Pg. 66</i>	- <b>Financial Statements</b>

You can also download a digital copy of this Annual Report from our website: [www.tips.in](http://www.tips.in) or by scanning this QR Code



## ***Forward-Looking Statements***

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements, written and oral, that we periodically make are forward-looking statements that set out anticipated performance/results based on the management's plan and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and realisation of assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.



# MUSIC... THE RHYTHM OF LIFE


Tips Industries Limited is a leading Indian music label which creates and monetizes music. Its extensive catalogue of Film, Non-Film, Devotional, Pop, Remixes, in Hindi, Punjabi, Gujarati, Bhojpuri, and other languages straddles all genres of popular Indian music. The catalogue is licensed to OTT platforms, Content Aggregators, TV Channels, Telecom Companies, Radio Stations, Advertisers, Event Management Companies, Hotels, Restaurants, and Others. Through a robust multi-year track record, the Company has demonstrated consistent success in creating and acquiring high quality music I.P.R.

## Our Corporate Culture




**OUR PURPOSE:**

- ▶ Deliver Entertainment



**OUR VISION:**

- ▶ To be amongst top 3 music companies in India



**OUR MISSION:**

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



**OUR CORE VALUES:**

- ▶ Honesty
- ▶ Commitment
- ▶ Team work
- ▶ Passion
- ▶ Positive attitude



## CHAIRMAN'S MESSAGE TO SHAREHOLDERS



### *Dear Shareholders,*

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

The current Government headed by our Honourable Prime Minister, Mr. Narendra Modi, is unsurpassed in its ability to take difficult decisions and executing projects. The Prime Minister's announcement of connecting all villages with fibre optic cable in the next 1000 days is an outstanding decision. The benefits of internet connectivity cannot be overemphasized in today's world. Access to internet will reduce information asymmetry and open new opportunities for rural populations. It will bring people living in remote areas into the main stream. For the media industry, it will be akin to opening up of new markets. The salubrious effect on growth of Indian music should not be underestimated.

The Indian Music Industry is at a watershed moment. It is the first industry to face digital disruption and emerge successfully; as a consumer internet business. However, this is not the first technological change faced by the Industry. To understand its resilience and future prospects, allow me to take you through its evolution.

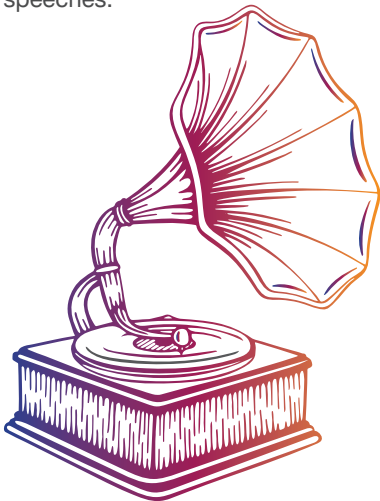
## Evolution of the Music Industry

### 1. IN THE BEGINNING :

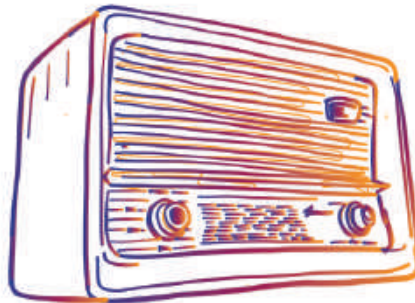
▶ Music and mankind have always existed side by side. In archaeological sites from the Palaeolithic era, of over 40 thousand years ago, rudimentary forms of flute have been found. Music, which is among man's first cultural expressions, appeared even before agriculture or writing and is present in all societies on the planet.

### 2. A BRIEF HISTORY OF TECHNOLOGICAL EVOLUTION :

- ▶ Until 150 years ago, experiencing music required live performers.
- ▶ Rudimentary acoustic devices were introduced in the late 19th Century. Thomas Edison's phonograph, introduced in 1877, was the most popular device of its time. Other similar technologies such as the gramophone and shellac records emerged during that time. The reproduction quality of these initial models was quite limited and they were used for recording monologues and famous speeches.



- ▶ Then came the recording cylinders. Recording on this medium was quite complicated with mixed results. Therefore, recording quality and sound clarity became unique selling points and remain so even today.



- ▶ The acoustic cone of the phonograph could only pick up the loudest sounds, a limitation that made recording multiple instruments simultaneously a strenuous exercise. To balance the volume of recordings, musical instruments were placed on the basis of their loudness. The loudest instruments had to be kept furthest from the cone. To change the importance of instruments during the recording, musicians were placed on a moving platform so that the instruments could be brought closer to the cone at the right time. Today, that complicated choreography of a recording session would seem hilarious.
- ▶ At the beginning of the 20th century, Radio became the popular medium of broadcasting music and news in the 1920s.

At this time, radio broadcasts were still based on real-time musical performance in the broadcasting studio. The sound quality of a live transmission was far superior to that of records or cylinders of that time due to the use of microphone technology and electromagnetic waves. This helped to make radio very popular.

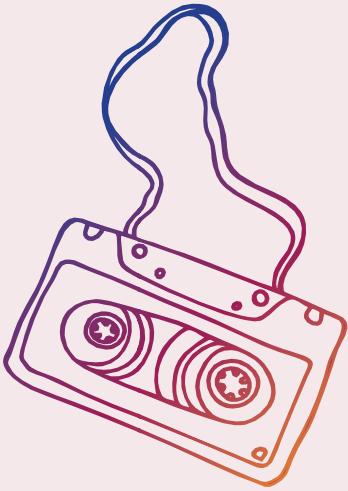
### 3. A NEW ERA :

- ▶ In 1948, Vinyl records were introduced and were immediately lapped up by consumers.

Listeners were soon accustomed to hearing music on records and buying records. This gave birth to a business model of recording, production and distribution of music controlled by entities known as The Record Company.



Vinyl grooves imposed serious volume restrictions on bass frequencies. Loud bass frequencies caused needle jumps; but the popularity of Vinyl was such that it shaped the form and sound of Pop and Rock music that we have known through the years.



>> Until 1957, most magnetic tapes recorded only on single track. The number of instruments used in a recording was limited by the number of tracks on a magnetic tape. Technological improvements led to multi track recorders but still there were limitations. All the records from the beginning of The Beatles' career to Sgt. Pepper's Lonely Hearts Club Band, in 1967, were recorded using only four tracks of a magnetic tape. Eventually over the next decade, magnetic tapes could record upto 24 tracks independently and now with computers, 100s of tracks can be recorded simultaneously.

#### 4. DIGITAL SOUND :

▶ Until 1982, recording and reproducing sound was done in an analogical manner using electromagnetic and mechanical



means. By this time, vinyl record sales had started declining. The introduction of Compact Discs (CDs) multiplied recording profits through the 80s and 90s. Consumers not only accepted paying more than twice as much for the new media but reacquired their favourite albums in digital version as well. By this time, such consumer behaviour was already well established.

- ▶ Advent of Internet : The proliferation of internet in the 90s led to the development of many new technologies including Mp3, which is an algorithm that drastically reduces the audio file size to 8% of its original size. As a result, Mp3 files had much lower audio quality. The small file size facilitated online transfers and resulted in huge piracy. Artists and record companies blamed piracy for the dip in CD sales.
- ▶ The launch of Napster in 1999 resulted in an explosion of unauthorised file sharing and severely dented industry revenues. The launch of iTunes music store in 2003, which allowed users to download singles for 99 cents disrupted physical distribution channels of recorded music. Industry revenue declined as consumers opted to download their favourite singles instead of buying albums of 8 to 10 songs.
- ▶ (Not So) New Business Model : Interestingly, selling singles was not a new concept. Major careers in the 1960's such as Elvis Presley's were built on selling singles. Only later with the introduction of 12 inch records, bands such as The Beatles and The Beach Boys started using the bigger format for recording a cohesive set of songs for the so called "Concept Albums". After them

the Pop and Rock Music started using the album as their main product. Albums were sold at a price five times higher than singles.

- ▶ In the current century, the return to selling singles led to labels losing control over physical distribution channels and by extension, on pricing of music.

#### 5. INDUSTRY CONSOLIDATION :

The onslaught of piracy, change in business model from selling albums to downloading singles and the loss of control over physical and digital distribution channels led to a 14 year decline in Industry revenues.

So forceful was the impact that music labels consolidated into 3 large music companies viz, Universal Music Group (UMG), Sony Music Entertainment (Sony) and Warner Music Group (WMG). Today, these 3 companies control approximately 90% of global music content.

#### 6. DAWN OF THE NEW BUSINESS MODEL :

- ▶ Technological change and consumer choice reshaped the music industry. Old ways of doing business perished in the dawn of the digital age. Music was the first industry to face the wrath of digital disruption. It emerged with a new business model as a completely digital industry. It is now one of the most profitable internet businesses.

Recording, delivery and consumption are now completely digital. Record companies do not require, factories and warehouses or incur transportation costs. The delivery from the Label to the Consumer is completed over internet.

## MUSIC IS NOW AN INTELLECTUAL PROPERTY RIGHTS GOVERNED CONSUMER INTERNET BUSINESS.

### Why Streaming Is Here To Stay

**TECHNOLOGY ALSO PROVIDED NEW GROWTH DRIVERS:** As in any business cycle, disruption created a new business model. Technology also provided the growth drivers for the new model. With the launch of Spotify in 2008, consumers started opting to stream music over downloads. By 2015, revenues from music streaming overtook revenues from music downloads to become the largest source of revenue for the music industry.

Alignment of interest is a wonderful thing. Streaming achieves that for all stakeholders in the music value chain. Therefore, it is here to stay.

#### *At TIPS, we are quite excited by this!*

Having foreseen the trends, we were among the earliest players to digitize our repertoire. Our digitized catalogue comprises over 29,000 songs in multiple Indian languages and genres which is available on many global and local platforms including YouTube, Resso, Amazon Prime, JioSaavn and Facebook. Our catalogue comprises film, non-film, pop, remixes devotional songs and bhajans, created by some of the leading artistes and musicians of this country.

We have substantial social media presence on Facebook, Twitter and Instagram. Our YouTube channel has over 35.88 million subscribers/followers. This entire digital focus and impetus has ensured our music business continues to grow from year to year. This year, our revenues from music were Rs. 97.92 crores compared to Rs. 66.74 crores last year - clear validation

of our digital focus. The ban on Tik-Tok has created a situation where a number of other apps are trying to replace it. They are our new customers.

We are also witnessing; entry of many new partners, introduction of new formats, newer ways of using music, device innovation, benefits of India's favourable demography and strong intellectual property rights regime; together these factors provide visibility of growth for the medium to long term. The Company hopes to resume its growth trajectory once impact of COVID-19 abates. We remain confident that the hiccups of FY21 will prove to be temporary.

#### **FILM BUSINESS**

Let me now update you on the Company's film business. There has been an increasing demand for content-rich films, particularly in the last two years. This trend is on the rise. At TIPS, we have been producing

content-rich films that deliver wholesome family entertainment. This places us at an excellent position to leverage this trend. We are evaluating many interesting scripts and also re-evaluating our film business. Plans are in place to produce at least two to three films every year that provide wholesome entertainment for the entire family. Similarly, we are also evaluating scripts for Punjabi films, where too we have a proven track-record of producing some of the biggest hits.

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

Yours sincerely,

**Kumar S. Taurani**  
Chairman & Managing Director





## BOARD OF DIRECTORS



**Mr. Kumar Taurani**

*Chairman & Managing Director*



**Mr. Ramesh Taurani**

*Managing Director*



**Mr. Amitabh Mundhra**

*Independent Director*



**Ms. Radhika Pereira**

*Independent Director*



**Mr. Venkitaraman S. Iyer**

*Independent Director*



**Mr. Girish Taurani**

*Additional Director - Executive*

# CORPORATE INFORMATION

## BOARD OF DIRECTORS :

**Mr. Kumar Taurani**  
*Chairman & Managing Director*

**Mr. Ramesh Taurani**  
*Managing Director*

**Mr. Amitabh Mundhra**  
*Independent Director*

**Ms. Radhika Pereira**  
*Independent Director*

**Mr. Venkitaraman S. Iyer**  
*Independent Director*

**Mr. Girish Taurani**  
*Additional Director – Executive*

## CHIEF FINANCIAL OFFICER :

Mr. Sunil Chellani

## COMPANY SECRETARY & COMPLIANCE OFFICER :

Ms. Bijal R. Patel

## SENIOR MANAGEMENT :

**Mrs. Varsha Taurani**  
*Vice President – Administration*

**Ms. Jaya Taurani**  
*Chief Operating Officer – Production*

**Ms. Kavita Lakhani**  
*Vice President – Film Production & Promotions*

## REGISTERED OFFICE :

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

## ACCOUNTS OFFICE :

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

## STATUTORY AUDITORS :

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

## INTERNAL AUDITORS :

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

## SECRETARIAL AUDITORS :

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

## REGISTRAR & SHARE TRANSFER AGENT :

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

## BANKERS :

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

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

**HDFC Bank Limited**  
2nd Floor, Maneckji Wadia Bldg.,  
Nanik Motwane Marg, Fort,  
Mumbai – 400 001

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

**BSE Scrip Code:** 532375

**NSE Code:** TIPSINDLTD

**CIN:** L92120MH1996PLC099359

**STATUTORY REPORTS  
AND  
FINANCIAL STATEMENTS**

## NOTICE OF THE ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the 24th Annual General Meeting of the Members of Tips Industries Limited will be held on Friday, September 25, 2020 at 11:00 a.m. (IST) through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2020 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, 2020.\*
3. To appoint a director in place of Mr. Ramesh Taurani (DIN: 00010130), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

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

**"RESOLVED THAT** pursuant to provisions of Sections 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") and Schedule V of the Act read with rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to other requisite approvals, if any, Mr. Girish Taurani (DIN: 08695775), who was appointed as an Additional Director of the Company designated as Executive Director by the Board of Directors of the Company at their meeting held on February 13, 2020, based on the recommendations of the Nomination and Remuneration Committee and who holds office up to the date of this Annual General Meeting pursuant to Section 161(1) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as Executive Director of the Company, liable to retire by rotation, for a period of three years with effect from February 13, 2020 on the terms and condition as mentioned below and as approved by the Board of Directors of the Company on recommendation of the Nomination and Remuneration Committee.

- a) Remuneration up to Rs.5,00,000 (Rupees Five Lakhs Only) per month as per Schedule V of the Act.
- b) Perquisites and benefits 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** the Members hereby ratify the remuneration paid up to Rs.5,00,000 (Rupees Five Lakhs only) per month to Mr. Girish Taurani as Additional Executive Director during the period from February 13, 2020 till the date of upcoming Annual General Meeting.

**RESOLVED FURTHER THAT** where in any financial year during the currency of the tenure of Mr. Girish Taurani as 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 appointment as it may in its sole and absolute discretion deem fit and to delegate all or any of its powers herein conferred to any director(s) and/or officer(s) of the Company, to give effect to this resolution."

Place: Mumbai  
Date: July 24, 2020

**By Order of the Board of Directors**

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

**Bijal R. Patel**  
Company Secretary



\*The actual equity dividend to be declared by the shareholders at the 24th 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, 2020 in accordance with the Rules framed by the Board as per Note No.11 hereinafter appearing.

**NOTES:**

1. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business under Item No. 4, which is considered to be unavoidable by the Board of Directors of the Company, is annexed hereto. The relevant details of the Directors seeking appointment/re-appointment under Item No. 3 & 4, pursuant to Regulations 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and as required under Secretarial Standards - 2 on General Meetings issued by The Institute of Company Secretaries of India, are annexed.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 20/2020 dated May 5, 2020 read with Circular No. 14/2020 dated April 8, 2020 and Circular No. 17/2020 dated April 13, 2020 (hereinafter collectively referred to as "MCA Circulars") permitted the holding of Annual General Meeting through VC or OAVM without the physical presence of Members at a common venue. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual General Meeting of the Members of the Company is being held through VC/OAVM. The deemed venue for the Annual General Meeting shall be the Registered Office of the Company.
3. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.
4. The Notice of the Annual General Meeting along with the Annual Report for the financial year 2019-20 is being sent only by electronic

mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated May 12, 2020. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2019-20 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.

5. 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.
6. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
7. The Register of Members and Share Transfer Books of the Company will remain closed from September 19, 2020 to September 25, 2020 (both days inclusive), for determining the names of members eligible for dividend on Equity Shares, if declared at the AGM.
8. Dividend, if approved by the members at the Annual General Meeting will be paid within a period of 30 days from the date of declaration, to the Members whose names appear on the Register of Members and Register of Beneficial Owners as on September 18, 2020 as per details furnished by the Company's Share Registrar and Transfer Agent and the Depositories for this purpose.
9. In line with the General Circular No. 20/ 2020 dated May 5, 2020 issued by the MCA, in case the Company is unable to pay the dividend to any shareholder by the electronic mode, due to non-availability of their latest bank account details, the Company shall upon normalization of the postal services, dispatch the dividend warrant/ cheque to such shareholder by post.
10. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of Shareholders with effect from April 1, 2020 and the Company is required to deduct tax at source from dividend paid to the Shareholders at the prescribed rates. For the prescribed rates for various categories, the Shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. Necessary communication in this regard is sent to all the shareholders on their registered email id. A copy of the said communication is also placed on the website of the Company [www.tips.in](http://www.tips.in).

The Shareholders are requested to update their PAN with the Company/ Registrar and Transfer Agent (in case of shares held in physical mode) and their respective Depository Participants (in case of shares held in dematerialized form). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by uploading the relevant tax exemption form in the link provided at <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> by September 11, 2020. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Resident shareholders who are eligible for deduction of TDS at a concessional or Nil rate as per Section 197 of the Income-tax Act, 1961, can submit the certificate/letter issued by the Assessing Officer, to avail the benefit of lower rate of deduction or non-deduction of tax at source by uploading the relevant tax exemption form in the link provided at <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> by September 11, 2020.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits uploading the relevant tax exemption form in the link provided at <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html>. The aforesaid declarations and documents need to be submitted by the shareholders.

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, 2020 shall fill up the form and send it to the Company's Registrar on or before September 18, 2020 (record date). The form prescribed by the Board of Directors of the Company for waiving/forgoing the right to receive dividend for any year shall be available for download on the Company's website [www.tips.in](http://www.tips.in). under section "Corporate- Annual Report -2019-20"

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. All unclaimed dividends up to the final dividend for FY 2011-12 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 2012-13 will fall due for transfer to the IEPF on October 1, 2020. Those Members, who have not encashed their dividends for the FY 2012-13, 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.
13. 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 October 1, 2020 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 October 1, 2020 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).
14. Members holding shares in Electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company or the Company's Share Registrars and Transfer Agents.
15. As per the provisions of the Companies Act, 2013 facility for making nomination is available for the Members in respect of the shares held by them. Nomination forms can be obtained from the Company's Share Registrar and Transfer Agent by Members holding shares in physical form. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.
16. 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.
17. Members seeking any information or clarification on the accounts are requested to send in writing queries to the Company at least seven days before the date of the meeting to enable the Management to keep the information ready at the Meeting. Replies will be provided at the meeting in respect of such queries received.

18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company and Company's Share Registrars and Transfer Agents.

#### 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 Circular No. 14/2020 dated April 08, 2020, 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. September 18, 2020 may obtain the login

details in the manner as mentioned below.

#### v) Instructions for members for remote e-Voting:

- (i) The voting period begins on September 22, 2020 at 9:00 a.m. and ends on September 24, 2020 at 5:00 p.m.. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 18, 2020 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) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" module.
- (v) 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.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) 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.



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

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

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

(x) 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.

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

(xii) Click on the EVSN for the relevant TIPS INDUSTRIES LIMITED on which you choose to vote.

(xiii) 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.

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

(xv) 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.

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

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

(xviii) 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.

(xix) Shareholders can also cast their vote using CDSL's mobile app "**m-Voting**". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

#### **vi) Instructions for member for e-Voting during the AGM:**

(i) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

(ii) 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.

- (iii) 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.
- (iv) Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

#### Note for Non – Individual Shareholders and Custodians

- 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 Company at the email address viz; [bijal@tips.in](mailto: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.

- vii) **Process for those shareholders whose email addresses are not registered with the Company/depositories for obtaining login credentials for e-Voting for the resolutions proposed in this Notice**

#### 1. For members holding shares in Physical mode:

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](mailto:bijal@tips.in) or [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).

#### 2. For members holding shares in Demat mode –

Please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [bijal@tips.in](mailto:bijal@tips.in) or [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).

#### 20. Instructions for Shareholders attending the AGM through VC/OAVM:

- i) Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- ii) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- iii) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- iv) 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.



- v) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request by Thursday, September 17, 2020 mentioning their name, demat account number/folio number, email id, mobile number at [bijal@tips.in](mailto:bijal@tips.in).
- vi) As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number/folio number, email id, mobile number at [bijal@tips.in](mailto:bijal@tips.in). Questions / queries received by the Company till 5.00 p.m. on Thursday, September 17, 2020 shall only be considered and responded during the AGM.
- vii) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.
21. If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, 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 on 022-23058542/43.

22. 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.
23. The Scrutinizer shall after the conclusion of electronic voting at the AGM, will unblock the votes casted through remote e-voting and through electronic voting at the AGM in the presence of at least two witnesses not in the employment of the Company and shall submit a consolidated scrutinizer's report of the total votes casted in favour or against, if any, to the Chairman or to any Director or any person authorized by the Chairman, 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.
24. 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 (BSE) and National Stock Exchange of India Limited (NSE).

Place: Mumbai  
Date: July 24, 2020

**By Order of the Board of Directors**

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

**Bijal R. Patel**  
Company Secretary

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****Item No. 4:**

The Board of Directors of the Company at its Meeting held on February 13, 2020, on the recommendation of the Nomination & Remuneration Committee, have approved the appointment of Mr. Girish Taurani as an Additional Director - Executive of the Company. Pursuant to Section 161 of the Companies Act 2013, Mr. Girish will hold office up to the date of the ensuing Annual General Meeting and is eligible to be appointed as a Director of the Company. The Company has, in terms of Section 160(1) of the Act, received a notice in writing from a Member, proposing the candidature of Mr. Girish Taurani for the office of Director.

It is proposed to seek members' approval for appointment of and remuneration payable to Mr. Girish Taurani designated as Executive Director of the Company for a period of three years w.e.f February 13, 2020 at remuneration up to Rs. 5 lakhs per month.

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

The Company has received from Mr. Girish Taurani (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014; (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act and (iii) Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 and National Stock Exchange of India Ltd Circular No. NSE/CML/2018/24 dated June 20, 2018, that he has not been debarred from holding office of a Director by virtue of any Order passed by Securities and Exchange Board of India or any other such authority.

Mr. Kumar Taurani, being relatives 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 is, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board of Directors recommends the resolution for your approval as a Special Resolution.

Place: Mumbai  
Date: July 24, 2020

**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 PROVISO OF SECTION II OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013****I. GENERAL INFORMATION**

- Nature of the Industry:** The Company is in the Media & Entertainment Industry. The Company is in the business of production and distribution of Cinematographic Films and exploitation of its content on various platforms.
- Date of expected date of commencement of commercial production:** The Company was incorporated on May 8, 1996. The Company had since commenced its business.
- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** N. A.
- Financial Performance: - (Based on the audited financial statement for the year ended 2019-20)**

	(Rs. in Lakhs)
Turnover	9,099.08
Other Income	1,782.85
Total Expenditure	9,446.35
Net Profit before tax	1,435.58

**5. Foreign Investments or Collaborators, if any : NIL****II. INFORMATION ABOUT THE APPOINTEE:****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 2019-20, the Company has paid remuneration up to 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. 4 of the Notice of the 24th 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:**

The Company is engaged in the business of Production and Distribution of film and exploitation of its Audio library. Audience tastes and preferences are subjective and it may not be possible to consistently predict changing audience tastes, therefore the revenue and profit is unpredictable.

**2. Steps taken for improvement:**

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

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

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. The Company expects to increase the earning from its music repertoire.

**IV. DISCLOSURES**

The requisite disclosure of remuneration package etc. of 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>	<b>Ramesh Taurani</b>	<b>Girish Taurani</b>
<b>Date of Birth</b>	January 17, 1960	January 30, 1987
<b>Date of Appointment</b>	September 27, 2005	February 13, 2020
<b>Qualification &amp; Expertise in specific functional areas</b>	He holds the Bachelor degree in commerce. He is one of the promoters of the Company and comes with a rich experience of almost 39 years in the Media & Entertainment Industry. He has played a key role in the progress of the Company. He is widely credited for remarkable success with many blockbuster films. His visualisation and dedication support to build success of the business.	He 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.
<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	Mr. Girish Taurani is son of Mr. Kumar Taurani, Chairman & Managing Director.
<b>Number of Shares held as on March 31, 2020</b>	28,75,911 Equity shares	NIL
<b>Names of listed entities in which he holds the directorship as on March 31, 2020</b>	NIL	NIL
<b>Names of listed entities in which he holds Membership of Committees of the Board as on March 31, 2020</b>	NIL	NIL

# BOARD'S REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

To  
The Members  
Tips Industries Limited

Your Directors are pleased to present the 24th Annual Report on the business and operations of the Company, together with the Audited Financial Statements for the financial year ended March 31, 2020. The Management Discussion and Analysis is also included in this Report.

## THE INDIAN MEDIA AND ENTERTAINMENT INDUSTRY

According to the International Monetary Fund World Economic Outlook (October 2019), India has been the growth leader among major economies, including Emerging Markets and Developing Economies, over the past five years. India's nominal GDP is estimated at Rs. 2,936 billion in 2019, making it the fifth largest economy in the world. The media & entertainment industry in India has been largely driven by increasing digitization and higher Internet usage over the past decade. The Internet has almost become a mainstream medium of entertainment for most of the people.

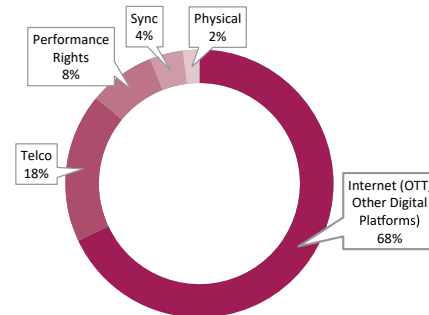
Segment	2018	2019	2020E	2022E	CAGR 2019-22
Television	740	787	790	882	4%
Print	305	296	301	309	1%
Digital Media	169	221	279	414	23%
Filmed Entertainment	175	191	207	244	8%
Animation and VFX	79	95	112	156	18%
Live Events	75	83	94	122	14%
Online Gaming	46	65	91	187	43%
Out of Home Media	37	39	41	46	5%
Radio	34	31	33	36	5%
Music	14	15	17	20	10%
<b>Total</b>	<b>1,674</b>	<b>1,822</b>	<b>1,965</b>	<b>2,416</b>	<b>10%</b>

All figures are gross of taxes (INR in billion) for calendar years | EY estimates  
Source: FICCI-EY Media & Entertainment (M&E) Report. (figures for 2021E is not available)  
2020 estimates have been created prior to the advent of the coronavirus

## • Music

India is certainly among the world's most exciting music markets. In the past few years, the country has seen a rapid transformation from physical products to digital services and the explosion of digital streaming services. The Indian Music segment grew 8.3% to reach Rs. 15.3 billion in 2019. It is expected to grow at a CAGR of 10% to cross Rs. 20 billion by 2022, on the back of increasing digital revenues and performance rights.

Music segment composition of revenues



Internet platforms comprised 68% of total revenues, up from 54% in 2018, while physical fell from 3% in 2018 to 2% in 2019. Music listeners aged 16-44 years are more likely to pay for audio streaming as they prefer an ad-free experience, the autonomy to listen to anything at any time, convenient form of music streaming, and access to a one-stop shop for all their respective music preferences.

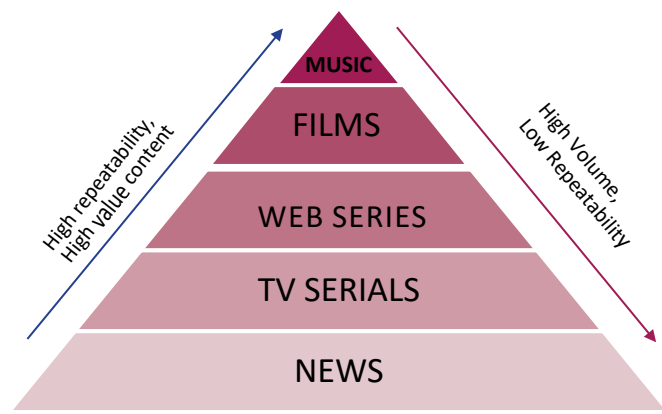
## KEY ASPECTS OF THE MUSIC INDUSTRY

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 appropriately suitable 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 the audience even many years after their release.

Music lovers can be very passionate about their favorite music and 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)**

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

IPR protection for such long durations allows music labels to exploit different monetization strategies over time. Also catalogs 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 have been disrupted. Traditionally music was distributed in physical form as vinyl records, cassettes, compact

discs, DVDs etc. Companies relied on distribution channels to reach their audiences. In today's digital world, every content owner can directly connect with the end consumer via internet. The ability to access audiences directly has led to favorable changes in 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 2019 (EMR-19) estimates that data usage per smartphone will increase from 13.6 GB/month in 2019 to 24 GB/month in 2025. The report estimates total Mobile Data Traffic to grow at 21% CAGR between 2019 and 2025 in India. FICCI's M&E Report 2020 states that music, video, and gaming accounted for over 70% of data consumption in India. Rising data consumption provides a tailwind for growth.

- **More Subscribers**

As per EMR-19, there are 72 crore mobile Internet subscriptions in India today. This number is expected to touch 134 crore in 2025. Current tele-density in rural areas is only 57%. A lot of people are yet to be connected to smartphones and the Internet, so there is huge headroom for growth.

- **Faster Networks**

The report also estimates that 58% of Indian cell phone users are on 3G or 4G networks. Higher speeds provide seamless user experience and improve adoption. Upgrading to faster connections will continue with implementation of 5G, too.

- **Smarter Phones**

Smartphones provide improved user experience for media consumption compared to feature phones. The Ericsson Mobility Report estimates smartphone penetration in India to be 54% by end of 2019, leaving a long runway for growth. The number of smartphone users is expected to reach 117 crore by 2025 from 67





crore in 2019.

- Cheap Data**

India has the lowest data costs in the world. Mobile subscribers in India get access to 4G data at Rs. 5/GB. Given such low costs, data prices are no longer a hindrance to adoption of mobile Internet.

## BUSINESS OVERVIEW

TIPS is a leading Company in the Media & Entertainment Industry, engaged in the production and distribution of films and leveraging its audio content library digitally in India and overseas. The Company is also a leading producer of Punjabi films in the country. 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 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. 10,881.93 lakhs as compared to the previous year of Rs. 20,772.37 lakhs. The Net Profit after Tax for the year stood at Rs 1,133.93 lakhs, as compared to Rs. 284.76 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 Lakhs)	
Particulars	2019-20	2018-19
Income	10,881.93	20,772.37
Profit/(Loss) before Depreciation, Interest, Provision for Contingencies and Taxation	1,581.87	1,078.18
Less: Depreciation and Interest	146.29	349.16
Profit/(Loss) before Provision for Taxation, Extraordinary and Prior Period year items	1,435.58	729.02
Less: Provision for Taxation		

Particulars	2019-20	2018-19
Current Tax	323.00	150.29
Taxes in respect of earlier years	0	3.24
Deferred Tax	-21.35	290.73
Profit/(Loss) after Provision for Taxation but before Extraordinary and Prior Period year items	1,133.93	284.76
Less: Prior Period Expenses	0	0
Profit/(Loss) after Taxation	1,133.93	284.76
Add: Balance Brought Forward	2,994.35	2,887.17
Profit/(Loss) after Taxation available for Appropriation	4,128.28	3,171.93
Transfer to General Reserves	0	0
Share Capital	1,431.87	1,431.87
Reserves & Surplus	6,605.94	5,643.04

## 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 of a collection of over 29,000 songs, which library are available for streaming and download across leading digital marketplaces like iTunes and Google Play, as well as popular streaming platforms like Saavn and Gaana. The music revenue for FY 2019-20 was Rs. 9,792.10 lakhs as compared to Rs. 6,673.88 lakhs in the previous year.

## DIVIDEND AND RESERVES

The Directors recommend a final dividend of 15%, i.e. Rs. 1.50/- (one rupee fifty paise) 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 (AGM) and shall be subject to deduction of income tax at source.

The Board of Directors has not recommended transfer of any amount to reserves and amount of Rs.3,957.24 lakhs is retained in the Profit and Loss Account.

## SHARE CAPITAL

The paid-up Equity Share Capital as of March 31, 2020, stood at 1,43,18,659 Equity Shares.

During the year under review, there is no change in the share capital

of the Company, the Company has not issued shares with differential voting rights, nor has granted any stock options or sweat equity. As of March 31, 2020, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

### BUYBACK OF EQUITY SHARES

Pursuant to the approval of the Board on February 13, 2020, and approval of shareholders, by way of a special resolution, through postal ballot/e-voting on March 20, 2020, the Company has bought back 13,50,000 fully paid-up equity shares of the Company, of face value of Rs. 10/- each, during the buyback tendering period i.e. from Tuesday, June 2, 2020 to Monday, June 15, 2020, on a proportionate basis, through the tender offer route, at a price of Rs. 140/- per Equity Share for an aggregate amount of up to Rs. 18,90,00,000/- excluding the Transaction Cost, in accordance with the provisions of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations 2018 and the Companies Act 2013 and rules made thereunder.

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

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

### CORPORATE GOVERNANCE REPORT

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

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### • Director Retiring by Rotation

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

#### • Appointment of Director

Mr. Girish Taurani was appointed as an Additional Director designated as Executive Director of the Company with effect from February 13, 2020 by the Board of Directors and holds office up to the date of this Annual General Meeting under Section 161 of the Companies Act, 2013. The Company has received requisite

notice in writing from a member proposing Mr. Girish Taurani for appointment as an Executive Director. The Board recommends the appointment of Mr. Girish Taurani as Executive Director for a period of three years w.e.f February 13, 2020 at remuneration up to Rs. 5 lakhs per month.

#### • 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, 2020, 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, 2020, 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, 2020, and of the profit of the Company for the year ended on that date;

- c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts have been prepared on a going concern basis;
- e. that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **DETAILS OF BOARD AND COMMITTEE MEETINGS**

- **Board Meetings**

The Board of Directors of the Company met four times during the financial year, i.e., from April 1, 2019, to March 31, 2020, on May 21, 2019, August 9, 2019, November 6, 2019 and February 13, 2020. Details of the Board Meetings and attendance of the Directors are provided in the Corporate Governance Report, which forms part of this Annual Report.

- **Committees of the Board**

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

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

#### **AUDITORS**

- **Statutory Auditors**

M/s. SSPA & Associates, Chartered Accountants, (Firm Registration No. 131069W) were re-appointed as the Statutory Auditor of the Company at the 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 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. As per the latest IFPI report, 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, but is still higher than the global average of 27%. India's piracy rate is second only to China (74%).

- **Less than desirable growth in cinema screens**

Slowdown in the real estate sector has also impacted launch dates for several cinema projects. Opening screening theatres is a long and tedious process due to difficulties in obtaining licenses in a time-bound manner, which restricts the willingness of new players to enter the industry and limits the speed of expansion of existing players.

### OPPORTUNITIES

- **Digital / OTT Rights**

India is second globally in the digital consumption of services, following China. Digital rights continued to grow in 2019 with an increase in revenues from Rs. 13.5 billion in 2018 to Rs. 19 billion in 2019, driven by a growth in both rates and volumes of films purchased. Amazon Prime acquired the digital rights for 12 of the 30 highest grossing Hindi films of 2019, followed by Netflix (9

films), Zee5 (8 films), and Hotstar (3 films). Digital release windows shortened in 2019, with some movies releasing on OTT platforms even before their release on television .

- **Regional rights values grew significantly**

A total of 1,460 regional language films were released in 2019, contributing to 80% of films released in India, and they generated Rs. 50.4 billion in domestic theatricals vis-à-vis Rs. 47.9 billion in 2018.

### 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. According to IFPI, global consumers spent 18 hours listening to music each week in 2019, while Indian consumers spent 19.1 hours each week. Data indicate that the hours spent listening to music can grow further. 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. 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 the Recording Industry Association of America (RIAA), as of September 2019, 7 out of the top 10 most followed accounts on Twitter belonged to musicians, and 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 341 million at the end of 2019 and associated revenue grew 24.1%. While the numbers of paying subscribers have grown 33% over 2018 and represents over 4.2% of humans on this planet, it still represents less than 6.1% of the 5.6 billion smartphone users globally, according to the Ericsson Mobility Report 2019. 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 2.99 billion monthly users across its services as of March 2020, and YouTube, which reported 2 billion unique monthly users as of May 2019.

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 is predominantly based on paid subscriptions. In India, we expect to see advertisement-supported and subscription models co-exist. The evolution of Chinese markets over the past 6 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 2019, the Chinese market was ranked 7th in the world with revenues of USD 616.3 million and close to 40 million paying subscribers.

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 2020 expects paid subscribers for music streaming in India to cross 5 million by 2022.

- **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.

- **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 the music base to which consumers are exposed. 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 1 billion times since its launch in 2017 and has a global reach of 500 million users, according to Nielsen. 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. These platforms also enable incremental consumption of music appealing to varied, and often younger, audiences.

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, 2020, the number of employees on the payroll of the Company was 49.

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

## WHISTLE-BLOWER POLICY / VIGIL MECHANISM POLICY

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

## RELATED PARTY TRANSACTIONS

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

The details of material transaction entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act 2013 is disclosed in Form No. AOC-2 as **Annexure III**.

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

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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 IV**.

## DEPOSITS

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

During FY2019-20, the Company has accepted deposits only from Directors of the Company which are exempted as per the provision of Section 73 of the Companies Act 2013, read with the Companies (Acceptance of Deposits) Rules 2014. The declarations have been obtained from the Directors in terms of Rule 2(c)(viii) of the Companies (Acceptance of Deposits) Rules 2014. Details of the deposits accepted from Directors are provided in Notes to the Financial Statement.

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

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

## EXTRACT OF ANNUAL RETURN

Extract of the Annual Return in Form MGT-9 pursuant to Section 92(3) of the Companies Act 2013 for the financial year ended March 31, 2020, is provided in **Annexure V** forming part of this Report.

## SECRETARIAL STANDARDS

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

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

- Conservation of energy**  
 The particulars as required under the provisions of Section 134(3) (m) of the Companies Act 2013, read with rule 8 of the Companies (Accounts) Rules 2014, in respect of conservation of energy have not been provided, considering the nature of activities undertaken by the Company during the year under review.
- Technology absorption**  
 During the year, the Company has not absorbed or imported any technologies.



- **Foreign exchange earnings and outgoings**

Details of foreign exchange earnings and outgoings of the Company made during the year are provided in Notes to 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 2011-2012, and thereafter, had transferred such unpaid or unclaimed dividends.

Unclaimed dividend for FY 2012-13 will fall due for transfer to the IEPF on October 1, 2020. Those Members who have not encashed their dividends for FY 2012-13 are requested to claim it from the RTA of the Company immediately. Those Members who have not so far claimed their dividend for the subsequent financial years are also advised to claim it from the Company or the RTA of the Company.

The Company has uploaded the details of the unpaid and unclaimed amounts lying with the Company on the website of the Company [www.tips.in](http://www.tips.in), and also on the website of the Ministry of Corporate Affairs [www.mca.gov.in](http://www.mca.gov.in).

**OTHER DISCLOSURES**

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

- No material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and the date of this report

- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future
- No complaint received from any employee, pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 and rules made thereunder.

**CAUTIONARY STATEMENT**

Statements in this Board's Report and Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking within the meaning of applicable securities, laws, and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include a change in government regulations, tax laws, economic and political developments within and outside the country and such other factors.

**ACKNOWLEDGMENTS AND APPRECIATION**

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

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

For and on behalf of the Board of Directors

**Kumar S. Taurani**

Chairman and Managing Director  
(DIN: 00555831)

Place: Mumbai  
Date: July 24, 2020

# ANNEXURE - I

## FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[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, 2020, 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, 2020 according to the provisions of:

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

Investment, Overseas Direct Investment and External Commercial Borrowings;

- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
  - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable during the financial year**
  - e. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable during the financial year**
  - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable during the financial year**
  - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **Not Applicable during the financial year**
  - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable during the financial year**
  - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018





- vi. Other Laws applicable to the Company;
- a) Income Tax Act, 1961
  - b) GST Act, 2017
  - c) Maharashtra Value Added Tax Act, 2002
  - d) Profession Tax Act, 1975
  - e) The Payment of Bonus Act, 1965
  - f) The Payment of Gratuity Act, 1972
  - g) Employees provident Funds & Miscellaneous Provisions Act, 1952
  - h) The Bombay Shop & Establishment Act, 1948
  - i) The Minimum Wages Act, 1948
  - j) The Employee State Insurance Act, 1948
  - k) Copyright Act, 1957
  - l) Sexual Harassment of Women at Workspace (Prevention Prohibition and Redressal) Act, 2013
  - m) Maternity Benefit Act, 1961
  - n) Negotiable Instrument Act, 1881
  - o) The Contract Act, 1872
  - p) Bombay Stamp Act, 1958
  - q) The Cinematograph Act, 1952

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

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

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

We further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. All notices received from regulatory authorities have been replied in time.

We further Report that The Board has approved Buy-Back of Securities subject to the approval of the members of the Company.

**Date: May 27, 2020**  
**Place: Mumbai**  
**UDIN:F008663B000288327**

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

**Bhaskar Upadhyay**  
Partner  
FCS: 8663  
CP. No. 9625

## 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:**

<b>Executive Directors</b>	<b>Ratio</b>
Kumar Taurani	28.00
Ramesh Taurani	28.00
Girish Taurani	8.50

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: NIL CS: NIL
- (c) **The percentage increase in the median remuneration of employees in the financial year:** NIL
- (d) **The number of permanent employees on the rolls of the Company:** 49 Employees as on March 31, 2020.
- (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:**  
There was no increase in the salaries of employees and managerial remuneration during the financial year 2019-20.
- (f) **Affirmation that the remuneration is as per the remuneration policy of the Company:**  
Remuneration is as per the Nomination and Remuneration Policy of the Company.

**STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE YEAR ENDED MARCH 31, 2020**

**Top 10 Employees during the financial year under review**

<b>Sr. No.</b>	<b>Name of the Employee and Relation</b>	<b>Designation -Nature of Employee</b>	<b>Qualifications</b>	<b>Age Years</b>	<b>Date of commencement</b>	<b>Remuneration Received (Rs. in Lakhs)</b>	<b>Experience (Years)</b>	<b>Last Employment</b>
1	Kumar Taurani (Brother of Mr. Ramesh Taurani)	Chairman & Managing Director	Graduation	62	08.05.1996	168.00	40	-
2	Ramesh Taurani (Brother of Mr. Kumar Taurani)	Managing Director	Graduation	60	27.09.2005	168.00	39	-
3	Jaya R Taurani (Daughter of Mr. Ramesh Taurani)	Chief Operating Officer-Production	LL.B (U.K)	35	01.04.2016	52.50	8	Costume Stylist
4	Girish Taurani (Son of Mr. Kumar Taurani )	Additional Director - Exceutive	Graduation	33	01.11.2016	51.00	8	Artist
5	Kunal K Taurani (Son of Mr. Kumar Taurani )	Senior Manager-Music (Digital)	Graduation	38	01.11.2008	19.50	12	-
6	Kavita Lakhani	VP- Film Production & Promotions	Graduation	50	02.08.1992	18.73	28	-
7	Danesh Kumar	Creative Head-Music	Post Graduation	45	02.05.2012	16.25	23	Sony Music India
8	Pradeep Deshpande	Senior Manager-Music (Business) Telco	Graduation - B.E. (Computers) and Post Graduation - Advanced Diploma in Business Administration	41	07.05.2018	15.00	18	Reliance Communications
9	Ekta Kukreja	Secretary to Chairman	B. Com, LL.B	39	01.04.2009	13.55	11	-
10	Prakash Talreja	Line Producer	Graduation	51	30.08.1993	12.00	27	-

None of the employee has drawn in excess of remuneration drawn by MD and holds not more than 2% of the Equity Shares of the Company as on March 31, 2020

## ANNEXURE-III

### FORM NO. AOC - 2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL
2. Details of material contracts or arrangements or transactions at Arm's length basis:

Name(s) of the related party and nature of relationship	Mr. Girish Taurani is son of Mr. Kumar Taurani, Chairman & Managing Director of the Company*	Mr. Jaya Taurani is daughter of Mr. Ramesh Taurani, Managing Director of the Company
Nature of contracts/arrangements/ transactions	Office or place of Profit	Office or place of Profit
Duration of the contracts/arrangements/ transactions	Ongoing	Ongoing
Salient terms of the contracts or arrangements or transactions including the value, if any:	Appointed as Chief Operating Officer- Music of the Company at maximum remuneration up to Rs.5,00,000 per month including allowances.	Appointed as Chief Operating Officer- Production of the Company at maximum remuneration up to Rs.5,00,000 per month including allowances.
Date of approval by the Board	February 2, 2018	May 21, 2019
Amount paid as advances, if any	NIL	NIL

\* The Board of Directors of the Company at its Meeting held on February 13, 2020, on the recommendation of the Nomination & Remuneration Committee, have approved the appointment of Mr. Girish Taurani as an Additional Director designated as Executive Director of the Company for a period of three years at remuneration up to Rs. 5 lakhs per month, subject to approval of members.

## ANNEXURE IV

### ANNUAL REPORT ON THE CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web- link to the CSR policy and projects and programs.** 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. For detailed policy, please refer our website at the below mentioned link: <https://tips.in/wp-content/uploads/2018/07/Corporate-Social-Responsibility-Policy.pdf>
2. **THE COMPOSITION OF THE CSR COMMITTEE.**  
 Mr. Kumar Taurani – Chairperson  
 Mr. Amitabh Mundhra – Member  
 Ms. Radhika Pereira – Member
3. **Average Net Profit of the Company for last three financial years:** Rs.440.28 Lakhs
4. **Prescribed CSR Expenditure (two percent of the amount as per item 3 above):** Rs.8.81 Lakhs
5. **Details of CSR spent during the financial year.**
  - (a) **Total amount**
    - **to be spent for the financial year:** Rs.8.81 Lakhs
    - **Spent for the financial year:** Rs.59.71 Lakhs
  - (b) **Amount unspent if any:** NIL
  - (c) **Manner in which the amount spent during the financial year is detailed below:**

(Rs. in Lakhs)

(1) Sr. No.	(2) CSR Project or activity identified	(3) Sector in which the project is covered	(4) Project or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs sub heads: (1). Direct Expenditure on projects: and programs (2). Overheads:	(7) Cumulative expenditure up to the reporting period	(8) Amount spent Direct or through implementing agency
1	World For All Animal Care & Adoptions	Clause iv of Schedule VII	Mumbai, Maharashtra	7.71	7.71	7.71	Through implementing agency
2	Chirag Rural Development Foundation	Clause x of Schedule VII	Mumbai, Maharashtra	1.00	1.00	1.00	Through implementing agency
3	PM Care Fund	Clause viii of Schedule VII	--	51.00	51.00	51.00	Through implementing agency
	<b>Total</b>			<b>59.71</b>	<b>59.71</b>	<b>59.71</b>	

6. **In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.** - Not Applicable
7. The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

Place: Mumbai  
 Date: July 24, 2020

**Kumar Taurani**  
 Chairman & Managing Director and  
 Chairman of CSR Committee

## ANNEXURE V

### EXTRACT OF ANNUAL RETURN as on financial year ended on March 31, 2020

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

#### I. REGISTRATION AND OTHER DETAILS:

CIN	L92120MH1996PLC099359
Registration Date	May 8, 1996
Name of the Company	Tips Industries Limited
Category/Sub-Category of the Company	Company Limited by shares Indian Non- Government Company
Address of the Registered office and contact details	601, 6th floor, Durga Chambers, Linking Road, Khar (West), Mumbai – 400 052. Contact No.: +91 22 6643 1188; E-mail i.d: response@tips.in
Whether Listed Company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any:	Link Intime India Private Limited C – 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400 083 Tel. No.:+91 22 4918 6000; Fax No.: +91 22 4918 6060; E-mail i.d: rint.helpdesk@linkintime.co.in

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:- (Rs. in Lakhs)

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	Total turnover of the Company
1	Audio/Video Products	592	9,792.10
2	Film Production & Distribution	591	-693.02

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

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

#### IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):

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

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total		% of Total Shares
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	10712762	0	10712762	74.82	10712762	0	10712762	74.82	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total(A)(1):</b>	<b>10712762</b>	<b>0</b>	<b>10712762</b>	<b>74.82</b>	<b>10712762</b>	<b>0</b>	<b>10712762</b>	<b>74.82</b>	<b>0.00</b>



Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total		% of Total Shares
<b>(2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A)(2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>10712762</b>	<b>0</b>	<b>10712762</b>	<b>74.82</b>	<b>10712762</b>	<b>0</b>	<b>10712762</b>	<b>74.82</b>	<b>0.00</b>
B. Public Shareholding	0	0	0	0.00	0	0	0	0.00	0.00
(1) Institutions	0	0	0	0.00	0	0	0	0.00	0.00
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>(2) Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	911313	0	911313	6.36	878611	0	878611	6.14	-0.23
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1433489	17658	1451147	10.13	1354860	16708	1371568	9.58	-0.56
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1004549	0	1004549	7.02	1070483	0	1070483	7.48	0.46
c) Others (specify)									
Trust	0	0	0	0.00	0	0	0	0.00	0.00
IEPF	8689	0	8689	0.06	11650	0	11650	0.08	0.02
HUF	162003	0	162003	1.13	241927	0	241927	1.69	0.56
Non resident Indian (NRI)	15288	0	15288	0.11	16381	0	16381	0.11	0.01
Clearing Members	52808	0	52808	0.37	13277	0	13277	0.09	-0.28
NBFCs registered with RBI	100	0	100	0.00	2000	0	2000	0.01	0.01
<b>Sub-total(B)(2):</b>	<b>3588239</b>	<b>17658</b>	<b>3605897</b>	<b>25.18</b>	<b>3589189</b>	<b>16708</b>	<b>3605897</b>	<b>25.18</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>3588239</b>	<b>17658</b>	<b>3605897</b>	<b>25.18</b>	<b>3589189</b>	<b>16708</b>	<b>3605897</b>	<b>25.18</b>	<b>0.00</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
<b>Total (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>14301001</b>	<b>17658</b>	<b>14318659</b>	<b>100.00</b>	<b>14301951</b>	<b>16708</b>	<b>14318659</b>	<b>100.00</b>	<b>0.00</b>

## ii Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year (01.04.2019)			Shareholding at the end of the year (31.03.2020)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Kumar S. Taurani	2881915	20.13	0.00	2881915	20.13	0.00	0.00
2	Ramesh S. Taurani	2875911	20.09	0.00	2875911	20.09	0.00	0.00
3	Varsha R. Taurani	2474718	17.28	0.00	2474718	17.28	0.00	0.00
4	Renu K. Taurani	2468718	17.24	0.00	2468718	17.24	0.00	0.00
5	Shyam M. Lakhani	11500	0.08	0.00	11500	0.08	0.00	0.00
<b>Total</b>		<b>10712762</b>	<b>74.82</b>	<b>0.00</b>	<b>10712762</b>	<b>74.82</b>	<b>0.00</b>	<b>0.00</b>

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ Transfer bonus /sweat equity etc)	Cumulative Shareholding during the year	
		No. of Shares at the beginning / end of the year	% of total shares of the Company		No. of shares	% of total shares of the Company
1	Kumar S. Taurani	2881915	20.13	NIL	2881915	20.13
2	Ramesh S. Taurani	2875911	20.09		2875911	20.09
3	Varsha R. Taurani	2474718	17.28		2474718	17.28
4	Renu K. Taurani	2468718	17.24		2468718	17.24
5	Shyam M. Lakhani	11500	0.08		11500	0.08

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

Sr No	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No. of shares held	% of total shares of the Company
1	SUBHKAM PROPERTIES LLP#	0	0.0000			0	0.0000
	Transfer			27 Dec 2019	500740	500740	3.4971
	Transfer			31 Dec 2019	7750	508490	3.5512
	Transfer			03 Jan 2020	2536	511026	3.5690
	Transfer			10 Jan 2020	7687	518713	3.6226
	Transfer			17 Jan 2020	11900	530613	3.7057
	Transfer			24 Jan 2020	10809	541422	3.7812
	Transfer			31 Jan 2020	11846	553268	3.8640
	Transfer			14 Feb 2020	4193	557461	3.8932
	Transfer			28 Feb 2020	30000	587461	4.1028
	AT THE END OF THE YEAR					587461	4.1028





Sr No	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No. of shares held	% of total shares of the Company
2	AVINASH P WADHWA#	31486	0.2199			31486	0.2199
	Transfer			05 Apr 2019	36122	67608	0.4722
	Transfer			26 Apr 2019	12431	80039	0.5590
	Transfer			03 May 2019	13947	93986	0.6564
	Transfer			10 May 2019	1716	95702	0.6684
	Transfer			17 May 2019	1957	97659	0.6820
	Transfer			24 May 2019	19288	116947	0.8167
	Transfer			14 Jun 2019	139	117086	0.8177
	Transfer			21 Jun 2019	4800	121886	0.8512
	Transfer			29 Jun 2019	34600	156486	1.0929
	Transfer			05 Jul 2019	483	156969	1.0963
	Transfer			12 Jul 2019	498	157467	1.0997
	Transfer			19 Jul 2019	855	158322	1.1057
	Transfer			26 Jul 2019	3346	161668	1.1291
	Transfer			02 Aug 2019	17220	178888	1.2493
	Transfer			09 Aug 2019	1836	180724	1.2622
	Transfer			16 Aug 2019	805	181529	1.2678
	Transfer			13 Sep 2019	98	181627	1.2685
	Transfer			27 Sep 2019	5485	187112	1.3068
	Transfer			04 Oct 2019	7141	194253	1.3566
	Transfer			11 Oct 2019	2154	196407	1.3717
	Transfer			18 Oct 2019	3593	200000	1.3968
	Transfer			24 Jan 2020	2499	202499	1.4142
	Transfer			31 Jan 2020	450	202949	1.4174
	Transfer			20 Mar 2020	2000	204949	1.4313
	AT THE END OF THE YEAR					204949	1.4313
3	BHIMAVARAPU SRIDHAR REDDY	35069	0.2449			35069	0.2449
	Transfer			17 May 2019	198	35267	0.2463
	Transfer			24 May 2019	41026	76293	0.5328
	Transfer			02 Aug 2019	619	76912	0.5371
	Transfer			09 Aug 2019	1730	78642	0.5492
	Transfer			16 Aug 2019	3098	81740	0.5709
	Transfer			23 Aug 2019	76680	158420	1.1064
	AT THE END OF THE YEAR					158420	1.1064

Sr No	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No. of shares held	% of total shares of the Company
4	SUNDEEP C PATEL HUF	63250	0.4417			63250	0.4417
	Transfer			10 May 2019	3000	66250	0.4627
	Transfer			21 Jun 2019	459	66709	0.4659
	Transfer			29 Jun 2019	1389	68098	0.4756
	Transfer			22 Nov 2019	300	68398	0.4777
	Transfer			29 Nov 2019	378	68776	0.4803
	Transfer			20 Dec 2019	1328	70104	0.4896
	Transfer			27 Dec 2019	3299	73403	0.5126
	Transfer			31 Dec 2019	1240	74643	0.5213
	Transfer			03 Jan 2020	4000	78643	0.5492
	Transfer			17 Jan 2020	7340	85983	0.6005
	Transfer			24 Jan 2020	9893	95876	0.6696
	Transfer			31 Jan 2020	19221	115097	0.8038
	Transfer			07 Feb 2020	5929	121026	0.8452
	Transfer			06 Mar 2020	5545	126571	0.8840
	Transfer			13 Mar 2020	468	127039	0.8872
	AT THE END OF THE YEAR					127039	0.8872
5	RIDDISIDDHI BULLIONS LIMITED	164706	1.1503			164706	1.1503
	Transfer			29 Nov 2019	(55001)	109705	0.7662
	AT THE END OF THE YEAR					109705	0.7662
6	DAMYANTI JIVANDAS GOKALGANDHI	111300	0.7773			111300	0.7773
	Transfer			12 Jul 2019	(300)	111000	0.7752
	Transfer			26 Jul 2019	(1000)	110000	0.7682
	Transfer			09 Aug 2019	(100)	109900	0.7675
	Transfer			27 Mar 2020	(1000)	108900	0.7605
	Transfer			31 Mar 2020	(79)	108821	0.7600
	AT THE END OF THE YEAR					108821	0.7600
7	DEVIDAS JOTUMAL THAWANI	100902	0.7047			100902	0.7047
	AT THE END OF THE YEAR					100902	0.7047
8	CHETAN PATEL	85389	0.5963			85389	0.5963
	Transfer			13 Dec 2019	1570	86959	0.6073
	AT THE END OF THE YEAR					86959	0.6073
9	INGA ADVISORS PRIVATE LIMITED	557833	3.8958			557833	3.8958
	Transfer			20 Dec 2019	(500000)	57833	0.4039
	AT THE END OF THE YEAR					57833	0.4039



Sr No	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020		
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No. of shares held	% of total shares of the Company	
10	SUNDEEP PATEL	39230	0.2740			39230	0.2740	
	Transfer			03 May 2019	1000	40230	0.2810	
	Transfer			15 Nov 2019	100	40330	0.2817	
	Transfer			17 Jan 2020	1620	41950	0.2930	
	Transfer			24 Jan 2020	2130	44080	0.3079	
	Transfer			31 Jan 2020	1026	45106	0.3150	
	Transfer			07 Feb 2020	4694	49800	0.3478	
	Transfer			14 Feb 2020	200	50000	0.3492	
	Transfer			21 Feb 2020	100	50100	0.3499	
	Transfer			28 Feb 2020	1434	51534	0.3599	
	AT THE END OF THE YEAR					51534	0.3599	
11	AMIT ASHOK THAWANI*	212811	1.4862			212811	1.4862	
	Transfer			03 May 2019	(102)	212709	1.4855	
	Transfer			17 May 2019	(63425)	149284	1.0426	
	Transfer			07 Jun 2019	(11688)	137596	0.9610	
	Transfer			14 Jun 2019	(191)	137405	0.9596	
	Transfer			29 Jun 2019	(33474)	103931	0.7258	
	Transfer			05 Jul 2019	(1684)	102247	0.7141	
	Transfer			19 Jul 2019	(1000)	101247	0.7071	
	Transfer			26 Jul 2019	(15531)	85716	0.5986	
	Transfer			16 Aug 2019	(10081)	75635	0.5282	
	Transfer			23 Aug 2019	(60000)	15635	0.1092	
	Transfer			21 Feb 2020	(6292)	9343	0.0653	
	Transfer			28 Feb 2020	3	9346	0.0653	
	Transfer			06 Mar 2020	(1450)	7896	0.0551	
	Transfer			31 Mar 2020	(1450)	6446	0.0450	
	AT THE END OF THE YEAR					6446	0.0450	
12	UNIQUE STOCKBRO PVT. LTD. - NSE - CM CLIENT ACCOUNT*	36122	0.2523			36122	0.2523	
	Transfer			19 Apr 2019	(35972)	150	0.0010	
	Transfer			26 Apr 2019	50	200	0.0014	
	Transfer			10 May 2019	32	232	0.0016	
	Transfer			14 Jun 2019	18	250	0.0017	
	Transfer			21 Jun 2019	(70)	180	0.0013	
	Transfer			26 Jul 2019	817	997	0.0070	
	Transfer			09 Aug 2019	(192)	805	0.0056	
	Transfer			30 Sep 2019	2124	2929	0.0205	
	Transfer			15 Nov 2019	(2554)	375	0.0026	
	Transfer			22 Nov 2019	139	514	0.0036	
	Transfer			13 Dec 2019	(281)	233	0.0016	
	Transfer			20 Dec 2019	(140)	93	0.0006	
	Transfer			03 Jan 2020	(43)	50	0.0003	
	Transfer			17 Jan 2020	205	255	0.0018	
	Transfer			07 Feb 2020	45	300	0.0021	
	Transfer			14 Feb 2020	(300)	0	0.0000	
		AT THE END OF THE YEAR					0	0.0000

\* Ceased to be in the list of Top 10 shareholders as on 31-03-2020. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2019.

# Not in the list of Top 10 shareholders as on 01-04-2019. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2020.

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

#### V. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Name of the Shareholder	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.19 to 31.03.20)	
	No. Shares at the beginning of the year(01.04.2019)	% of total shares of the company				No. of Shares	% of total shares of the Company
Mr. Kumar Taurani Chairman & Managing Director	28,81,915	20.13	N.A	NIL	N.A	28,81,915	20.13
Mr. Ramesh Taurani Managing Director	28,75,911	20.09	N.A	NIL	N.A	28,75,911	20.09
Mr. Girish Taurani* Additional Director (Executive)	NIL	N.A	N.A	NIL	N.A	NIL	N.A
Mr. Sunil Cellani Chief Financial Officer	NIL	N.A	Note**	2,250	Purchase	2,250	0.02
Ms. Bijal Patel Company Secretary	NIL	N.A	N.A	NIL	N.A	NIL	N.A

\*Appointed as an Additional Director w.e.f February 13, 2020

\*\*500 Shares on 19.11.2019, 200 Shares on 06.12.2019, 190 Shares on 11.12.2019 and 1,100 Shares on 12.12.2019

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

#### V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	(Rs.in Lakhs)	
				Total Indebtedness	
Indebtedness at the beginning of the financial year					
i) Principal Amount	846.98	0.00	0.00		846.98
ii) Interest due but not paid	0.00	0.00	0.00		0.00
iii) Interest accrued but not due	0.00	0.00	0.00		0.00
<b>Total (i+ii+iii)</b>	<b>846.98</b>	<b>0.00</b>	<b>0.00</b>		<b>846.98</b>
Change in Indebtedness during the financial year					
• Addition	0.00	571	0.00		571
• Reduction	658.01	571	0.00		1229.01
Net Change	-658.01	0.00	0.00		-658.01
Indebtedness at the end of the financial year					
i) Principal Amount	188.97	0.00	0.00		188.97
ii) Interest due but not paid	0.00	0.00	0.00		0.00
iii) Interest accrued but not due	0.00	0.00	0.00		0.00
<b>Total (i+ii+iii)</b>	<b>188.97</b>	<b>0.00</b>	<b>0.00</b>		<b>188.97</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Rs.in Lakhs)

Sl. No	Particulars of Remuneration	Name of MD, CEO & Executive Director			Total Amount
		Mr. Kumar Taurani*	Mr. Ramesh Taurani*	Mr. Girish Taurani#	
1	Gross salary				
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	168.00	168.00	6.74	342.74
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL		NIL
3	Sweat Equity	NIL	NIL		NIL
4	Commission				
	- as % of profit	NIL	NIL		NIL
	- others, specify	NIL	NIL		NIL
5	Others, please specify	NIL	NIL		NIL
	<b>Total (A)</b>	<b>168.00</b>	<b>168.00</b>	<b>6.74</b>	<b>342.74</b>
	Ceiling as per the Act				<p>*The Members of the Company at the 22nd Annual General Meeting held on September 25, 2018 vide a special resolution approved the remuneration of Rs.14 lakhs p.m. i.e. 168 lakhs p.a. w.e.f. June 1, 2018.</p> <p># The Board of Directors of the Company at its Meeting held on February 13, 2020, on the recommendation of the Nomination &amp; Remuneration Committee, have approved the appointment of Mr. Girish Taurani as an Additional Director designated as Executive Director of the Company for a period of three years at remuneration up to Rs. 5 lakhs per month, subject to approval of members.</p>

**B. Remuneration to other directors:**

(Rs.in Lakhs)

Sl. No	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Amitabh Mundhra	Ms. Radhika Pereira	Mr. Venkitaraman Iyer	
1	Independent Directors				
	• Fee for attending Board/ Committee Meetings	2.00	2.40	1.55	5.95
	• Commission	NIL	NIL	NIL	NIL
	• Others, please specify	NIL	NIL	NIL	NIL
	<b>Total (B1)</b>	<b>2.00</b>	<b>2.40</b>	<b>1.55</b>	<b>5.95</b>
2	Other Non-Executive Directors	NIL	NIL	NIL	NIL
	<b>Total (B2)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
	<b>Total (B=B1+B2)</b>	<b>2.00</b>	<b>2.40</b>	<b>1.55</b>	<b>5.95</b>
	Overall Ceiling as per the Act	Sitting fees not exceeding rupees one lakh per Board or committee in terms of Rules 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.			

(Rs.in Lakhs)

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Sunil Chellani CFO	Bijal Patel CS	
1	Gross salary			
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	22.00	6.75	28.75
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission			
	- as % of profit	NIL	NIL	NIL
	- others, specify	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL
	<b>Total C</b>	<b>22.00</b>	<b>6.75</b>	<b>28.75</b>

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

There were no penalties / punishment / compounding of offences for the year ending March 31, 2020.

# CORPORATE GOVERNANCE REPORT

## CORPORATE PHILOSOPHY

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

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

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

### • **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, 2020**

Name	Category / position	No. of Directorships in other public Ltd Companies (Excluding Tips)	Chairmanship/Membership of Committees in other Public Ltd Companies (Excluding Tips)	
			Chairman	Member
<b>Mr. Kumar Taurani</b> DIN : 00555831	Promoter & Executive (Chairman & Managing Director)	1	NIL	NIL
<b>Mr. Ramesh Taurani</b> DIN : 00010130	Promoter & Executive (Managing Director)	1	NIL	NIL
<b>Mr. Amitabh Mundhra</b> DIN : 00014227	Non-Executive Independent Director	2	NIL	NIL
<b>Ms. Radhika Pereira</b> DIN : 00016712	Non-Executive Independent Director	3	1	3
<b>Mr. Venkitaraman Iyer</b> DIN: 00730501	Non-Executive Independent Director	1	NIL	1
<b>Mr. Girish Taurani*</b> DIN: 08695775	Additional Director (Executive Director)	NIL	NIL	NIL

\* Appointed as an Additional Director w.e.f. February 13, 2020

## BOARD OF DIRECTORS

### • **Composition of Board**

The Company has an optimum combination of Executive and Non-Executive Directors with one woman independent director. As on March 31, 2020, the Board consists of six Directors comprising of three Executive Directors and three Non-Executive Independent Directors. The Chairman of the Board is an Executive Director. The present strength of the Board reflects judicious mix of professionalism, competence and sound knowledge, which enables the Board to provide effective leadership to the Company.

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.

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

**Notes:**

1. Excludes Directorships in Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.
2. Includes only Audit Committee and Stakeholders' Relationship Committee.
3. 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.
4. 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, 2020 ARE AS UNDER:**

Name of Director	Name of Directorships in listed Company (Excluding Tips)	Category of directorship
<b>Mr. Kumar Taurani</b>	NIL	NIL
<b>Mr. Ramesh Taurani</b>	NIL	NIL
<b>Mr. Amitabh Mundhra</b>	NIL	NIL
<b>Ms. Radhika Pereira</b>	Jain Irrigation Systems Ltd.	Non-Executive Independent Director
	Parag Milk Foods Limited	Non-Executive Independent Director
	Fairchem Speciality Limited	Non-Executive Independent Director
<b>Mr. Venkitaraman Iyer</b>	Ruttonsha International Rectifier Limited	Non-Executive Independent Director
<b>Mr. Girish Taurani</b>	NIL	NIL

- **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 the Executive Directors & the Management Representatives was held on February 13, 2020 to review the performance of Non-Independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties.

All the Independent Directors were present for the Meeting.

- **Board Meetings**

The Board of Directors of the Company met four times during the financial year i.e. from April 1, 2019 to March 31, 2020 on May 21, 2019, August 9, 2019, November 6, 2019 and February 13, 2020. The necessary quorum was present for all the Board Meetings. The maximum time gap between any of two consecutive meetings did not exceed one hundred and twenty days.

The notice and detailed agenda along with the relevant notes and other material information are sent in advance to enable the Board to discharge its responsibilities effectively and take informed decisions.



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

Name	No. of Board Meeting		Attendance at last AGM held on September 23, 2019	Number of shares held in the Company
	Held	Attended		
Mr. Kumar Taurani	4	4	Yes	28,81,915
Mr. Ramesh Taurani	4	3	Yes	28,75,911
Mr. Amitabh Mundhra	4	3	Yes	NIL
Ms. Radhika Pereira	4	4	Yes	NIL
Mr. Venkitaraman Iyer	4	3	Yes	NIL
Mr. Girish Taurani*	4	NA	NA	NIL

\* Appointed as an Additional Director w.e.f. February 13, 2020

• **Familiarisation Programme for Independent Directors**

Any new Director who joins the Board is presented with a brief background of the Company, its operations and is informed of the important policies of the Company including Code of Conduct of Directors and Senior Management, the Code of Conduct for prevention of Insider Trading, Policy on Related Party Transaction, Nomination and Remuneration Policy, Whistle Blower Policy, Risk Management Policy, Policy for determination of materiality of events or information, Policy on preservation of documents and Archival Policy and Corporate Social Responsibility Policy for his reference. The Board members are provided with necessary documents, reports, internal policies, amendments to the various enactments, statutory laws, etc., to enable them to familiarise themselves with the Company's operations. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, business strategy and business risks. The details of the familiarization programme have been disclosed on website at the below mentioned link:  
[https://tips.in/wp-content/uploads/2018/07/Familiarisation\\_programme\\_for\\_Independent\\_Directors1.pdf](https://tips.in/wp-content/uploads/2018/07/Familiarisation_programme_for_Independent_Directors1.pdf)

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

- Industry experience including its entire value chain and in depth experience in corporate strategy and planning
- Leadership experience in managing companies and associations including general management

- Comprehensive understanding of financial accounting, reporting and controls and analysis
- Experience in providing guidance on major risks, compliances and various legislations.
- Experience in developing strategies to build brand awareness and equity and enhance enterprise reputation

• **Details of the skills/ expertise/ competencies possessed by the Directors who were part of the Board as on March, 2020, 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
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 Pereira	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

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Buyback Committee. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. The Minutes of the Committee Meetings are sent to all Directors and tabled at the Board Meetings.

### I. AUDIT COMMITTEE

The Audit Committee is constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the Listing Regulation. The Committee comprises of members who possess financial and accounting expertise/exposure.

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

Name of the Members	Designation	Category	Meetings Attended
Mr. Amitabh Mundhra	Chairperson	Independent Director	4
Ms. Radhika Pereira	Member	Independent Director	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 2019-20 on May 21, 2019, August 9, 2019, November 6, 2019, February 13, 2020 and March 11, 2020. The necessary quorum was present for all Meetings. The Chairperson of the Audit Committee was present at the last Annual General Meeting of the Company.

- **Terms of Reference**

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

### II. NOMINATION AND REMUNERATION COMMITTEE

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

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

Name of the Members	Designation	Category	Meetings Attended
Ms. Radhika Pereira	Chairperson	Independent Director	3
Mr. Amitabh Mundhra	Member	Independent Director	3
Mr. Venkitaraman Iyer	Member	Independent Director	2
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 2019-20 on May 21, 2019, November 6, 2019 and February 13, 2020. 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/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, 2020 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 2019-20, the total sitting fees paid to the Non-Executive Independent Directors are as stated below:

Director's Name	Mr. Amitabh Mundhra	Ms. Radhika Pereira	Mr. Venkitaraman Iyer
<b>Sitting Fees</b>	Rs.2.00 lakhs	Rs.2.40 lakhs	Rs.1.55 lakhs

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

- Executive Directors**

Name	Designation	Remuneration	Bonuses & Stock options
Mr. Kumar Taurani	Chairman & Managing Director	Rs.14 Lakhs p.m.	NIL
Mr. Ramesh Taurani	Managing Director	Rs.14 Lakhs p.m.	NIL
Mr. Girish Taurani	Additional Director (Executive)	Up to Rs.5 Lakhs p.m.	NIL

➤ The Members of the Company at the 22nd Annual General Meeting held on September 25, 2018 have passed the Special

Resolutions for re-appointment of Mr. Kumar Taurani and Mr. Ramesh Taurani for a period of three years effective from June 1, 2018 and payment of remuneration of Rs.14 lakhs p.m.

- The Board of Directors of the Company at its Meeting held on February 13, 2020, on the recommendation of the Nomination & Remuneration Committee, have approved the appointment of Mr. Girish Taurani as an Additional Director designated as Executive Director of the Company for a period of three years at remuneration up to Rs. 5 lakhs per month, subject to approval of members.

### III. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

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

Name of the Members	Designation	Category	Meetings Attended
Ms. Radhika Pereira	Chairperson	Non – Executive Independent Director	4
Mr. Kumar Taurani	Member	Executive Director	4
Mr. Ramesh Taurani	Member	Executive Director	3

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

The Committee met four times during the financial year 2019-20 on May 21, 2019, August 9, 2019, November 6, 2019 and February 13, 2020. 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 2019-20 is given below**

The Company has a designated e-mail ID, 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 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, 6 <sup>th</sup> Floor, Linking Road, Khar (W), Mumbai -52	bijal@tips.in	022- 66431188

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

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

The Company formulated CSR Policy, which is uploaded on the website of the Company viz. <https://tips.in/wp-content/uploads/2018/07/Corporate-Social-Responsibility-Policy.pdf>

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

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

The Committee met once on November 6, 2019.

• **Terms of Reference**

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

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. BUY-BACK COMMITTEE:**

The Board of Directors has reconstituted Buy-back Committee comprising of Mr. Kumar Taurani as the Chairperson of the Committee, Mr. Sunil Chellani and Ms. Bijal Patel as members of the Committee.

The Buy-back Committee met two times during the financial year 2019-20 on February 13, 2020 and March 11, 2020. All members were present in the Meetings.

**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

Date and Time	Location	Special Resolutions
September 25, 2018 at 11.00 a.m.	The Jubilee Room, Hotel Sun-N-Sand, Juhu, Mumbai-400049	Re-appointment of Mr. Kumar Taurani and Mr. Ramesh Taurani, Managing Directors of the Company for a period of three years commencing from June 1, 2018 at remuneration of Rs.14 lakhs p.m. respectively.
September 13, 2017 at 11.00 a.m.	The Jubilee Room, Hotel Sun-N-Sand, Juhu, Mumbai-400049	Increase in the remuneration of Mr. Kumar Taurani and Mr. Ramesh Taurani, Managing Directors of the Company w.e.f. February 3, 2017.

• **Postal Ballot**

During the year 2019-20, 4 (Four) Resolutions were passed through postal ballot in accordance with the provisions of Sections 110 and 108 of the Companies Act, 2013 read with rules made thereunder and Regulation 44 of the SEBI(LODR) Regulations, 2015.

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

**1. Ordinary Resolution:** Approval of Related Party Transactions under Section 188 of the Companies Act, 2013 with Ms. Jaya Taurani

- **Date of Postal Ballot Notice:** May 21, 2019
- **Voting Period:** From June 1, 2019 to June 30, 2019 (both days inclusive)
- **Date of Declaration of results:** July 2, 2019

Particulars of Voting	Remote e-Voting	% of total number of valid votes cast	Poll	% of total number of valid votes cast	Total number of valid Votes	% of total number of valid votes cast	Result
Votes cast in favour	5645001	90.9838	559098	9.0113	6204099	99.9951	Passed with requisite majority
Votes cast in Against	298	0.0048	3	0.00005	301	0.0049	
Invalid Votes	-	-	243	-	-	-	

2. **Special Resolution:** Re-appointment of Mr. Amitabh Mundhra as an Independent Director for second term of five consecutive years w.e.f. August 8, 2019.

- **Date of Postal Ballot Notice:** May 21, 2019
- **Voting Period:** From June 1, 2019 to June 30, 2019 (both days inclusive)
- **Date of Declaration of results:** July 2, 2019

Particulars of Voting	Remote e-Voting	% of total number of valid votes cast	Poll	% of total number of valid votes cast	Total number of valid Votes	% of total number of valid votes cast	Result
Votes cast in favour	10995675	95.1592	559098	4.8386	11554773	99.9978	Passed with requisite majority
Votes cast in Against	253	0.0022	3	0.00003	256	0.0022	
Invalid Votes	-	-	243	-	-	-	

3. **Special Resolution:** Re-appointment of Ms. Radhika Pereira as an Independent Director for second term of five consecutive years .e.f. August 8, 2019.

- **Date of Postal Ballot Notice:** May 21, 2019
- **Voting Period:** From June 1, 2019 to June 30, 2019 (both days inclusive)
- **Date of Declaration of results:** July 2, 2019

Particulars of Voting	Remote e-Voting	% of total number of valid votes cast	Poll	% of total number of valid votes cast	Total number of valid Votes	% of total number of valid votes cast	Result
Votes cast in favour	10995675	95.1592	559098	4.8386	11554773	99.9978	Passed with requisite majority
Votes cast in Against	253	0.0022	3	0.00003	256	0.0022	
Invalid Votes	-	-	243	-	-	-	

4. **Special Resolution:** Approval for Buyback of Equity Shares through tender offer route.

- **Date of Postal Ballot Notice:** February 13, 2020
- **Voting Period:** From February 20, 2020 to March 20, 2020 (both days inclusive)
- **Date of Declaration of results:** March 21, 2020

Particulars of Voting	Remote e-Voting	% of total number of valid votes cast	Poll	% of total number of valid votes cast	Total number of valid Votes	% of total number of valid votes cast	Result
Votes cast in favour	570508	90.4788	59646	9.4595	630154	99.9383	Passed with requisite majority
Votes cast in Against	288	0.0457	101	0.01602	389	0.0617	
Invalid Votes	-	-	626	-	-	-	

#### Procedure for Postal Ballot:

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

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

The Company dispatched the postal ballot notices and forms along with prepaid business reply envelopes to its members whose names appear on the Register of Members / list of beneficiaries as on cut-off date.

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

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

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

Based on the Report of Scrutinizer, the aforesaid Resolutions as set out in the Notices of Postal Ballot have been duly approved by the

shareholders of the Company with Requisite majority. The results are displayed on the website of the Company, besides being communicated to the Stock Exchanges and CDSL.

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

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

#### DISCLOSURES

- Related Party Transaction**

During the year ended March 31, 2020, there were no materially significant related party transactions, which had potential conflict with the interests of the Company at large. The transactions with related parties are disclosed in the Note to Accounts. Policy on related party transactions has been uploaded on website of the Company at below mentioned link: [https://tips.in/wp-content/uploads/2018/07/Policy\\_on\\_Related\\_Party\\_Transactions.pdf](https://tips.in/wp-content/uploads/2018/07/Policy_on_Related_Party_Transactions.pdf)

- Disclosure of non-compliance of the Company**

There was no non-compliance by the Company and no penalties or strictures were imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India (SEBI), or any statutory authority on any matter related to the capital markets during the last three years.

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

The Board of Directors has adopted a "Whistle Blower Policy/ Vigil Mechanism Policy" for directors and employees of the Company. No employee of the Company was denied access to meet the

Chairman of the Audit Committee. A copy of the Whistle Blower Policy is also available on the website of the Company at below mentioned link: [https://tips.in/wp-content/uploads/2018/07/Whistle\\_Blower\\_Policy-\\_Vigil\\_Mechanism\\_Policy.pdf](https://tips.in/wp-content/uploads/2018/07/Whistle_Blower_Policy-_Vigil_Mechanism_Policy.pdf)

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

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

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

During the year ended March 31, 2020, the Company does not have any material listed/unlisted subsidiary companies as defined in Regulation 16 of the Listing Regulations.

- **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.

- **Fees paid to the statutory auditor**

Details relating to fees paid to statutory auditor are given in note 32 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**

S r. No.	Particulars	No. Of Complaints
1	Number of complaints filed during the financial year 2019-20	NIL
2	Number of complaints disposed of during the financial year 2019-20	NIL

S r. No.	Particulars	No. Of Complaints
3	Number of complaints pending as on end of the financial year 2019-20	NIL

### MEANS OF COMMUNICATION

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

### GENERAL SHAREHOLDERS INFORMATION

- **Date, Time and Venue of the Annual General Meeting**

The ensuing AGM of the Company will be held on Friday, September 25, 2020 at 11:00 a.m. through video conferencing or other audio visual means.

- **Financial Year**

<b>Financial Year</b>	April 1, 2019 to March 31, 2020
<b>Date of Book Closure</b>	From September 19, 2020 to September 25, 2020 (both days inclusive)
<b>Dividend Payment Date</b>	On or Before October 24, 2020 for electronic transfer to the shareholders who have furnished bank account details to the Company / its Registrar.  Physical warrants shall be dispatched to the shareholders, who have not registered their ECS mandates, upon normalisation of postal services.

- **Listing on Stock Exchanges**

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

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

The listing fee for the year 2020-21 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-19	69.05	60.05	69.60	59.75
May-19	65.00	56.25	63.90	56.35
June-19	64.45	56.05	65.00	55.40
July-19	58.95	55.00	59.90	53.50
August-19	74.00	52.05	70.00	52.15
September-19	79.75	60.00	77.95	59.00
October-19	76.35	64.55	75.00	64.05
November-19	113.85	68.50	113.90	68.60
December-19	90.50	71.05	90.75	70.20
January-20	119.95	87.25	120.90	87.65
February-20	131.70	106.90	135.00	107.00
March-20	125.95	83.10	125.90	83.10

**Performance in comparison to the board based indices such as BSE and NSE**

Tips Share Price compared with BSE Sensex and NSE Nifty

Months	Closing Share Price		Closing Share Price	
	Tips(Rs.)	Sensex (Rs.)	Tips (Rs.)	Nifty (Rs.)
April-19	60.05	39031.55	60.00	11748.15
May-19	58.05	39714.20	60.80	11922.80
June-19	58.00	39394.64	58.00	11788.85
July-19	55.15	37481.12	56.60	11118.00
August-19	58.80	37332.79	59.50	11023.25
September-19	71.50	38667.33	69.75	11474.45
October-19	70.30	40129.05	71.10	11877.45
November-19	86.85	40793.81	87.55	12056.05
December-19	90.50	41253.74	90.00	12168.45
January-20	113.25	40723.49	113.35	11962.10
February-20	121.40	38297.29	122.25	11201.75
March-20	96.55	29468.49	94.95	8597.75

**Share Transfer System**

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

**Distribution of Shareholding as on March 31, 2020**

No. of Equity Shareholdings	No. of Shareholders	Percentage of shareholders	No. of Shares for the range	Percentage of shareholding
1 - 500	4057	86.34	4,39,713	3.07
501 -1000	302	6.43	2,50,863	1.75
1001 –2000	150	3.19	2,33,566	1.63
2001 –3000	47	1.00	1,23,000	0.86
3001 – 4000	38	0.81	1,34,827	0.94
4001 – 5000	28	0.60	1,30,383	0.91
5001 – 10000	35	0.74	2,36,513	1.65
10001 -above	42	0.89	1,27,69,794	89.18
<b>Total</b>	<b>4699</b>	<b>100.00</b>	<b>1,43,18,659</b>	<b>100.00</b>

**Shareholding Pattern as on March 31, 2020**

Category	No. of Equity Shares held	Percentage of share held
Promoter & Directors	57,57,826	40.21
Promoters	49,54,936	34.60
Public	24,42,051	17.06
Other Bodies Corporate	8,78,611	6.14
Hindu Undivided Family	2,41,927	1.69
Clearing Members	13,277	0.09
Non Resident Indians	12,202	0.09
Investor Education And Protection Fund	11,650	0.08
Non Resident (Non Repatriable)	4,179	0.03
NBFCs registered with RBI	2,000	0.01
<b>Total</b>	<b>1,43,18,659</b>	<b>100.00</b>

- **Dematerialization of Shares**

As on March 31, 2020, 1,43,01,951 shares representing 99.88% of the Company's paid-up share capital (including 74.82% held by the Promoters) were held in dematerialized form with National Securities Depository Limited (NSDL) as well as the Central Depository Services (India) Limited (CDSL).

The break-up of Equity shares held in physical and Demat form as on March 31, 2020 is given below:

Particulars	Shares	%
Physical Shares	16,708	0.12
Demat Shares		
NSDL	22,16,713	15.48
CDSL	1,20,85,238	84.40
<b>Total</b>	<b>1,43,18,659</b>	<b>100.00</b>

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

The Company has not issued any Global Depository Receipts/ American Depository Receipts or Warrants and there are no outstanding convertible instruments as on March 31, 2020.

- **Plant locations**

The Company does not have any plants.

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

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

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

During the financial year 2019-20, the Company has obtained the following Credit Rating from CARE Ratings Limited.

Facilities	Rating
Long Term Bank facilities	CARE BBB-; Stable

- **CEO and CFO CERTIFICATION**

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

- **Address for Correspondence**

Compliance Officer	Registrars and Share Transfer Agents
<b>Tips Industries Limited</b> 601, Durga Chambers, Linking Road, Khar (West) Mumbai 400 052 <b>Tel No.:</b> 022-66431188 <b>Fax No.:</b> 022-66431189 <b>Email I.D.:</b> response@tips.in	<b>Link Intime India Pvt. Ltd.</b> C -101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 <b>Tel No.:</b> 022-49186000 <b>Fax No.:</b> 022-49186060 <b>Email I.D.:</b> rnt.helpdesk@linkintime.co.in

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

**Kumar S. Taurani**

Chairman and Managing Director

DIN: 00555831

Place: Mumbai

Date: July 24, 2020



**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, 2020.

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

**Kumar S. Taurani**

Chairman and Managing Director

DIN: 00555831

Place: Mumbai

Date: July 24, 2020

**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, 2020 and that to the best of our knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or we propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee;
  - (i) Significant changes, if any, in internal control over financial reporting during the year;
  - (ii) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**Kumar S. Taurani**

Chairman and Managing Director

DIN: 00555831

**Sunil Chellani**

Chief Financial Officer

Place: Mumbai  
Date: July 24, 2020

**CERTIFICATE UNDER REGULATION 34(3) AND CLAUSE C(10)(I) OF SHCHEDULE V OF SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015****FOR YEAR ENDED 31ST MARCH, 2020****TO WHOMSOEVER IT MAY CONCERN**

This certificate is issued in accordance with the terms of your e-mail dated 24th July, 2020.

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

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

I, CS Shirish Shetye, a Company Secretary in Practice, have examined all relevant Registers, declarations and confirmations by the directors, files and other documents relating to **Tips Industries Limited [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, 2020**, for the purpose of issuing certificate under Regulation 34(3) and Clause C(10)(i) of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations") and based on my examination as well as information and explanations furnished to me, for the year ended 31st March, 2020, which to the best of my knowledge and belief were necessary for the purpose of my certification, I hereby certify that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

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

Mumbai,  
July 24, 2020  
UDIN : F001926B000497553

**SHIRISH SHETYE**  
**COMPANY SECRETARY**  
**CP 825 FCS 1926**



## AUDITORS CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

### To The Members of Tips Industries Limited

1. We have examined the compliance of the conditions of Corporate Governance by Tips Industries Limited (Company) for the year ended on March 31, 2020 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation of 46 and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (Collectively referred to as "SEBI Listing Regulations, 2015).
2. The Compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an auditor nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.
4. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

**Parag Ved**  
Partner  
Membership Number: 102432  
UDIN: 20102432AAAAB11702

Place: Mumbai  
Date : July 24, 2020

# 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, 2020, 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, 2020 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

1. We draw attention to Note No. 33(18) to the statement which explains the extent to which COVID-19 pandemic will impact the operations and financial results of the Company.
2. Due to COVID-19 pandemic and the lockdown and other restrictions imposed by the Government and local administration, the audit processes were carried out based on the remote access to the extent available/feasible and necessary records made available by the Management through digital medium.

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.

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

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures 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, 2016' (hereinafter referred to as the "Order"), issued by the Central Government of India in terms of sub - section 11 of section 143 of the Companies Act, 2014, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we give in the "Annexure-A" a statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the

operating effectiveness of such controls, refer to our separate Report in "Annexure-B".

3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note33(1) to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31,2020;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.
  - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in the financial statements since they do not pertain to the financial year ended March 31, 2020.
4. With respect to the matter to be included in the Auditors' Report under section 197(16):

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

#### For **SSPA & Associates**

Chartered Accountants

Firm Registration No. 131069W

#### **Parag Ved**

Partner

Membership No. 102432

UDIN: 20102432AAAABI1702

Place: Mumbai

Date: July 24, 2020



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

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The title deeds of immovable properties are held in the name of the Company.
- ii. The inventory has been physically verified by the Management during the year. In our opinion the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to books records were not material.
- iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, clauses 3(iii)(a) to 3(iii)(c) of the Order are not applicable to the Company for the current year.
- iv. In our opinion and according to the information and explanations given to us, the Company has not given any loans, investments, guarantees and security and as such the provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable for the current year.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under.
- vi. In our opinion and according to the information and explanations given to us, the Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service tax, cess and other statutory dues as applicable with the appropriate authorities. As explained to us, Duty of Custom is not applicable to the Company for the current year.
- (b) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service tax, cess and other statutory dues were in arrears as at March 31, 2020 for a period more than six months from the date they became payable. As explained to us, Duty of Custom is not applicable to the Company for the current year.
- (c) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, value added tax, service tax, goods and service tax which have not been deposited with appropriate authority on account of dispute.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution and bank. The Company has not taken any loan or borrowing from Government nor has issued any debentures during the current year.
- ix. As per information and explanation given to us, on an overall basis, the term loan has been applied for the purposes for which they were obtained. Further, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments).
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the Management.

- xi. The Company has paid/provided for managerial remuneration as per limits specified under Section 197 read with Schedule V of the Act.
- xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3 (xii) of the Order are not applicable to the Company.
- xiii. As per information and explanation given to us, all transactions with the related parties are in compliance with 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. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanation given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **SSPA & Associates**

Chartered Accountants

Firm Registration No. 131069W

**Parag Ved**

Partner

Membership No. 102432

UDIN: 20102432AAAABI1702

Place: Mumbai

Date: July 24, 2020



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

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

### OPINION

We have audited the internal financial controls with reference to financial statements of Tips Industries Limited ("the Company") as of March 31, 2020 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, 2020, 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").

### EMPHASIS OF MATTERS

Due to COVID-19 pandemic and the lockdown and other restrictions imposed by the Government and local administration, the audit processes were carried out based on the remote access to the extent available/feasible and necessary records made available by the Management through digital medium. Our report is not modified in respect of this matter.

### 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: 20102432AAAABI1702

Place: Mumbai

Date: July 24, 2020

**STATEMENT OF ASSETS AND LIABILITIES** AS AT MARCH 31, 2020

(Rs. in Lakhs)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3	180.57	209.26
(b) Investment Property	4	1,282.62	1,311.29
(c) Financial Assets			
(i) Investments	5	562.28	12.07
(ii) Loans	6	523.24	522.93
(iii) Other financial assets	7	12.86	12.12
(d) Other non-current assets	8	667.56	1,213.53
<b>Total Non-current assets</b>		<b>3,229.13</b>	<b>3,281.20</b>
<b>Current assets</b>			
(a) Inventories	9	-	2,866.04
(b) Financial assets			
(i) Trade receivables	10	1,814.32	1,057.59
(ii) Cash and cash equivalents	11	2,596.03	869.33
(iii) Bank balances other than (ii) above	12	35.64	58.86
(iv) Other financial assets	13	22.75	12.41
(c) Current Tax (Net)	14	427.13	370.87
(d) Other Current Assets	15	890.63	954.17
<b>Total current assets</b>		<b>5,786.50</b>	<b>6,189.27</b>
<b>Total Assets</b>		<b>9,015.63</b>	<b>9,470.47</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	16	1,431.87	1,431.87
(b) Other equity	17	6,605.94	5,643.05
<b>Total Equity</b>		<b>8,037.81</b>	<b>7,074.92</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	188.98	200.23
(ii) Other Financial Liabilities	19	24.00	24.00
(b) Deferred Tax Liability	20	267.99	288.69
(c) Employee Benefit Obligations	21	27.98	47.60
<b>Total non-current liabilities</b>		<b>508.95</b>	<b>560.52</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(ii) Trade payables	22	-	-
(a) Total outstanding dues of micro enterprises and small enterprises		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		425.87	1,130.04
(iii) Other financial liabilities	23	5.90	653.79
(b) Employee Benefit Obligations	24	1.19	1.22
(c) Other Current Liabilities	25	35.91	49.98
<b>Total current liabilities</b>		<b>468.87</b>	<b>1,835.03</b>
<b>Total Liabilities</b>		<b>977.82</b>	<b>2,395.55</b>
<b>Total Equity and Liabilities</b>		<b>9,015.63</b>	<b>9,470.47</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

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 : July 24, 2020

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 : July 24, 2020

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

**Sunil Chellani**  
Chief Financial Officer

**STATEMENT OF PROFIT AND LOSS** FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in Lakhs)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
I. Revenue from operations	26	9,099.08	20,323.88
II. Other income	27	1,782.85	448.49
<b>Total Income (I+II)</b>		<b>10,881.93</b>	<b>20,772.37</b>
<b>III Expenses</b>			
Cost of Production / Distribution of Expenses	28	2,866.04	16,219.39
Employee Benefits Expense	29	742.68	707.38
Finance Costs	30	28.34	219.07
Depreciation and Amortization Expense	31	117.95	130.09
Other Expenses	32	5,691.34	2,767.42
<b>IV Total Expenses</b>		<b>9,446.35</b>	<b>20,043.35</b>
V Profit before Tax		<b>1,435.58</b>	<b>729.02</b>
VI Tax Expenses:	33(3)		
(1) Current Tax		323.00	150.29
(2) Taxes in respect of earlier years		-	3.24
(3) Deferred Tax		(21.35)	290.73
VII Profit / (Loss) for the year		<b>1,133.93</b>	<b>284.76</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)		1.59	(4.96)
Other Comprehensive Income for the year, net of taxes		1.59	(4.96)
<b>IX Total Comprehensive income for the year</b>		<b>1,135.52</b>	<b>279.80</b>
X Earnings per equity share of Rs. 10/- each			
(1) Basic	33(17)	7.92	1.99
(2) Diluted	33 (17)	7.92	1.99

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

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 : July 24, 2020

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 : July 24, 2020

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

**Sunil Chellani**  
Chief Financial Officer

# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in Lakhs)

<b>A Equity Share Capital</b>		<b>Number</b>	<b>Amount</b>
As on April 1, 2018		14,318,659	1,431.87
Changes in Equity Share Capital		-	
As on March 31, 2019		14,318,659	1,431.87
Changes in Equity Share Capital		-	
As on March 31, 2020		14,318,659	1,431.87

<b>B Other Equity</b>					
<b>Particulars</b>	<b>General Reserve</b>	<b>Securities Premium Reserve</b>	<b>Capital Redemption Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
<b>Balance as at April 1, 2018</b>	<b>551.25</b>	<b>1,798.72</b>	<b>298.72</b>	<b>2,887.17</b>	<b>5,535.87</b>
Profit for the year	-	-	-	284.76	284.76
Other comprehensive income for the year (net of tax)	-	-	-	(4.96)	(4.96)
Payment of dividends	-	-	-	(143.19)	(143.19)
Tax on Dividend	-	-	-	(29.43)	(29.43)
<b>Balance as at March 31, 2019</b>	<b>551.25</b>	<b>1,798.72</b>	<b>298.72</b>	<b>2,994.35</b>	<b>5,643.05</b>
<b>Balance as at April 01, 2019</b>	<b>551.25</b>	<b>1,798.72</b>	<b>298.72</b>	<b>2,994.35</b>	<b>5,643.05</b>
Profit for the year	-	-	-	1,133.93	1,133.93
Other comprehensive income for the year (net of tax)	-	-	-	1.59	1.59
Payment of dividends	-	-	-	(143.19)	(143.19)
Tax on Dividend	-	-	-	(29.43)	(29.44)
<b>Balance as at March 31, 2020</b>	<b>551.25</b>	<b>1,798.72</b>	<b>298.72</b>	<b>3,957.25</b>	<b>6,605.94</b>

# CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Cash flow from operating activities</b>		
Profit/(loss) before tax	1,435.59	729.02
<b>Adjustments</b>		
Depreciation and impairment of property, plant and equipment	117.95	130.09
Interest Expenses	28.33	219.07
Fair valuation of mutual funds	(62.07)	(0.63)
Provision for/ (write back of) doubtful debts and advances	(11.46)	(4.53)
Bad debts written off	1,446.74	110.08
Loss/ (Profit) on sale/disposal of fixed assets (net)	(7.75)	(239.12)
Actuarial gains and losses taken to OCI	2.24	(7.00)
Interest income	(75.17)	(15.80)
	<b>2,874.40</b>	<b>921.18</b>
<b>Working capital adjustments</b>		
(Increase)/Decrease in inventories	2,866.04	2,879.51
(Increase)/ Decrease in trade and other receivables	(2,203.48)	(268.66)
Increase / (Decrease) in loans and advances and other assets (Non Current)	544.92	41.46
Increase / (Decrease) in loans and advances and other assets (Current)	76.43	7,699.66
Increase/ (Decrease) in Financial Liabilities	(19.63)	16.91
Increase/ (Decrease) in trade and other payables	(707.92)	(8,447.80)
	<b>3,430.76</b>	<b>2,842.26</b>
Income Tax paid	(379.26)	(343.86)
<b>Net cash flows from operating activities</b>	<b>3,051.50</b>	<b>2,498.40</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets	(60.60)	(132.81)
Sale of fixed assets	7.75	1,124.35
Brokerage charges paid on sale of Fixed Assets	-	(72.87)
Sale of investments	11.86	-
Purchase of Investments	(500.00)	-
Interest income	75.16	15.80
<b>Net cash flows from investing activities</b>	<b>(465.83)</b>	<b>934.47</b>
<b>Cash flow from financing activities</b>		
(Repayment)/Procees of Long Term Borrowings	(658.01)	(2,228.58)
(Repayment)/Procees of Short Term Borrowings	-	(500.00)
Interest Paid	(28.33)	(219.32)
Dividend paid (including tax on dividend)	(172.63)	(172.62)
<b>Net cash flows from financing activities</b>	<b>(858.97)</b>	<b>(3,120.52)</b>
Net increase / (decrease) in cash and cash equivalents	1,726.70	312.36





(Rs. in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash and cash equivalents at the beginning of the year	869.33	556.97
<b>Cash and cash equivalents at the end of the year</b>	<b>2,596.03</b>	<b>869.33</b>
<b>Reconciliation of Cash and Cash equivalents with the Balance Sheet</b>		
Cash and Cash Equivalents as per Balance Sheet		
In Current Account	50.90	866.12
In Fixed Deposit	2,538.50	-
Cash on Hand	6.63	3.21
<b>Cash and Cash equivalents as restated as at the year end</b>	<b>2,596.03</b>	<b>869.33</b>
<b>Notes</b>		
a] Debt reconciliation statement in accordance with Ind AS 7		
<b>Opening balances</b>		
Long-term borrowing	200.23	1,370.81
Current Maturities from long term borrowing	646.75	1,704.75
Short-term borrowing	-	500.00
<b>Movements</b>		
Long-term borrowing	(658.01)	(2,228.58)
Short-term borrowing	-	(500.00)
<b>Closing balances</b>		
Long-term borrowing	188.98	200.23
Current Maturities from long term borrowing	-	646.75
Short-term borrowing	-	-

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

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

**Parag Ved**  
Partner  
Membership No. 102432

Place : Mumbai  
Date : July 24, 2020

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 : July 24, 2020

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

**Sunil Chellani**  
Chief Financial Officer

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## 1. COMPANY BACKGROUND:

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

### a) Basis of Preparation:

#### i) Compliance with Ind As:

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under section 133 of the Companies Act, 2013, ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 with effect from April 1, 2016. The financial statements are presented in Indian Rupees (INR), except when otherwise indicated.

#### ii) Historical cost convention:

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

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

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

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

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

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

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

#### b) Use of accounting estimates and judgments:

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

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

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

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

## ii) **Recoverability of deferred income tax assets:**

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

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

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

Compensated absences which are not expected to occur within twelve months after the end of the period in which

the employee renders the related services are recognised as a liability at the present value of the other long-term employment benefits.

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

## c) **Property ,Plant and equipment: Measurement at recognition**

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably 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.

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## Depreciation:

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

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

## Capital work in progress and Capital advances

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

## Derecognition

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

## d) Intangible assets:

### Measurement at recognition:

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

### Amortisation:

The Computer Software is amortised over a period of 3 years

## Derecognition:

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

## e) Investment properties

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

## f) Financial Instruments

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

## i) Non-derivative financial assets:

### Initial recognition and measurement

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

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

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

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

## **Subsequent measurement:**

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

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

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

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

### **i) Financial assets measured at amortised cost:**

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

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

solely payments of principal and interest on the principal amount outstanding.

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

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

### **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.

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## ii) Non-derivative financial liabilities

### Initial recognition and measurement

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

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

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

### Subsequent measurement:

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

### Derecognition:

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

amount of the financial liability derecognised and the consideration paid is recognised in the statement of profit and loss.

## g) Fair Value

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

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## 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:

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.

## NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

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

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

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

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

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



# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## 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

## NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

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.

### p) Investment and other financial assets:

#### i) Classification:

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

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

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

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

#### ii) Measurement:

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

### q) Leases:

**As a Lessor:** At the commencement or modification of a contract, that contains a lease component, Company allocates the consideration in the contract, to each lease component, on the basis of its relative standalone prices.

At the inception of the lease, it is determined whether it is a finance lease or an operating lease. If the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset, then it is a financial lease, otherwise it is an operating lease. The Company test for the impairment losses at the year end. Payment received under operating lease is recognized as income on straight line basis, over the lease term.

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

The accounting policies applicable to the Company as a lessor, in the comparative period, were not different from IND AS 116.

**As a lessee:** The company recognize 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. Right-of-use asset is depreciated using straight-line method from the commencement date to the end of the lease term.

## **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 liability is measured at amortized cost using the effective interest method.

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

## **r) Segment Reporting:**

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

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

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

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

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

## **s) Impairment of non-financial assets:**

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

## **t) Borrowing costs:**

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

## NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

### 3 PROPERTY, PLANT AND EQUIPMNETS

(Rs. in Lakhs)

Description of Assets	As at March 31,2020	As at March 31,2019
<b>Carrying Amount of</b>		
Cinematography Machinery	4.81	8.00
Plant & Machinery	-	-
Computers	8.90	3.04
Motor car	160.99	189.10
Furniture and Fixtures	2.52	2.38
Office Equipments	3.35	6.74
<b>Total</b>	<b>180.57</b>	<b>209.26</b>

(Rs. in Lakhs)

Description of Assets	Cinematography Machinery	Plant & Machinery	Furniture & Fixtures	Office Equipments	Motor car	Computer	Total
<b>GROSS BLOCK</b>							
Balance As at April 01, 2018	40.31	5.36	47.27	131.94	719.88	20.44	965.20
Additions	-	-	-	3.44	126.32	3.05	132.81
Disposal	-	-	-	-	48.42	-	48.42
<b>Balance As at March 31, 2019</b>	<b>40.31</b>	<b>5.36</b>	<b>47.27</b>	<b>135.38</b>	<b>797.78</b>	<b>23.49</b>	<b>1,049.59</b>
Balance As at April 01, 2019	40.31	5.36	47.27	135.38	797.78	23.49	1,049.59
Additions	-	-	1.63	0.65	51.06	7.26	60.60
Disposal	-	-	-	-	32.50	-	32.50
<b>As at March 31, 2020</b>	<b>40.31</b>	<b>5.36</b>	<b>48.90</b>	<b>136.03</b>	<b>816.34</b>	<b>30.75</b>	<b>1,077.69</b>
<b>DEPRECIATION</b>							
Balance As at April 01, 2018	28.91	5.36	42.13	122.32	571.72	19.97	790.41
Depreciation charge for the year	3.19	-	2.96	6.32	85.26	0.49	98.22
Disposal	-	-	-	-	48.30	-	48.30
<b>Balance As at March 31, 2019</b>	<b>32.10</b>	<b>5.36</b>	<b>45.09</b>	<b>128.64</b>	<b>608.68</b>	<b>20.46</b>	<b>840.33</b>
Balance As at April 01,2019	32.10	5.36	45.09	128.64	608.68	20.46	840.33
Depreciation charge for the year	3.18	-	1.49	4.04	79.17	1.40	89.28
Disposal	-	-	-	-	32.50	-	32.50
<b>Balance As at March 31, 2020</b>	<b>35.28</b>	<b>5.36</b>	<b>46.58</b>	<b>132.68</b>	<b>655.35</b>	<b>21.86</b>	<b>897.11</b>
<b>NET BLOCK VALUE</b>							
As at March 31, 2020	5.02	-	2.32	3.35	160.99	8.90	180.57
As at March 31, 2019	8.21	-	2.18	6.74	189.11	3.03	209.26

Note:

The company has borrowed from banks which carry charge over certain of the above PPE (Refer Note 33(for details))

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## 4 Investment Property

(Rs. in Lakhs)

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

Particulars	As at	As at
	March 31, 2020	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	28.67	31.87
Less : Disposal	-	(233.13)
Closing	481.84	453.17
<b>Net block</b>	<b>1,282.62</b>	<b>1,311.29</b>

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

(Rs. in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
(a) Rental income derived from investment properties	107.44	92.15
(b) Profit arising from investment properties before depreciation and indirect expenses		
Less – Depreciation	28.67	31.87
Less – Property Tax & Maintenance Charges	8.40	12.74
<b>Profit arising from investment properties before indirect expenses</b>	<b>70.37</b>	<b>47.54</b>

### III Fair Value

(Rs. in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Investment Properties	2,818.22	2,818.22

### IV Estimation of fair value

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

## NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

### 5 Non-Current Investments

(Rs. in Lakhs)

Particulars	No of Shares	No of Shares	As at	As at
	as at Mar 31, 2020	as at Mar 31, 2019	Mar 31, 2020	Mar 31, 2019
<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	5,000	0.50	0.50
<b>(2) Mutual Funds (Quoted)</b>				
<b>Investment carried at fair value through Profit &amp; Loss</b>				
Canara Robeco Capital Protection Oriented Fund-Series 7-Regular Growth Units of Rs. 10/- each	100,000	100,000	-	11.57
Baroda Overnight Fund	14,139.51	-	148.18	-
SBI Artigrage Opportunities Fund	961,642.02	-	254.52	-
SBI Overnight Fund	4,889.05	-	159.08	-
<b>Total</b>			<b>562.28</b>	<b>12.07</b>
Aggregate carrying value of quoted investments and market value thereof			-	-
Aggregate carrying value of unquoted investments			562.28	12.07
Aggregate provision for impairment in the value of investments			-	-

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

(Rs. in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
a] Security Deposit against Premises to Related Parties	500.00	500.00
b] Security Deposits -Others	23.24	22.93
<b>Total</b>	<b>523.24</b>	<b>522.93</b>

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

(Rs. in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Bank Deposits with more than 12 month maturity period	12.86	12.12
<b>Total</b>	<b>12.86</b>	<b>12.12</b>

i] Fixed Deposit of Rs.Nil held as lien by bank against overdraft facility amount to Rs. 2500 Lakhs (Previous Year Rs. Nil)

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

- ii) Fixed deposit of Rs.12.86 Lakhs (Previous year Rs. 12.12 Lakhs) includes electricity deposit of Rs. 12.73 Lakhs (Previous year Rs. 11.99 Lakhs)

## 8 Other Non-Current Assets

(Rs. in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
a) Advances Given for Forthcoming Film Production	-	785.80
b) Advances Given for Digital Rights	600.00	202.40
c) Deposits with Government Authorities	67.56	225.33
<b>Total</b>	<b>667.56</b>	<b>1,213.53</b>

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

(Rs. in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Unamortised Cost of Production	-	2,866.04
<b>Total</b>	<b>-</b>	<b>2,866.04</b>

## 10 Trade Receivables(Unsecured, considered Good)

(Rs. in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Trade Receivables		
Unsecured, considered good	1,814.32	1,057.59
Credit impaired	8.25	8.25
Less: Provision for loss allowance	(8.25)	(8.25)
<b>Total</b>	<b>1,814.32</b>	<b>1,057.59</b>

## 11 Cash & Cash Equivalents

(Rs. in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
a) Cash on Hand	6.63	3.21
b) Balance with Banks in Current Accounts		
- Current Account	50.70	865.93

## NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

- Margin money	0.20	0.19
c] Bank Deposits with Maturity Less 3 months	2,538.50	-
<b>Total</b>	<b>2,596.03</b>	<b>869.33</b>

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

(Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
a] Bank Deposits with 3-12 months- Maturity @	29.74	51.82
b] Earnarked Balance with Banks (Unclaimed Dividend)	5.90	7.04
<b>Total</b>	<b>35.64</b>	<b>58.86</b>

@ These deposits are in the form of Bank Guarantee

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

(Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Loans to Employees	22.75	12.41
<b>Total</b>	<b>22.75</b>	<b>12.41</b>

### 14 Current Tax (Net)

(Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Advance payment of Income tax and Tax Deducted at Source</b>		
(net of Provision for Taxation Rs. 785.51 Lakhs (L/Y 462.51) Lakhs)	427.13	370.87
<b>Total current tax assets (net)</b>	<b>427.13</b>	<b>370.87</b>

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

(Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
a] Advances for film Projects in Hand	554.54	824.83
b] Prepaid Expenses	2.73	0.18
c] Balances with Government Authorities	178.82	75.81
d] Others	154.54	53.35
<b>Total</b>	<b>890.63</b>	<b>954.17</b>



# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## 16 Equity Share Capital (Refer Note 33(7))

(Rs. in Lakhs)

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number of Shares	Amount	Number of Shares	Amount
a] Authorised 2,00,00,000 Equity Shares of Rs. 10 each	20,000,000	2,000.00	20,000,000	2,000.00
b] Issued, Subscribed and fully paid-up	14,318,659	1,431.87	14,318,659	1,431.87
<b>Total</b>	<b>14,318,659</b>	<b>1,431.87</b>	<b>14,318,659</b>	<b>1,431.87</b>

## 17 Other Equity

(Rs. in Lakhs)

Particulars	As at	As at
	March 31, 2020	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	3,957.25	2,994.35
<b>Total</b>	<b>6,605.94</b>	<b>5,643.05</b>

### 1 General Reserves

(Rs. in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Balance at the Beginning of the year	551.25	551.25
<b>Balance at the end of the year</b>	<b>551.25</b>	<b>551.25</b>

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

### 2 Securities Premium Reserve

(Rs. in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Balance at the Beginning of the year	1,798.72	1,798.72
<b>Balance at the end of the year</b>	<b>1,798.72</b>	<b>1,798.72</b>

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

## NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

### 3 Capital Redemption Reserve (Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the Beginning of the year	298.72	298.72
<b>Balance at the end of the year</b>	<b>298.72</b>	<b>298.72</b>

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

### 4 Retained Earnings (Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the Beginning of the year	2,994.35	2,887.17
Net profit for the period	1,133.93	284.76
<b>Other comprehensive income for the year</b>		
Remeasurement gain (loss) of post employment benefit obligations (net of taxes)	1.59	(4.96)
Dividend Paid	(143.19)	(143.19)
Dividend Distribution Tax Paid	(29.43)	(29.43)
<b>Balance at the end of the year</b>	<b>3,957.25</b>	<b>2,994.35</b>

### 18 Borrowings (refer note to accounts No. 33 (8)) (Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Secured Term Loans</b>		
(a) From Bank	188.98	200.23
<b>Total</b>	<b>188.98</b>	<b>200.23</b>

### 19 Other Financial Liabilities (Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposit	24.00	24.00
<b>Total</b>	<b>24.00</b>	<b>24.00</b>

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## 20 Deferred Tax Liabilities (Net) (Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Deferred Tax Liabilities</b>		
Property, plant, equipment and investment property	276.90	284.99
Value of Inventories	-	829.74
Others	3.28	-
<b>Deferred Tax Assets</b>		
Employees benefit Obligations	(9.79)	(15.62)
Provision for loss allowance	(2.40)	(2.40)
MAT credit	-	(808.02)
<b>Total</b>	<b>267.99</b>	<b>288.69</b>

## 21 Employee Benefit Obligations(Non Current) (Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Gratuity (Refer Note No.33 (14))	27.98	47.60
<b>Total</b>	<b>27.98</b>	<b>47.60</b>

## 22 Trade Payables (Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Total outstanding dues of micro and small enterprises (Refer Note No 33(9))	-	-
(b) Total outstanding dues of Creditors other than micro and small enterprises	425.87	1,130.04
<b>Total</b>	<b>425.87</b>	<b>1,130.04</b>

## 23 Other Financial Liabilities (Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Current maturities of Long-Term debt		
(i) Bank *	-	646.75
(b) Unclaimed Dividends **	5.90	7.04
<b>Total Other Financial Liabilities</b>	<b>5.90</b>	<b>653.79</b>

\* Refer Note 33(8) for details of Nature of Securities and Terms of Repayment

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

## NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

### 24 Employee Benefit Obligations

(Rs. in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Gratuity (Refer Note no 33(14))	1.19	1.22
<b>Total</b>	<b>1.19</b>	<b>1.22</b>

### 25 Other Current Liabilities

(Rs. in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
(a) Advances from Customers	0.37	0.36
(b) Amount payable to Government Authorities	35.54	49.62
<b>Total</b>	<b>35.91</b>	<b>49.98</b>

### 26 Revenues from Operations

(Rs. in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
<b>Sale of Services</b>		
Income from Satellite Rights Films	(709.02)	13,650.00
Income from Web Series	16.00	-
Licence fees	9,792.10	6,673.88
<b>Total Revenue from Operations</b>	<b>9,099.08</b>	<b>20,323.88</b>

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

(Rs. in Lakhs)

Revenue by Geography	License Fees (Audio/ Video)		Film Production/ Distribution/Web Series	
	As at	As at	As at	As at
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Domestic	5,839.94	4,220.82	(693.02)	13,650.00
International	3,952.16	2,453.06	-	-
	<b>9,792.10</b>	<b>6,673.88</b>	<b>(693.02)</b>	<b>13,650.00</b>
<b>Timing of Revenue Recognition</b>				
Services transferred at a point in time	9,792.10	6,673.88	(693.02)	13,650.00
<b>Total Revenue from Contracts with Customers</b>	<b>9,792.10</b>	<b>6,673.88</b>	<b>(693.02)</b>	<b>13,650.00</b>

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## b] Contract Balances

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

(Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Receivables, which are included in 'trade and other receivables'	1,814.32	1,057.59

## 27 Other Income

(Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<u>Interest Income</u>		
On Fixed Deposits with banks	75.17	15.80
On Income Tax Refund	-	1.36
Rent Income	107.44	92.15
Liabilities/Provisions no longer required written back	11.47	4.53
Bad Debts Recovered	48.00	-
Profit on Sale of Assets	7.75	239.12
Insurance Claim Received	1.06	43.78
Maturity proceeds of Key Man Insurance Policy	-	42.68
Foreign Exchange Gain	2.07	5.76
Fair value of Mutual Funds	62.07	0.63
Other Non-operating Income	1,467.82	2.68
<b>Total</b>	<b>1,782.85</b>	<b>448.49</b>

## 28 Cost of Productions/Distribution of films

(Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Opening-</b>		
Cost of Under Production films	-	-
Unamortised cost at beginning of the year	2,866.04	5,745.55
Add: Cost incurred during the year	-	13,339.88
<b>Less Closing-</b>		
Unamortised cost at the close of the year	-	(2,866.04)
Cost of underproduction films carried forward	-	-
<b>Total</b>	<b>2,866.04</b>	<b>16,219.39</b>

## NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

### 29 Employee Benefits Expenses

(Rs. in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Salary, Wages & Bonus	708.22	674.16
Contribution to Provident and other Funds	9.67	9.76
Gratuity	11.37	10.91
Staff Welfare Expenses	13.42	12.55
<b>Total</b>	<b>742.68</b>	<b>707.38</b>

### 30 Finance Costs

(Rs. in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Interest on Term Loan	-	7.37
Interest Paid to Banks	2.47	95.92
Interest on Loan to Directors	25.86	42.18
Loan Prepayment charges	-	14.46
Other Interest	-	59.14
<b>Total</b>	<b>28.33</b>	<b>219.07</b>

### 31 Depreciation and Amortisation Expenses

(Rs. in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Depreciation of property, plant and equipment	89.28	98.22
Amortization on Investment Property	28.67	31.87
<b>Total</b>	<b>117.95</b>	<b>130.09</b>

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## 32 Other Expenses

(Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Electricity Expenses	8.67	8.22
Rent	103.38	102.83
<b>Repairs &amp; Maintenance</b>		
- Office Premises	10.70	60.57
Insurance	166.14	131.49
Rates and Taxes	1,114.18	75.42
Legal and Professional	402.43	348.34
CSR Expenses	59.71	-
In-house Music Production/Acquisition Cost	1,100.75	743.62
Advertisement Expenses	842.49	671.50
Travelling and Conveyance	26.39	19.73
<b>Audit Fees</b>		
- Statutory Fees	14.50	11.00
- Out of pocket expenses	0.21	0.44
Donation	30.70	87.89
Bad Debts and Advances Written Off	1,446.75	110.08
Provision for Doubtful Debts	-	8.25
Miscellaneous Expenses	364.34	388.03
<b>Total</b>	<b>5,691.34</b>	<b>2,767.42</b>

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## 33 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

(Rs. in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
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.

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

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

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

### 3] Provision for Tax

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

(Rs. in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
<b>Current Tax</b>		
Current Tax on Profit for the Year	323.00	150.29
Excess provision for the earlier years written back	-	3.24
Deferred tax liability	(21.35)	290.73
<b>Total Current Tax</b>	<b>301.65</b>	<b>444.26</b>
<b>Total</b>	<b>301.65</b>	<b>444.26</b>

#### B. Amounts recognised in other comprehensive income

(Rs. in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurements of defined benefit liability (asset)		
Before tax	(2.23)	(7.00)
Tax (expenses)/ benefit	0.64	2.04
Net of taxes	<b>(1.59)</b>	<b>(4.96)</b>



# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## C. Reconciliation of effective tax rate

(Rs. in Lakhs)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
<b>Profit Before Tax</b>	1,435.59	729.02
Tax using the Company's domestic tax rate of 29.12 % (PY 33.384%)	418.04	243.38
<b>Tax effect of :</b>		
Deferred tax for the year	(21.35)	290.73
Tax deduction Chapter VIA	(5.12)	(14.67)
Others	(89.92)	(75.17)
	<b>301.65</b>	<b>444.26</b>

## D. Movement in deferred tax balances

(Rs. in Lakhs)

Particulars	March 31, 2020					
	Net balance April 1, 2019	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
<b>Deferred tax asset / (liabilities)</b>						
Property, plant, equipment and investment property	(284.99)	8.09	-	(276.90)	-	(276.90)
Inventories	(829.74)	829.74	-	-	-	-
Employee benefits	15.62	(5.18)	(0.65)	9.79	9.79	-
Provision for Doubtful Debts	2.40	-	-	2.40	2.40	-
Others	-	(3.28)	-	(3.28)	(3.28)	-
<b>Deferred tax asset / (liabilities)</b>	<b>(1,096.71)</b>	<b>829.37</b>	<b>(0.65)</b>	<b>(267.99)</b>	<b>8.91</b>	<b>(276.90)</b>
MAT Credit Entitlement	808.02	(808.02)	-	-	(808.02)	-
<b>Net Deferred tax assets / (liabilities)</b>	<b>(288.69)</b>	<b>21.35</b>	<b>(0.65)</b>	<b>(267.99)</b>	<b>(799.11)</b>	<b>(276.90)</b>

## Movement in deferred tax balances

(Rs. in Lakhs)

Particulars	March 31, 2019					
	Net balance April 1, 2018	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
<b>Deferred tax asset / (liabilities)</b>						
Property, plant, equipment and investment property	-	(284.99)	-	(284.99)	-	(284.99)
Inventories	-	(829.74)	-	(829.74)	-	(829.74)
Employee benefits	-	13.58	2.04	15.62	15.62	-
Provision for Doubtful Debts	-	2.40	-	2.40	2.40	-
Others	-	-	-	-	-	-
<b>Deferred tax asset / (liabilities)</b>	<b>-</b>	<b>(1,098.75)</b>	<b>2.04</b>	<b>(1,096.71)</b>	<b>18.02</b>	<b>(1,114.73)</b>
MAT Credit Entitlement	-	808.02	-	808.02	808.02	-
<b>Net Deferred tax assets / (liabilities)</b>	<b>-</b>	<b>(290.73)</b>	<b>2.04</b>	<b>(288.69)</b>	<b>826.04</b>	<b>(1,114.73)</b>

## NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

### 4] Leases

#### A) This note provides information for leases where the Company is a lessee.

The Company has cancellable operating lease arrangements for certain accommodation. Terms of such lease include option for renewal on mutually agreed terms. There are no restrictions imposed by lease arrangements and there are no purchase options or sub leases or contingent rents. Operating lease rentals recognised in Statement of Profit and Loss for the year ended March 31, 2020 is INR 103 (in lakhs) towards expenses relating to short-term leases and leases of low-value assets.

#### B) This note provides information for leases where the Company is a lessor.

The Company has given office premises under lease. The income from lease recognised in the Statement of Profit and Loss are Rs. 107.44 (In Lakhs) (March 31, 2019: Rs. 92.15 (In Lakhs)). Agreements provide for cancellation by either party or contain clause for escalation and renewal of agreements. There is only one non - cancellable operating lease agreement is for a period of 36 Months while others are cancellable agreements or agreements with lock in period of 12 months only

Furture minimum lease receivables under non cancellable lease as on March 31, 2020 is as follows:

Particulars	(Rs. in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Within one year	13.75	12.50
After one year but not more than five years	8.47	22.22
More than five year	-	-
<b>Total</b>	<b>22.22</b>	<b>34.72</b>

### 5] Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a CSR Committee has been formed by the Company. The Company is required to spend Rs.8,80,569/- (Rupees Eight Lakhs Eighty Thousand and Five Hundred Sixty Nine Only). However, the Company has spent Rs.59,71,346 (Rupees Fifty Nine Lakhs Seventy One Thousand and Three Hundred Forty Six Only) towards the CSR Activities during the Financial year 2019-20.

### 6] Proposed Dividend

The Board of Directors at its meeting held on July 24, 2020 have recommended a payment of final dividend of Rs. 1.50/- (Rupees One Fifty Paise only) per equity share of face value of Rs. 10/- each for the financial year ended March 31, 2020. Same is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognized as a liability.

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## 7] Share Capital

a] **Rights, preferences and restrictions attached to Equity shares** : The company has only one class of equity shares having a par value of 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, 2020		March 31, 2019	
	No. of shares	% of holding	No. of shares	% of holding
Kumar S Taurani	2,881,915	20.13	2,881,915	20.13
Ramesh S Taurani	2,875,911	20.09	2,875,911	20.09
Varsha R Taurani	2,474,718	17.28	2,474,718	17.28
Renu K Taurani	2,468,718	17.24	2,468,718	17.24

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

(Rs. in Lakhs)

Particulars	March 31, 2020		March 31, 2019	
	Number	Amount	Number	Amount
Share outstanding at the beginning of the year	14,318,659	1,431.87	14,318,659	1,431.87
Shares outstanding at the end of the year	14,318,659	1,431.87	14,318,659	1,431.87

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

During the Financial Year 2015 - 16, the Company had bought back 290,958 Equity Shares of 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/-

## 8] Borrowings :

### Nature of Securities and Terms of Repayment

#### i] Overdraft Facilities

Overdraft Facility of Rs. 189 Lakhs (March 31, 2019 Rs. 847 Lakhs) from two Banks are secured on first pari passu charge by way of hypothecation of Current and Future Audio Library (IPR) of the Company and also charge by way of mortgage of office premises owned by the Company situated at Mumbai and residential premises owned by the promoters. Further, personal guarantee of both the executive directors has been provided. The overdraft facility is repayable in 7 yearly equal installments. Last installment dues are in August, 2021 and April, 2025 respectively.

## NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

### 9] Dues to micro and small suppliers

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

Particulars	(Rs. in Lakhs)	
	March 31, 2020	March 31, 2019
1 Principal amount remaining unpaid to any supplier as at the year end	-	-
2 Interest due thereon	-	-
3 Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
4 Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED	-	-
5 Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-

### 10] Related Party Disclosure

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

- |                                      |  |
|--------------------------------------|--|
| a) Subsidiaries where control exists | NIL  |
| b) Joint Ventures                    | NIL  |
| c) Key Management Personnel          | Mr. Kumar S Taurani -Chairman & Managing Director<br>Mr. Ramesh S Taurani - Managing Director<br>Mr. Girish K Taurani -Additional Director (wef 13.02.2020)<br>Mr. Sunil Chellani - Chief Financial Officer<br>Ms. Bijal Patel - Company Secretary |

#### Non Executive Independent Director

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

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

**d) Relatives of Key Management Personnel**

Mrs. Renu K Taurani  
 Mrs. Varsha R Taurani  
 Mr. Kunal K Taurani  
 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 Personnel or their relatives, where transactions have taken place**

Proprietary Concern Yogisattava owned by Ms. Raveena Taurani

(Rs. in Lakhs)

Particulars	March 31, 2020			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	-	<b>581.00</b>	643.50	-	<b>643.50</b>
Loan Repayment	581.00	-	<b>581.00</b>	644.50	-	<b>644.50</b>
Rent Paid	-	84.00	<b>84.00</b>	-	84.00	<b>84.00</b>
Rent Received		12.50			5.00	
Interest Paid	25.86	-	<b>25.86</b>	42.18	-	<b>42.18</b>
Legal & Profession Fees Paid	22.00	30.00	<b>52.00</b>	24.58	23.00	<b>47.58</b>
Director Remuneration Paid	342.74	-	<b>342.74</b>	336.00	-	<b>336.00</b>
Salary Paid	6.76	125.26	<b>132.01</b>	6.75	99.50	<b>106.25</b>
Sitting Fees paid to Non Executive Independent Director	5.95	-	<b>5.95</b>	4.00	-	<b>4.00</b>
Reimbursement of Expenses	-	4.10	<b>4.10</b>	-	-	-
Advance paid		0.35				
Business Promotion Expenses	-	3.75	<b>3.75</b>	-	-	-
Diwali Expenses	-	3.28	<b>3.28</b>	-	1.67	<b>1.67</b>
<b>Balances Outstanding at the year</b>			-			-
Payable towards Exps-Business promotion Exps	-	0.44	<b>0.44</b>	-	-	-
Receivable Loans	-	-	-	-	-	-
Receivable towards Debtors (Rent Receivable)	-	-	-	-	0.40	<b>0.40</b>
Receivable Deposits	-	500.00	<b>500.00</b>	-	500.00	<b>500.00</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## 11] Segment Reporting

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

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

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

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

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

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

### Information about reportable segments

(Rs. in Lakhs)

Particulars	March 31, 2020			March 31, 2019		
	Music (Audio/ Video)	Film Production/ Distribution/ Web series	Total	Music (Audio/ Video)	Film Production/ Distribution/ Web series	Total
<b>Segment Revenues</b>						
Sales & License Fees	9,792.10	(693.02)	9,099.08	6,673.88	13,650.00	20,323.88
<b>Total</b>	<b>9,792.10</b>	<b>(693.02)</b>	<b>9,099.08</b>	<b>6,673.88</b>	<b>13,650.00</b>	<b>20,323.88</b>

(Rs. in Lakhs)

Particulars	March 31, 2020			March 31, 2019		
	Music (Audio/ Video)	Film Production/ Distribution/ Web series	Total	Music (Audio/ Video)	Film Production/ Distribution/ Web series	Total
Segment Results	7,721.97	(5,365.26)	2,356.70	4,774.63	(2,816.60)	1,958.03
Finance Cost	-	-	28.34	-	-	219.07
Other unallocated expenditure (net)	-	-	892.78	-	-	1,009.94
Profit Before Tax			<b>1,435.58</b>			<b>729.02</b>

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

(Rs. in Lakhs)

Particulars	March 31, 2020				March 31, 2019			
	Music (Audio/ Video)	Film Production/ Distribution/ Web series	Unallocated	Total	Music (Audio/ Video)	Film Production/ Distribution/ Web series	Unallocated	Total
Segment depreciation and amortisation	2.96	3.18	111.81	<b>117.95</b>	2.96	3.19	123.94	<b>130.09</b>
Segment non-cash expenditure other than depreciation and amortisation	-	-	-	-	-	-	-	-

(Rs. in Lakhs)

Particulars	March 31, 2020			March 31, 2019		
	Music (Audio/ Video)	Film Production/ Distribution/ Web series	Total	Music (Audio/ Video)	Film Production/ Distribution/ Web series	Total
Segment Assets	2,571.14	591.08	3,162.22	1,361.53	4,505.87	5,867.39
<b>Reconciliation to total assets</b>						
Investment			561.78			11.57
Current Tax Assets (Net)			427.13			370.87
Other Unallocable Assets			4,864.50			3,220.64
<b>Total Assets as per Balance Sheet</b>			<b>9,015.63</b>			<b>9,470.47</b>

(Rs. in Lakhs)

Particulars	March 31, 2020				March 31, 2019			
	Music (Audio/ Video)	Film Production/ Distribution/ Web series	Unallocated	Total	Music (Audio/ Video)	Film Production/ Distribution/ Web series	Unallocated	Total
Addition to non current assets other than financial assets	-	-	60.60	60.60	-	-	132.81	132.81

## NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

(Rs. in Lakhs)

Particulars	March 31, 2020			March 31, 2019		
	Music (Audio/ Video)	Film Production/ Distribution/ Web series	Total	Music (Audio/ Video)	Film Production/ Distribution/ Web series	Total
Segment Liabilities	392.87	8.17	401.04	41.87	1,042.25	1,084.12
<b>Reconciliation to total liabilities</b>						
Borrowings			188.98			846.98
Other Unallocable Liabilities			387.81			464.46
<b>Total Liabilities as per Balance Sheet</b>			<b>977.83</b>			<b>2,395.56</b>

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

#### A] Accounting classification and fair values

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

(Rs. in Lakhs)

Particulars	March 31, 2020				Fair Value			
	FVPTL	FVYOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>								
<b>Non Current</b>								
Investment			0.50	<b>0.50</b>				
Mutual Fund	561.78			<b>561.78</b>	561.78			<b>561.78</b>
Rent Deposits			523.24	<b>523.24</b>				
Other Financial Assets			12.86	<b>12.86</b>				
<b>Current Assets</b>								
Trade Receivables			1,814.32	<b>1,814.32</b>				
Cash & Cash Equivalents			2,596.03	<b>2,596.03</b>				
Bank Balances other than above			35.64	<b>35.64</b>				
Other Financial Assets			22.75	<b>22.75</b>				



# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

(Rs. in Lakhs)

March 31, 2020	Carrying Amount				Fair Value			
	FVPTL	FVYOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Liabilities</b>								
<b>Non Current</b>								
Borrowings			188.98	<b>188.98</b>				
Other Financial Liabilities			24.00	<b>24.00</b>				
<b>Current Liability</b>								
Trade Payable			425.87	<b>425.87</b>				
Other Current Liabilities			5.90	<b>5.90</b>				

(Rs. in Lakhs)

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

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

## NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

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

#### ii] Credit risk

##### a] Credit Risk management

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

##### b] Cash and Cash equivalents and other Bank balances

The Company held cash and cash equivalents and other bank balances of Rs.2,631.67 Lakhs as on March 31, 2020 (March 31, 2019 : Rs.928.19 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 Rs. 510 Lakhs as on March 31, 2020 (March 31, 2019 : Rs. 510 Lakhs). The loans and advances are in nature of rent deposit paid to landlords and are fully recoverable.

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## d] Trade receivables :

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

## iii] Liquidity risk

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

As of March 31, 2020 and March 31, 2019 the Company had unutilized credit limits from banks of Rs. 2,668 Lakhs, Rs. 2,725 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

		(Rs. in Lakhs)					
<b>March 31, 2020</b>		<b>Contractual Cash Flows</b>					
	<b>Carrying Amount</b>	<b>Total</b>	<b>Less than 6 months</b>	<b>6 - 12 months</b>	<b>1 - 2 years</b>	<b>2 - 5 years</b>	<b>More than 5 years</b>
<b>Current Financial Liabilities</b>							
Trade Payables	425.87	425.87	425.87	-	-	-	-
Other Financial Liabilities	5.90	5.90	5.90	-	-	-	-
<b>March 31, 2019</b>		<b>Contractual Cash Flows</b>					
	<b>Carrying Amount</b>	<b>Total</b>	<b>Less than 6 months</b>	<b>6 - 12 months</b>	<b>1 - 2 years</b>	<b>2 - 5 years</b>	<b>More than 5 years</b>
<b>Current Financial Liabilities</b>							
Trade Payables	1,130.04	1,130.04	1,130.04	-	-	-	-
Other Financial Liabilities	653.79	653.79	653.79	-	-	-	-

## 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

## NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

### 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 31st March, 2020 and 31st March, 2019 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, 2020			March 31, 2019		
	Financial	Assets	Financial Liabilities	Financial	Assets	Financial Liabilities
USD		551.21	-	230.93		-
GBP		56.33	-	82.96		-
EURO		-	-	-		0.16
<b>TOTAL</b>		<b>607.53</b>	<b>-</b>	<b>313.89</b>		<b>0.16</b>

(Rs. in Lakhs)

### ii) Net Exposure to Foreign Currency Risk (Assets – Liabilities)

Currency	March 31, 2020		March 31, 2019	
	Assets	Liabilities	Assets	Liabilities
USD	551.21	-	230.93	-
GBP	56.33	-	82.96	-
EURO	-	-	-	0.16
<b>TOTAL</b>	<b>607.53</b>	<b>-</b>	<b>313.72</b>	<b>0.16</b>

(Rs. in Lakhs)

### 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, 2020		March 31, 2019	
	Profit or Loss		Profit or Loss	
	Strengthening	Weakening	Strengthening	Weakening
USD - 10 % Movement	55.12	(55.12)	23.09	(23.09)
GBP - 10 % Movement	5.63	(5.63)	8.30	(8.30)
EURO - 10 % Movement	-	-	(0.02)	0.02

(Rs. in Lakhs)

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## 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

	(Rs. in Lakhs)	
	March 31, 2020	March 31, 2019
Borrowings		
Fixed Rate Borrowings	-	
Variable Rate Borrowings	188.98	846.98

## 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.

	(Rs. in Lakhs)	
INR	Profit or (loss)	
	100 bp increase	100 bp decrease
<b>March 31, 2020</b>		
Variable-rate instruments	(188.98)	188.98
<b>Cash flow sensitivity (net)</b>	<b>(188.98)</b>	<b>188.98</b>
<b>March 31, 2019</b>		
Variable-rate instruments	(846.98)	846.98
<b>Cash flow sensitivity (net)</b>	<b>(846.98)</b>	<b>846.98</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.

## NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

### 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.

## 13] Capital Management

### a] Risk Management

The Company's capital management objectives are:

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

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

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

### b] Dividend on equity shares

(Rs. in Lakhs)

	March 31, 2020	March 31, 2019
<u>Dividend declared and paid during the year</u>		
Final Dividend for the year ended March 31, 2020 of Re. 1/- (March 31, 2019 - Re 1/- per fully paid share (along with Dividend distribution tax)	172.63	172.62
<u>Proposed Dividend not recognised at the end of the reporting period</u>		
In addition to the above dividend, since year end the directors have recommended the payment of final Dividend for the year ended of March 31, 2020 of Rs. 1.50/- (March 31, 2019 - Re 1/- per fully paid share (along with Dividend distribution tax). The proposed dividend is subject to the approval of shareholder in the ensuing annual general meeting. Hence no liability has been recognised in books	214.78	172.63

## 14] Employee Benefits:

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

### i] Post Employment Defined Contribution Plans :

The contributions to the Provident Fund and Family Pension fund of certain employees are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution. The Company recognized Rs. 8.73 Lakhs for year ended March 31, 2020 (Rs. 8.56 Lakhs for year ended March 31, 2019) provident fund contributions in the Statement of Profit and Loss.

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

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

## ii] Post Employment Defined Benefit Plans :

### Gratuity

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2020. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

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

(Rs. in Lakhs)

Particulars	March 31,2020	March 31,2019
Present value of obligation at the beginning of the year	107.73	91.20
Current service cost	10.14	8.00
Interest cost	8.15	6.94
<u>Remeasurements (gains) / losses</u>		
Actuarial (gain)/ loss arising from changes in financial assumptions	9.73	1.42
Actuarial (gain)/ loss arising from changes in experience adjustments	(11.89)	3.35
Benefits paid	(7.00)	(3.17)
<b>Present value of obligation at the end of the year</b>	<b>116.87</b>	<b>107.73</b>

### b] Reconciliation of the opening and closing balances of the fair value of plan assets:

(Rs. in Lakhs)

Particulars	March 31,2020	March 31,2019
Fair value of plan assets at the beginning of the year	60.95	59.29
Interest Income	4.90	4.51
<u>Remeasurements gains / (losses)</u>		
Return on plan assets (excluding amount included in net interest cost)	0.07	(0.68)
Contributions by employer	28.77	1.00
Benefits paid	(7.00)	(3.17)
<b>Fair value of plan assets at the end of the year</b>	<b>87.68</b>	<b>60.95</b>

## NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

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

(Rs. in Lakhs)

Particulars	March 31,2020	March 31,2019
Present value of obligation at the end of the year	116.87	107.73
Fair value of plan assets at the end of the year	87.68	60.95
<b>Liabilities recognised in the balance sheet</b>	<b>29.18</b>	<b>46.78</b>
<b>d] Actual Return of Plan Assets</b>	4.97	3.82
<b>e] Re-measurements losses/(gains) recognised in the Other Comprehensive Income</b>		
Return on plan assets (excluding amount included in net interest cost)	(0.07)	0.68
Effect of changes in financial assumptions	9.73	1.42
Effect of changes in experience adjustments	(11.89)	3.35
<b>Total re-measurement included in Other Comprehensive Income</b>	<b>(2.23)</b>	<b>5.45</b>
<b>f] Expense recognised in Statement of Profit or Loss:</b>		
Current service cost	10.14	8.00
Net interest cost	3.26	2.43
<b>Total expense recognised in Statement of Profit and Loss (refer note 33)</b>	<b>13.40</b>	<b>10.43</b>
<b>g] Category of plan assets:</b>	in %	in %
Fund with Life Insurance Corporation of India	100	100
<b>h] Maturity profile of defined benefit obligation:</b>		
Within 1 year	1.20	1.22
1 - 2 years	1.35	1.37
2 - 3 years	22.65	1.54
3 - 4 years	1.25	23.82
4 - 5 years	1.39	1.44
5 - 10 years	64.62	74.26



# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

Particulars	March 31,2020	March 31,2019
<b>ij) Principal actuarial assumptions:</b>		
Discount rate	6.77%	7.61%
Salary growth rate	10%	10%
Mortality Rate during employment	IALM (2012-14) Ult.	IALM (2006-08) Ult.
<b>ji) Sensitive Analysis</b>		
	Discount Rate	
	PVO DR + 1%	PVO DR - 1%
PVO	105.43	130.36
	Salary Escalation Rate	
	PVO ER + 1%	PVO ER - 1%
	129.73	105.71

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 Rs 3.37 lakhs and Rs. 3.74 Lakhs as at March 31,2020 and March 31,2019

### 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

## NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

### Demographic risk

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

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

#### i] Expenditure / Payments In Foreign Currency

	(Rs. in Lakhs)	
	March 31, 2020	March 31, 2019
Shooting Expenses	-	3,408.07
Data Storage Expenses	5.59	5.20
Royalty Paid	20.00	-
Programme Expenses	1.00	-
Advertisement Expenses	2.00	7.19
Travelling Expenses	5.25	4.11
<b>Total</b>	<b>33.84</b>	<b>3,424.58</b>

#### ii] Earnings In Foreign Currency

	(Rs. in Lakhs)	
	March 31, 2020	March 31, 2019
Royalty	3,952.16	2,453.06
<b>Total</b>	<b>3,952.16</b>	<b>2,453.06</b>

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

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

### 17] Earnings per share (EPS)

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

# NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

a] <b>Profit attributable to Equity holders of company</b>	(Rs. in Lakhs)	
	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Profit/(Loss) attributable to equity shareholders		
Continuing Operation	1,133.93	284.76
Profit attributable to equity holders of the Company for basic earnings	1,133.93	284.76
Profit attributable to equity holders of the Company adjusted for the effect of dilution	1,133.93	284.76

b] <b>Weighted average number of ordinary shares</b>	(Rs. in Lakhs)	
	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Issued ordinary shares at April 1	143.18	143.18
Weighted average number of shares at March 31 for basic and Diluted EPS	143.18	143.18

c] <b>Basic and Diluted earnings per share</b>	(Rs. in Lakhs)	
	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Basic earnings per share	7.92	1.99
Diluted earnings per share	7.92	1.99

**18]** Towards the end of the year, the COVID-19 pandemic caused operational disturbances even before the nation-wide lockdown. The Company was able to reorganise its operations to remain functional as well as comply with the lockdown regulations. However, the lockdown induced decline in economic activities. It has a temporary impact on Business. The Company generates revenue mainly from Online, Broadcast and Telco business activities which is comparatively less impacted. The Company does not deal in any physical items therefore do not foresee any challenges year ahead. Based on the current indications of recovery rate and introduction of vaccine, the management expects to recover in music business in remaining quarters. Further as advertisement business and number of subscribers to music platform are rising, the Company expect to recover temporary shortfall in business in first few months. Based on the current indications of future economic conditions, the management expects to recover carrying amounts of Non-Current and Current Assets.

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

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

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

**Parag Ved**  
 Partner  
 Membership No. 102432

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

Place : Mumbai  
 Date : July 24, 2020

**Bijal Patel**  
 Company Secretary  
 CS Membership No. : 30140  
 Place : Mumbai  
 Date : July 24, 2020

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

**Sunil Chellani**  
 Chief Financial Officer





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