The Must Have HITS

Music
IS IN THE AIR

Tips Industries Limited
Annual Report 2020-21

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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.

You can also download a digital copy of this Annual Report from our website **www.tips.in**

Music
IS IN THE AIR

TIPS Industries Limited is a leading Indian music label which creates and monetises music. This year, the Board has decided to demerge the Film and Music businesses. The Music Business has an extensive catalogue of film, non-film, devotional, pop and remixes in Hindi, Punjabi, Gujarati, Bhojpuri and other languages which straddle all genres of popular Indian music. The catalogue is licensed to over the top (OTT) video platforms, content aggregators, television 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 high quality music and acquiring music related intellectual property rights (IPR).

OUR CORPORATE CULTURE

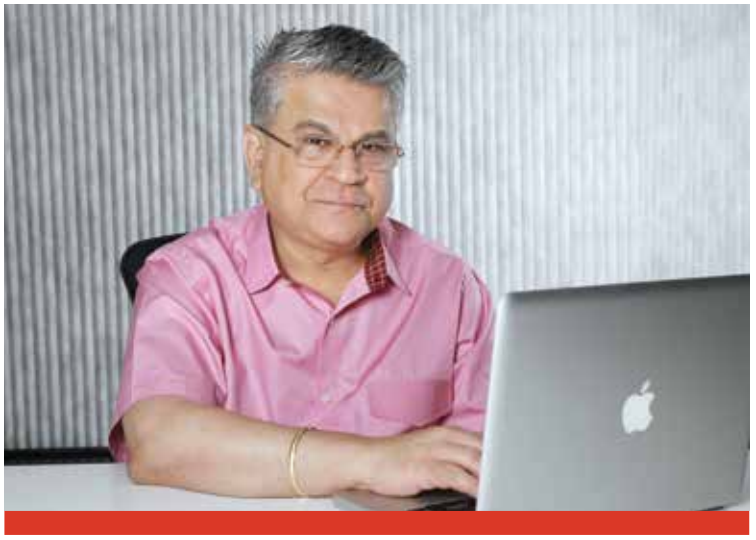
OUR PURPOSE:
♪ Deliver Entertainment

OUR VISION:
♪ To be amongst the 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
♪ Teamwork
♪ Passion
♪ Positive attitude

Chairman's Message to Shareholders



Dear Shareholders,

The year 2020 was tumultuous for the entire world. The impact of COVID-19 pandemic and its aftermath are likely to be felt by most of us for many years. Yet, upheavals bring their own set of positive and negative factors. The COVID-induced lockdown introduced new behavioural patterns such as Work From Home (WFH) that have actually been beneficial for the global music industry.

The current government headed by our Honourable Prime Minister, Shri Narendra Modi, has boldly faced this unprecedented crisis and its management of the COVID crisis and the ongoing vaccination programme for a population of this scale has been commendable. The government's stated intent to foster growth of the private sector will benefit all enterprises.

According to the International Federation of the Phonographic Industry (IFPI), which represents the recording industry worldwide, the global music industry grew 7.4 per cent in 2020. It was driven by a 18.5 per cent growth in subscription revenue, which now accounts for 46 per cent of revenue for music labels globally. Overall, streaming contributes 62 per cent of the total revenue pie for music labels globally.

We observed that short form content based new social media platforms like Tik Tok, which offer a mix of music, lip sync videos and micro-video content – have built business models centred around music. New use cases are being created for music in social media.

According to EY's Media and Entertainment Report 2021, the Indian music industry which is advertising-driven, remained unchanged in 2020. The hard lockdowns required to control the spread of COVID-19 caused equally sharp cutbacks in advertising expenditure of all major advertisers, but the growth in digital advertising supported the Music Industry.

Your Company registered a 7.55 per cent decline in music revenues due to a mix of reasons including cancellation and ban on events post lock down, timing of contract renewal and some contract-specific clauses, which delayed booking of revenues.

The external environment was challenging, but we continued to focus on aspects of business within our control viz; new recordings and releases, signing up artists, recreation of old songs, improving marketing efficiencies, evaluating new opportunities presented by short format content and usage of music on social media platforms.

Tips Industries Limited is at a watershed moment in its evolution. This year, your Board of Directors decided to separate the film and music businesses into independent companies so that each business can independently chart and execute its strategy and attract like-minded investors. At this juncture, as we look into a future of expanding opportunities, I would like to reflect on our journey so far.

EVOLUTION OF TIPS INDUSTRIES LIMITED

1. *Beginning*

My father Shri Sadhuram Taurani belonged to a middle-class joint family consisting of his parents, his wife, two brothers and five sisters, all residing in Karachi in unified India. In 1946, at the time of India's Partition, they left all their belongings and came to Mumbai where they rented a house in Dadar. Luckily, the Government soon announced some aid for people compelled to relocate from those provinces and my father received Rs. 6,000 as aid. He used Rs. 3,000 to buy a shop in Colaba and started a grocery store with his younger brother. There wasn't enough money to stock goods or create an inventory. Neither connections nor business track record was available to help access credit. Fearing that customers would not come to a sparsely stocked store, he relied on his wits and stocked the shop with goods that he could buy and filled up the rest of the store with empty containers and boxes to create an impression of a well-stocked store. The store was a success and soon turned very profitable as my father focused on selling food items consumed by the Sindhi community, which were not easily available with other grocers.

A few years later, my father bought another shop, Jai Hind Electronics, in Navjivan Society on Lamington Road and started to sell electronics, watches, clocks etc. It was a middling enterprise. My father's youngest brother managed this business.

When I was around 18-19 years old, my younger brother Ramesh and I were asked to learn the business under him. We visited the shop but looked forward to weekends when both of us would spend the entire weekend watching movies. Our goal was to watch every movie that was released that weekend. Our elders didn't approve of this, but we persisted.

We got an opportunity to become dealers of HMV. Since the electronics business was not very profitable, we started selling music records. In a few years, we also got dealerships of Polydor - Music India, CBS and other leading music labels of that time. Soon we were the largest distributors of music records in the western region.

2. *Music Label*

In the 1980s, we were still a joint family. In, a division of assets, our grocery store at Colaba was given to one of my uncles in 1982. My father and his youngest brother now depended on the records business. All the leading labels had launched music cassettes during this time and we got dealerships to start selling cassettes in the Indian market.

In 1985, we bought another shop on the busiest part of Lamington Road, Pancham Electronics. Between Jai Hind Electronics and Pancham Electronics, we got dealerships from all major music labels of that time to sell cassettes too.

As we gained an understanding of the records business, we realised that recording music was more profitable than selling music records and cassettes. So we started recording bhajans and songs by small artistes in Hindi, Sindhi and Marathi languages under the label TIPS which was owned by our Company R.K. Electronics. Our music label was TIPS, which stands for 'To Introduce Promising Singers'.

In 1986, in yet another division of assets, our shop, Pancham Electronics along with the music dealerships was handed over to our uncle. My father had retired and my brother and I retained Jai Hind Electronics and our Company R. K. Electronics along with the music label and the music rights that we had created. Ramesh and I worked very hard in this business.

In 1988, we launched another Company, Tips Cassettes and Records Company to acquire film music rights and sell film music cassettes under the TIPS label.

Gunahon Ka Devta, released in 1990 was the first film whose music rights were acquired by TIPS. We subsequently acquired the music rights of four more films; Elaan-E-Jung (1989), Chor Pe Mor, Kahan Hai Kanoon (1989), Bungalow No. 666, which were all musical flops.

We remained undeterred and we tried to gather insights from our distribution business on consumer taste and preferences for music. We also used this experience to fine-tune our understanding of pricing music rights.

In 1992-93, we merged R. K. Electronics and Tips Cassettes and Records Company.

3. *Growth Phase*

Salman Khan starrer Pathar Ke Phool was our first superhit and we sold 3 million cassettes. In the very same year, music of Phool Aur Kaante became a blockbuster hit. Its music remained popular until the era of cassettes and CDs ended. Cumulatively, we would have sold over 20 million cassettes and CDs of this film's music.

As the music distribution business grew, the cost of acquiring rights also went up. Ramesh and I focused on acquiring music rights and poured every spare penny into IPR. We opted not to purchase larger houses or more cars or redecorate our homes. We simply kept investing every rupee into music rights.

The music business was booming and we were recovering anywhere between 30 per cent and 300 per cent of the cost of producing a film simply by selling its music. So, in 1993, we decided to produce films in a bid to gather more music rights, cheaply. Given the economics of that time, we felt it was a risk worth taking.

We had no experience in the craft of filmmaking. So, we partnered with other film producers. Our first film Coolie No.1 was co-produced with Mr. Vashu Bhagnani's Pooja Films. We probably sold over four million cassettes and CDs of Coolie No.1's music. Our next film, Raja Hindustani was also a co-production with Ali and Karim Morani and Bunty Soorma. The film and its music were both blockbusters and we would have sold over ten million cassettes within twelve months of the film's release. Similarly, we co-produced Haqeeqat with N R Pachisia, Jeet with Sajid Nadiadwala and Beqabu with N Chandra.

Having gained some experience in film production, we decided to produce films independently. our first independent production was Auzaar.

By this time, TIPS had become the leading music company in India. We started raising prices. Cassette prices went up from Rs 20 to Rs 55 over a period of time. The rest of the industry followed TIPS on pricing.

By virtue of independent recordings, acquiring film rights and producing films on our own, we had become the largest acquirer of music rights in India. The period from 1988 to 1997 was one of uninterrupted growth. We had announced simultaneous production of ten films. Soon six movies were on the floor and we had signed up actors for the other four movies.

The Crisis

Life never moves in a straight line

In 1997, my brother Ramesh was falsely implicated in the Gulshan Kumar case. Thankfully, the sessions court acquitted him in 2002 and

the Bombay High Court upheld that decision and acquitted him in July 2021, closing this chapter finally. After a very long time, our family can be at peace.

In retrospect, however, when the news broke out in 1997, we found ourselves in a dilemma. On one hand, we had six movies on the floor requiring capital influsion every day and on the other hand all our financiers were insisting on return of their capital. Those were extremely trying times for the business and the family as well.

I met all our financiers and explained the situation to them. I assured them about the return of their capital and convinced them to give us six months time to start the repayments.

We took stock of the various productions and ranked them on the basis of completion. The movie which was nearest to completion was prioritised for providing additional capital. On completion, we sold the film and used the proceeds to partly repay financiers and partly for completion of the next film. We completed all six films in this manner and released them.

In about eight to nine months, most of the external capital was repaid and within a year all of it was paid back with full interest as per our original agreement. We did not seek any interest waivers or even lower interest rates. We repaid every single penny.

Following closely on the heels of this crisis was another; Technological Change in the music industry. This disrupted our physical distribution business and rampant piracy brought the business to a standstill. In this era, piracy, technological change and a change in music preferences led to a change in the industry's business model.

I had written about these changes last year and will not repeat them here. Suffice to say, that the mobile telephony revolution revived our industry and we could see light at the end of the tunnel.

We have always been first to embrace change and were the first music company to do a licencing deal with a Singapore-based streaming company, Sound Buzz, for streaming and downloading singles and albums in 2010.

In a decade since then, streaming has become the largest contributor of revenues to the industry.

In films too, the business cycle has turned with the emergence of OTT players and large companies like Disney+Hotstar, Amazon, Netflix, Zee5, SonyLiv, ViacomVoot and others making India their focused markets.

Ups and downs are a part of life and business. We are grooming our children to follow us on the same lines with the same values.

At a time when both businesses are growing strongly and will henceforth carve out own paths, it's only natural to ask; What next? Ramesh and I cannot foretell the future, but to all our stakeholders, we want to say that there's lots more to come.

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

Yours sincerely,

Kumar S. Taurani
Chairman & Managing Director

Board of Directors

Mr. Kumar Taurani
Chairman & Managing Director

Mr. Ramesh Taurani
Managing Director

Mr. Amitabh Mundhra
Independent Director

Ms. Radhika Dudhat
Independent Director

Mr. Venkitaraman Iyer
Independent Director

Mr. Girish Taurani
Executive Director

Corporate Information

BOARD OF DIRECTORS:

Mr. Kumar Taurani, *Chairman & Managing Director*
Mr. Ramesh Taurani, *Managing Director*
Mr. Amitabh Mundhra, *Independent Director*
Ms. Radhika Dudhat, *Independent Director*
Mr. Venkitaraman Iyer, *Independent Director*
Mr. Girish Taurani, *Executive Director*

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: info@tips.in
Website: www.tips.in
CIN: L92120MH1996PLC099359

ACCOUNTS OFFICE:

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

STATUTORY AUDITORS:

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

INTERNAL AUDITORS:

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

SECRETARIAL AUDITORS:

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

REGISTRAR & SHARE TRANSFER AGENT:

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

BANKERS:

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

Statutory Reports and Financial Statements

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 25th Annual General Meeting of the Members of Tips Industries Limited will be held on **Tuesday, September 21, 2021** at **11:00 a.m. (IST)** through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2021 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, 2021.*

3. To appoint a director in place of Mr. Kumar Taurani (DIN: 00555831), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

   "RESOLVED THAT pursuant to provisions of Sections 196, 197, 198, 203 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") and Schedule V of the Act read with Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to other requisite approvals, if any, consent of the Members of the Company be and is hereby accorded for re-appointment of Mr. Kumar Taurani (DIN: 00555831) as Chairman and Managing Director of the Company for a period of one year w.e.f. June 1, 2021 to May 31, 2022 on the terms and conditions as mentioned in the draft Agreement between Mr. Kumar Taurani and the Company including remuneration as mentioned below and as approved by the Board of Directors of the Company on recommendation of the Nomination and Remuneration Committee.

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

   (B) Perquisites:
   Perquisites shall be provided as per Schedule V of the Act.

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

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

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

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

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

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

"RESOLVED THAT pursuant to provisions of Sections 196, 197, 198, 203 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") and Schedule V of the Act read with Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to other requisite approvals, if any, consent of the Members of the Company be and is hereby accorded for re-appointment of Mr. Ramesh Taurani (DIN: 00010130) as Managing Director of the Company for a period of one year w.e.f. June 1, 2021 to May 31, 2022 on the terms and conditions as mentioned in the draft Agreement between Mr. Ramesh Taurani and the Company including remuneration as mentioned below and as approved by the Board of Directors of the Company on recommendation of the Nomination and Remuneration Committee.

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

(B) Perquisites:
Perquisites shall be provided as per Schedule V of the Act.

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

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

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

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

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

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the said Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification or re-enactment thereof for the time being in force) and pursuant to the approval of the Board of Directors of the Company upon the recommendation of the Nomination & Remuneration Committee, Mr. Venkitaraman Iyer (DIN: 00730501), Independent Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) and 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for second term of one year with effect from September 16, 2021 and shall not be liable to retire by rotation.

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

Place: Mumbai
Date: July 27, 2021

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 25th 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, 2021 in accordance with the Rules framed by the Board as per Note No.11 hereinafter appearing.

NOTES:

1. Considering the ongoing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its circular dated January 13, 2021 read together with circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 (collectively referred to as "MCA Circulars"), permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the AGM of the Company is being held through VC / OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only.

2. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed hereto.

3. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

4. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business under Item No. 4 to 6, are annexed hereto. The relevant details of the Directors seeking appointment/re-appointment under Item No. 3 to 6, 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.

5. In compliance with the MCA Circulars and SEBI Circular dated January 15, 2021 read with Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose e-mail address is registered with the Company/ Depository Participants. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2020-21 will also be available on the Company's website www.tips.in; websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and 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. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.

6. For receiving all communication (including Annual Report) from the Company electronically:

   - Members holding shares in physical mode and who have not registered / updated their e-mail address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at bijal@tips.in or to rnt.helpdesk@linkintime.co.in.

   - Members holding shares in dematerialised mode are requested to register / update their e-mail address with the relevant Depository Participant.

7. 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.

8. The Register of Members and Share Transfer Books of the Company will remain closed from September 15, 2021 to September 21, 2021 (both days inclusive), for determining the names of members eligible for dividend on Equity Shares, if declared at the AGM.

9. Dividend, if approved by the members at the Annual General Meeting will be paid within a period of 30 days from the date of declaration, to the Members whose names appear on the Register of Members and Register of Beneficial Owners as on September 14, 2021 as per details furnished by the Company's Share Registrar and Transfer Agent and the Depositories for this purpose.

10. Members may note that pursuant to the Finance Act, 2020, dividends paid or distributed by a Company after April 1, 2020 shall be taxable in the hands of the Members. The Company shall therefore be required to deduct tax at source at the time of making payment of the said Final Dividend. Necessary communication in this regard is sent to all shareholders at their registered email id. A copy of the said communication is also placed on the website of the Company www.tips.in.

    Shareholders are requested to furnish appropriate declarations and documents by 5:00 p.m. (IST) on September 10, 2021 by using the link https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html.

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, 2021 shall fill up the form and send it to the Company's Registrar on or before September 14, 2021 (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. 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 COMPANYAT 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 2012-13 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, and also on the website of the Ministry of Corporate Affairs www.mca.gov.in. Unclaimed dividend for the FY 2013-14 will fall due for transfer to the IEPF on September 12, 2021. Those Members, who have not encashed their dividends for the FY 2013-14, 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 September 12, 2021 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. Shareholders are requested to claim the dividend on these equity shares latest by September 12, 2021 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.

14. As mandated by the Securities and Exchange Board of India ("SEBI"), securities of the Company can be transferred/traded only in dematerialised form. Members holding shares in physical form are advised to avail of the facility of dematerialisation.

15. 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.

16. 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.

17. All documents referred to in the accompanying Notice and the Explanatory Statement can be obtained for inspection by writing to the Company at its email ID bijal@tips.in till the date of AGM.

18. Members seeking any information or clarification on the accounts are requested to send in writing queries to the Company at least seven days before the date of the meeting to enable the Management to keep the information ready at the Meeting. Replies will be provided at the meeting in respect of such queries received.

19. **VOTING THROUGH ELECTRONIC MEANS:**

i) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations and Circulars, the Company is providing facility of remote e-voting to its members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with CDSL for facilitating voting through electronic means, as the authorized e-voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system during the AGM will be provided by CDSL.

ii) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. However, this number does not include the large Shareholders i.e. Shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

iii) Pursuant to MCA 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 14, 2021 may obtain the login details in the manner as mentioned below.

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

(i) The voting period begins on September 18, 2021 at 9:00 a.m. and ends on September 20, 2021 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 14, 2021 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) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/ KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.comor contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

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

1) The shareholders should log on to the e-voting website www.evotingindia.com.

2) Click on "Shareholders" module.

3) Now enter your User ID

   a. For CDSL: 16 digits beneficiary ID,

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

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

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	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. • 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).

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

(vii) 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.

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

(ix) Click on the EVSN of Tips Industries Limited.

(x) 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.

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

(xii) 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.

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

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

(xv) 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.

(xvi) Facility for Non – Individual Shareholders and Custodians – Remote Voting

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to 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.
- 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 and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; bijal@tips.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast seven days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at bijal@tips.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance seven days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at bijal@tips.in. These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to bijal@tips.in or to rnt.helpdesk@linkintime.co.in.

2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

20. 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.

21. 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 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.

22. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.tips.in and on CDSL e-voting website immediately after the declaration of results by the Chairman of the Meeting or a person authorized by him and the same shall be communicated to BSE Limited and National Stock Exchange of India Limited.

Place: Mumbai
Date: July 27, 2021

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:

Mr. Kumar Taurani was re-appointed as the Chairman and Managing Director of the Company at the 22nd Annual General Meeting held on September 25, 2018 for a period of 3 years with effect from June 1, 2018 at remuneration of Rs.14 lakh per month. His current term of appointment as Chairman & Managing Director of the Company has expired on May 31, 2021.

Keeping in view Mr. Kumar Taurani's rich and varied experience in the Media and Entertainment, his involvement in the operations of the Company over a long period of time, and his pioneering role in guiding the Company and contribution towards improvement in performance of the Company, the Board of Directors of the Company, on recommendation of the Nomination and Remuneration Committee, at their Meeting held on May 10, 2021 approved the re-appointment of Mr. Kumar Taurani as Chairman and Managing Director of the Company for a period of one year effect from June 1, 2021 at minimum remuneration of Rs.14 lakh p.m. i.e. Rs.168 lakh p.a.

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

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

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

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

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

Item No. 5:

Mr. Ramesh Taurani was re-appointed as the Managing Director of the Company at the 22nd Annual General Meeting held on September 25, 2018 for a period of 3 years with effect from June 1, 2018 at remuneration of Rs.14 lakh per month. His current term of appointment as Managing Director of the Company has expired on May 31, 2021.

Keeping in view Mr. Ramesh Taurani's rich and varied experience in the Media and Entertainment, his involvement in the operations of the Company over a long period of time, and his pioneering role in guiding the Company and contribution towards improvement in performance of the Company, the Board of Directors of the Company, on recommendation of the Nomination and Remuneration Committee, at their Meeting held on May 10, 2021 approved the re-appointment of Mr. Ramesh Taurani as Managing Director of the Company for a period of one year effect from June 1, 2021 at minimum remuneration of Rs.14 lakh p.m. i.e. Rs.168 lakh p.a.

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

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

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

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

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

Item No. 6:

pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the said Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Venkitaraman Iyer was appointed as an Independent Director of the Company for a period of 5 (five) consecutive years commencing from September 16, 2016 to September 15, 2021.

As per the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective Meetings held on July 27, 2021, subject to approval of Members and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Listing Regulations

(including any statutory modification(s) or re-enactment thereof for the time being in force) and based on his skills, rich experience, knowledge, contributions, continued valuable guidance to the management made by him during his tenure and outcome of performance evaluation of the Independent Directors, The Board of Directors recommend the re-appointment of Mr. Venkitaraman Iyer as an Independent Director of the Company for the second term of one year w.e.f. September 16, 2021 and he shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He is not disqualified from being appointed as Directors in terms of Section 164 of the Act and has given his consent to act as an Independent Director.

In the opinion of the Board, Mr. Venkitaraman Iyer fulfils the conditions for his re-appointment as an Independent Director as specified in the Act and the SEBI Listing Regulations and is independent of the management.

In terms of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a member for proposing the candidature of Mr. Venkitaraman Iyer to be re-appointed as an Independent Director of the Company as per the provisions of the Companies Act, 2013.

Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Explanatory Statement.

Except Mr. Venkitaraman Iyer, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

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

Place: Mumbai
Date: July 27, 2021

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

1. **Nature of the Industry**: The Company is in the Media & Entertainment Industry. The Company is in the business of production and distribution of Cinematographic Films and exploitation of its content on various platforms.

2. **Date of expected date of commencement of commercial production:** The Company was incorporated on May 8, 1996. The Company had since commenced its business.

3. **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** N. A.

4. **Financial Performance: - (Based on the audited financial statement for the year ended year 2020-21)**

	(Rs. in Lakh)
Turnover	9,053.00
Other Income	489.22
Total Expenditure	3,619.81
Net Profit before tax	5,922.41

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

II. INFORMATION ABOUT THE APPOINTEE:

- **KUMAR TAURANI**

1. **Background details:**
Mr. Kumar S. Taurani is Founder, Promoter and Chairman and Managing Director of the Company since inception. His 41 years of experience in the industry has brought the Company to its current prominence. He has a deep understanding of Media and Entertainment Industry. With his constant untiring efforts to take Tips to new heights and his significant contribution till date, his vision and direction is essential for the progress of the Company.

2. **Past Remuneration :**
During the Financial Year 2020-21, the Company had paid Rs.14 lakh per month vide Special Resolution passed by the Members in the 22nd AGM of the Company held on September 25, 2018.

3. **Recognition or awards:**
The phenomenal growth in the Company's music turnover is attributable to the hard work of Mr. Kumar Taurani.

4. **Job profile and his suitability:**
Overall control, management and superintendence of the business of the Company in the ordinary course of business and exercise and perform such powers and duties as the Board may determine from time to time.

5. **Remuneration proposed:**
The Abstract containing details of remuneration proposed to be paid to the Chairman & Managing Director are contained in the Resolution No. 4 of the Notice of the 25th Annual General Meeting.

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

7. **Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel if any:**
Mr. Kumar Taurani is a Director-promoter of the Company. He has no other pecuniary relationship with the Company except to the extent of his remuneration and shareholding in the Company. He is brother of Mr. Ramesh Taurani, Managing Director of the Company and father of Mr. Girish Taurani, Executive Director of the Company.

- **MR. RAMESH TAURANI**

1. **Background details:**
Mr. Ramesh S. Taurani is the Managing Director of the Company since 2005. He has enriched experience of more than 40 years in Media & Entertainment Industry. His leadership and sheer excellence in the field are the attributes of his success as an industrialist which has taken the Company to an immense echelon.

2. **Past Remuneration :**
During the Financial Year 2020-21, the Company had paid Rs.14 lakh per month vide Special Resolution passed by the Members in the 22nd AGM of the Company held on September 25, 2018.

3. **Recognition or awards:**
Under the stewardship of Mr. Ramesh Taurani, Tips has released quality films which are remembered and appreciated till date.

4. **Job profile and his suitability:**
Overall control, management and superintendence of the business of the Company in the ordinary course of business and exercise and perform such powers and duties as the Board may determine from time to time.

5. **Remuneration proposed:**
The Abstract containing details of remuneration proposed to be paid to the Managing Director are contained in the Resolution No. 5 of the Notice of the 25th Annual General Meeting.

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

7. **Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel if any:**
Mr. Ramesh Taurani is a Director-promoter of the Company. He has no other pecuniary relationship with the Company except to the extent of his remuneration and shareholding in the Company. He is brother of Mr. Kumar Taurani, Chairman and Managing Director of the Company.

III. OTHER INFORMATION:

1. **Reasons of inadequate profit:**
As per the provision of the Companies Act, 2013, the Company has adequate profit and the Company has been running its operations efficiently and reporting good revenue.

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

With regard to Music, The Company has signed two global deals in the year 2020-21. Distribution deal with WARNER Music

to distribute music to international streaming platforms like Deezer and Anghami, and another global deal with social media giant FACEBOOK to license its music for videos and other social experiences across Facebook and Instagram.

In respect to Film, TIPS in collaboration with 12th Street Entertainment co-produced adventure horror-comedy film "Bhoot Police" featuring Saif Ali Khan, Arjun Kapoor, Jacqueline Fernandez and Yami Gautam. It will be released on OTT platform during FY21-22. The Company expects to earn healthy profits from this production.

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

The Company has shown significant improvements during the financial year 2020-21 and reporting healthy profits. The above measure undertaken is expected to yield positive results in the coming years. While it is difficult to give precise figures, the above initiatives are expected to improve the financial performance of the Company.

IV. DISCLOSURES

The requisite disclosure of remuneration package etc. of Mr. Kumar Taurani and Mr. Ramesh 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]

Name of Director	**Mr. Kumar S. Taurani**
Date of Birth	July 5, 1958
Date of Appointment	May 5, 1996
Qualification & Expertise in specific functional areas	Mr. Kumar Taurani holds the Bachelor degree in commerce. He is promoters and Chairman and Managing Directors of the Company. He possesses immense knowledge and expertise in the field of Media & Entertainment Industry for more than 41 years. He controls the affairs of the Company as a whole. With his significant contribution till date, vision and direction is essential for the progress of the Company.
Relationships between Directors inter-se	Mr. Kumar S. Taurani, is brother of Mr. Ramesh S. Taurani, Managing Director of the Company and father of Mr. Girish Taurani, Executive Director of the Company
Number of Shares held as on March 31, 2021	26,29,800 Equity shares
Names of listed entities in which he holds the directorship as on March 31, 2021	NIL
Names of listed entities in which he holds Membership of Committees of the Board as on March 31, 2021	NIL

Name of Director	**Mr. Ramesh S. Taurani**
Date of Birth	January 17, 1960
Date of Appointment	September 27, 2005
Qualification & Expertise in specific functional areas	Mr. Ramesh S. Taurani holds the Bachelor degree in commerce. He is one of the promoters of the Company and comes with a rich experience of almost 40 years in the Media & Entertainment Industry. He has played a key role in the progress of the Company. He is widely credited for remarkable success with many blockbuster films. His visualisation and dedication support to build success of the business.
Relationships between Directors inter-se	Mr. Ramesh S. Taurani, is brother of Mr. Kumar S. Taurani, Chairman and Managing Director of the Company
Number of Shares held as on March 31, 2021	26,24,283 Equity shares
Names of listed entities in which he holds the directorship as on March 31, 2021	NIL
Names of listed entities in which he holds Membership of Committees of the Board as on March 31, 2021	NIL

Name of Director	**Mr. Venkitaraman S. Iyer**
Date of Birth	September 8, 1960
Date of Appointment	May 25, 2016
Qualification & Expertise in specific functional areas	Mr. Venkitaraman S. Iyer holds Master Degree in Commerce and is a Practising Chartered Accountant, having wide range of exposure and experience in the field of Corporate Laws, Finance, Audit and Taxation matters. He has worked with Prebon Yamane Group of Companies in its Indian operations during the 1993-2006. He was also involved in advisory capacity in number of blue chip companies covering various industry segments viz., manufacturing, engineering, entertainment, infrastructure, real estate, telecom and financial services. He has been associated with leading structural and design consultants for feasibility study of BOT and BOOT projects of NHAI regarding Tuticorin Port Road Connectivity Project, Chelari-Kuttipuram Highway widening project, Cochin Airport (CIAL) proposal and Pondicherry Govt. proposed entertainment complex. He was also an Independent Director on the board of MTNL Ltd
Relationships between Directors inter-se	NIL
Number of Shares held as on March 31, 2021	NIL
Names of listed entities in which he holds the directorship as on March 31, 2021	Ruttonsha International Rectifier Limited
Names of listed entities in which he holds Membership of Committees of the Board as on March 31, 2021	Member - Audit Committee of Ruttonsha International Rectifier Limited

BOARD'S REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

To
The Members
Tips Industries Limited

Your Directors are pleased to present the 25th Annual Report on the business and operations of the Company, together with the Audited Financial Statements for the financial year ended March 31, 2021. The Management Discussion and Analysis is also included in this Report.

THE INDIAN MEDIA AND ENTERTAINMENT INDUSTRY

India's economy was hit hardest by the Covid-19 pandemic. Almost all the sectors have been adversely affected. Due to the pandemic and subsequent lockdowns, Indian economy growth was declining. Considering positive sentiments of the last two quarters of FY 2020-21, the World Bank estimates that the Indian economy will recover by 5.4% in FY 2021-22. However, the surge in Covid-19 positive cases and the death toll starting April 2021 may slow down the economy to some extent and may adversely impact the forecast growth.

Media and Entertainment (M&E) sector usually grows faster than GDP, it also affected and fell by 24% to Rs.1.38 trillion (US$18.9 billion), in effect taking revenues back to 2017 levels. Digital and online gaming were the only segments which grew in 2020 adding an aggregate of Rs.26 billion and consequently, their contribution to the M&E sector increased from 16% in 2019 to 23% in 2020.

Segment	2019	2020	2021E	2023E	CAGR 2020-23
Television	787	685	760	847	7%
Digital media	221	235	291	425	22%
Print	296	190	237	258	11%
Online gaming	65	76	99	155	27%
Filmed entertainment	191	72	153	244	50%
Animation and VFX	95	53	74	129	35%
Live events	83	27	53	95	52%
Out of Home media	39	16	22	32	27%
Radio	31	14	23	27	24%
Music	15	15	18	23	15%
Total	**1,822**	**1,383**	**1,729**	**2,234**	**17%**

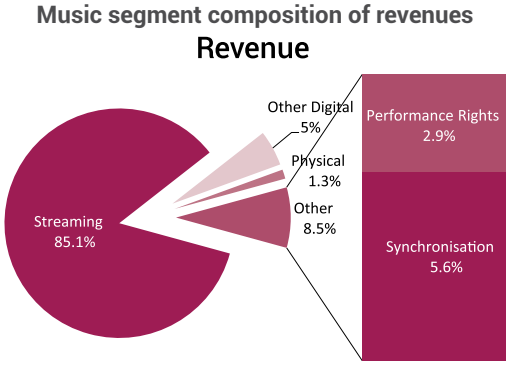
All figures are gross of taxes (Rs. in billion) for calendar years | EY estimates
Source: FICCI–EY Media & Entertainment (M&E) Report

The filmed entertainment segment saw an 80% decline across domestic and international theatrical revenues on account of lockdowns and social distancing norms announced due to COVID-19 pandemic.

- **Music**
  Music permeates our culture across all age groups. Therefore 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 market remained resilient in 2020 and recorded Rs.15 billion in sales. Streaming revenues grew 15% however, performance rights revenues declined 67% due to country wide lockdowns, leading to overall flat industry revenues. It is expected that Industry revenues will grow at a CAGR of 15% and cross Rs.23 billion by 2023, on the back of increasing digital revenues and performance rights.

Category	Revenue
Streaming	85.1%
Other Digital	5%
Physical	1.3%
Performance Rights	2.9%
Synchronisation	5.6%

Music segment composition of revenues



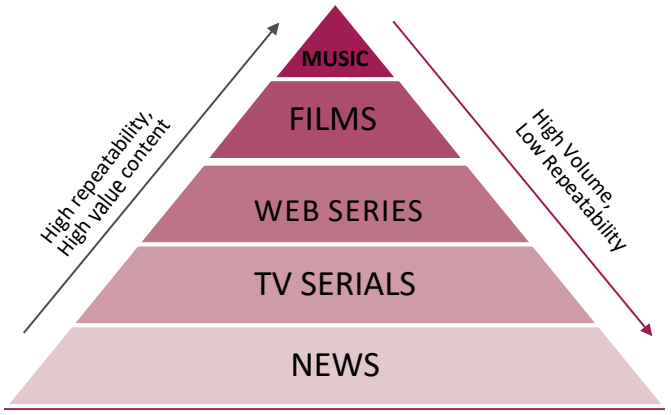
Share of physical sales fell from 2% in 2019 to 1% in 2020. Sales of vinyl records have been growing for ten years globally, but in India there's no market for that.

Digital revenues comprised 90% of total revenues, up from 68% in 2019. Younger people are generally early adopters of technology and more likely to subscribe to music streaming services. Music listeners aged 16-44 years are more likely to pay for audio streaming as they prefer an ad-free experience, the freedom to listen to anything, at any time, at the click of a button. Convenience and availability of millions of songs for a small price is driving penetration of subscription based music streaming services.

KEY ASPECTS OF THE MUSIC INDUSTRY

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

- **Value of content**
  Many factors determine the value of content. Content that can be monetized multiple times naturally commands greater economic value. Music ranks at the top of the content pyramid when ranked on repeated monetization.



The Content Pyramid

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

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

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

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

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

FACTORS AFFECTING GROWTH OF MUSIC INDUSTRY TODAY

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

- **Rising Data Consumption**
  The Ericsson Mobility Report-June 2021 (EMR-21) estimates that data usage per smartphone will increase from 14 GB/month in 2020 to 40 GB/month in 2026. The report estimates total Mobile Data Traffic to grow at 27% CAGR between 2020 and 2026 in India. FICCI's M&E Report 2021 states that news, books, music, video, and gaming accounted for over 75% of data consumption in India. Rising data consumption provides a tailwind for growth.

- **More Subscribers**
  As per EMR-21, there were 81 crore smart phone subscriptions in India in 2020. This number is expected to touch 124 crore in 2025. According to TRAI, current tele-density in rural areas is only 59.5%. A lot of people are yet to be connected to smartphones and the Internet, so there is huge headroom for growth.

- **Faster Networks**
  The number of 4G connections are expected to rise from 68 crore to 83 crore by 2026. 5G connections are expected to be about 33 crore in 2026. Higher speeds provide seamless user experience and improve adoption. Upgrading to faster connections will continue to drive an increase in content consumption.

- **Smarter Phones**
  Smartphones provide improved user experience for media consumption compared to feature phones. The Ericsson Mobility Report - June 21 estimates smartphone penetration in India grew by 22.7% in 2020 over 2019. The number of smartphone users is expected to reach 124.17 crore by 2025 from 81 crore in 2020. New users and upgrades from feature phones to smartphones are both tailwinds for music consumption.

- **Cheap Data**
  India has the lowest data costs in the world. Mobile subscribers in India get access to 4G data at approximately Rs.5/GB. Given such low costs, data prices are no longer a hindrance to adoption of mobile Internet. EMR - June 21 estimates data usage per smart phone to increase from 14.6 GB/Month in 2020 to 40GB/Month in 2026.

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.9542.22 lakh as compared to the previous year of Rs.10,881.93 lakh. The Net Profit after Tax for the year stood at Rs.4,346.88 lakh, as compared to Rs.1,133.93 lakh in the previous year.

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

(Rs. in Lakh)

Particulars	2020-21	2019-20
Income	9542.22	10,881.93
Profit/(Loss) before Depreciation, Interest, Provision for Contingencies and Taxation	6005.67	1,581.87
Less: Depreciation and Interest	83.26	146.29
Profit/(Loss) before Provision for Taxation, Extraordinary and Prior Period year items	5922.41	1,435.58
Less: Provision for Taxation		
Current Tax	1473.91	323.00
Taxes in respect of earlier years	136.90	0
Deferred Tax	(35.28)	(21.35)
Profit/(Loss) after Provision for Taxation but before Extraordinary and Prior Period year items	4346.88	1,133.93
Less: Prior Period Expenses	0	0
Profit/(Loss) after Taxation	4346.88	1,133.93
Add: Balance Brought Forward	3957.24	2,994.35
Profit/(Loss) after Taxation available for Appropriation	8304.12	4,128.28
Transfer to General Reserves	0	0
Share Capital	1296.87	1,431.87
Reserves & Surplus	8828.90	6605.94

PERFORMANCE REVIEW

TIPS is confident that its music business will continue to deliver consistent growth and revenue. The Company has always been at the forefront of leveraging latest technology and innovation in the industry. The music library of the Company is one of the most exhaustive in the industry comprising a collection of over 29,000 songs, which are available for streaming and download across leading digital marketplaces like iTunes and Google Play, as well as popular streaming platforms like Saavn and Spotify. The music revenue for FY2020-21 was Rs.9,053.00 lakh as compared to Rs.9,792.10 lakh in the previous year.

During the financial year ending March 31, 2021, the Company in collaboration with 12th Street Entertainment co-produced adventure horror-comedy film "Bhoot Police". It will be released on OTT platform during FY22. The Company expects to earn healthy profits from this production.

SCHEME OF ARRANGEMENT AND DEMERGER

The Board of Directors, at its meeting held on May 10, 2021, have approved demerger of film business undertaking of Tips Industries Limited (Demerged Company) by way of a Scheme of Arrangement and Demerger whereby the said business undertaking of Demerged Company will be demerged into the Tips Films Limited (Resulting Company) as a going concern basis with effect from the Appointed Date i.e. April 1 2021.

The Scheme along with necessary documents was filed by the Company on May 28, 2021 and May 31, 2021 with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) respectively, where the equity shares of the Company are listed.

The Directors believe that the Scheme is in the best interests of the respective entities and their respective stakeholders including its minority shareholders, employees, and creditors.

DIVIDEND

The Directors recommend a final dividend of 20%, i.e. Rs.2/- (Rupees Two) per share on fully paid-up Equity Share of Rs.10/- each of the Company. Dividend is subject to approval of members at the ensuing Annual General Meeting and shall be subject to deduction of income tax at source.

The Board of Directors of the Company had adopted the Dividend Distribution Policy on June 14, 2021 in line with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Policy is uploaded on the Company's website at www.tips.in.

RESERVE

The Board of Directors has not recommended transfer of any amount to reserves and the amount of Rs.7,935.21 lakhs is retained in the Profit and Loss Account.

SHARE CAPITAL

The paid-up Equity Share Capital as of March 31, 2021, stood at 1,29,68,659 Equity Shares.

During the year under review, the share capital of the Company has reduced owing to buyback of shares. 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.

The Company has not issued shares with differential voting rights, nor has granted any stock options or sweat equity. As of March 31, 2021, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

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

CORPORATE GOVERNANCE REPORT

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

- **Re-appointment of Managing Directors**
  The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, at their Meeting held on May 10, 2021, approved the re-appointment of Mr. Kumar Taurani as Chairman and Managing Director and Mr. Ramesh

Taurani as Managing Director for a period of one year with effect from June 1, 2021. The Board recommends the re-appointment of Managing Directors for your approval.

- **Re-appointment of Independent Director**
  Mr. Venkitaraman Iyer was appointed as Independent Director of the Company, in the 20th Annual General Meeting of the Company held on September 16, 2016, for a period of 5 (five) consecutive years commencing from September 16, 2016. The current term is due to expire on September 15, 2021.

  Accordingly, pursuant to the provisions of the Companies Act, 2013 and based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at their Meeting held on July 27, 2021 approved the re-appointment of Mr. Venkitaraman Iyer as Independent Director of the Company to hold office for second term of one year with effect from September 16, 2021, subject to the approval of shareholders.

- **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, 2021, 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, 2021, 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, 2021, and of the profit of the Company for the year ended on that date;

c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the annual accounts have been prepared on a going concern basis;

e. that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f. that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DETAILS OF BOARD AND COMMITTEE MEETINGS

- **Board Meetings**
  The Board of Directors of the Company met five times during the financial year, i.e., from April 1, 2020, to March 31, 2021, on July 24, 2020, August 19, 2020, November 9, 2020, January 5, 2021 and February 9, 2021. 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 Demerger 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 of the Act 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 of the Act 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. An estimated 27% of those surveyed used unlicensed methods to listen or obtain music in the past month, while 23% used illegal stream ripping services. The availability of quick remedies, including blocking orders, to tackle such pirate services is vital to protect the music industry and other creative industries. Furthermore, app stores and ISPs that host such services need to be proactive in recognizing this form of infringement and work with industry bodies to curb piracy. Piracy in the music ecosystem has reduced from 76% in 2018 to 67% in 2019 and remained flat in 2020, but is still higher than the global average of 27%. China has succeeded in curbing piracy with an estimated 96% of consumers listening to licenced music.

- **Staggering shutdowns of cinema screens**
  An estimated 1000 to 1500 single screen cinema's have shut down bringing the overall screen count in India down to 8000. Real estate developers supported exhibitors by lowering rentals and revenue share agreements. Launch dates for several cinema projects have also been postponed. To survive, multiplexes have introduced concepts of private screenings and hosted stand-up comedy shows. Expansion plans have been put on hold.

  Since a lot of films could not be released, several films opted to be

released directly on OTT platforms. This has resulted in revenue losses for filmmakers, although digital rights revenue grew 86% to Rs.35 billion. An absence of new music releases has also impacted music labels. Only 441 films were released in 2020 as compared to 1833 in 2019.

OPPORTUNITIES

- **Digital / OTT Rights**
  India is second globally in the digital consumption of services, following China. Video subscriptions grew 50% in 2020 as sports content went behind paywalls. Paid subscriptions crossed 50 million and generated Rs.43.5 billion in revenues. Netflix invested Rs.30 billion over 2019 and 2020, making India one of its largest production hubs. It has announced over 60 titles and launched 17 films and 11 web series in 2020 alone. OTT players are expected to spend Rs.19.2 billion on content in 2021. Over 2021-25, total spend is expected to be Rs.300 billion. Over 500 original titles are expected to be released in 2021.

OUTLOOK

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

- **Consumer Trends and Demographics**
  Consumers today engage with music in more ways than ever. In 2020, Indian consumers spent 21.5 hours listening to music each week compared to 19.1 hours in 2019. Data indicate that the hours spent listening to music can grow further. 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), 9 out of 10 social media users do music related social media activity. This new monetization channel is showing great promise. RIAA's earlier survey revealed that 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 443 million at the end of 2020 and subscription revenue grew by USD 1.55 billion to touch USD 9.9 billion. Subscription accounts have grown 28.5% over 2020 to 443 million, representing only 5.5% of the humans on this planet. In terms of smartphone users, it represents only 7.3% of the 6.06 billion smartphone users globally, as per the the Ericsson Mobility Report 2021. 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 2.85 billion monthly active users across its services as of March 2021, and YouTube, which reported 2.3 billion unique monthly users at the end of 2020.

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

  The global music market derives 46% of revenues from paid subscriptions. In India, we expect to see advertisement-supported and subscription models co-exist. The evolution of Chinese markets over the past 7 years provides a firm basis for our belief that subscriptions will contribute substantial revenues in the near future.

  According to IFPI, in 2013, China was ranked 21st in the world with total music industry revenues of approximately USD 82.6 million. The Indian music industry was much larger with revenues of USD 119.1 million at that time. Piracy in China was estimated to be over 95%. By the end of 2020 , the Chinese market was ranked 7th in the

world with revenues of USD 791.9 million. Subscription revenues in 2020 grew 55.8% over 2019.

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

  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 2021 expects paid subscribers for music streaming in India to cross 5 million by 2023.

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

- **Technology Enables Innovation and Presents Additional Opportunities**
  Technological innovation has aided the penetration of music consumption across locations, including homes, offices and cars, as well as across devices, including smartphones, tablets, wearables, digital dashboards, gaming consoles, and smart speakers. These technologies represent advancements that are deepening listener engagement and driving further growth in music consumption by forming new listening habits.

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

- **Format and Monetization Model Innovation**
  Short-form music and music-based video content has grown rapidly, driven by the growth of global social video applications such as TikTok, which features 15-second videos often set to music. TikTok has reportedly been downloaded more than 2 billion times since its launch in 2017. TikTok has reported 689 million monthly active users. Such applications have the potential for mass adoption, illustrating the opportunity for additional platforms of scale to be created to the benefit of the music and entertainment industry. Short-form music and music based videos have become popular on social media platforms like Facebook and Instagram too. It illustrates the growing number of pathways through which performing artistes and music labels may monetize their content.

  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, 2021, the number of employees on the payroll of the Company was 50.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

WHISTLE-BLOWER POLICY / VIGIL MECHANISM POLICY

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

RELATED PARTY TRANSACTIONS

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

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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.

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

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

PARTICULARS OF LOANS, GUARANTEES, OR INVESTMENTS BY COMPANY

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

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return of the Company for the Financial Year March 31, 2021 is uploaded on the website of the Company and can be accessed at www.tips.in.

SECRETARIAL STANDARDS

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

FRAUD REPORTING

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

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

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

- **Technology absorption**
  During the year, the Company has not absorbed or imported any technologies.

- **Foreign exchange earnings and outgoings**
  Details of foreign exchange earnings and outgoings of the Company made during the year are provided in Notes to the Financial Statement.

INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of the Companies Act 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016 ("The Rules"), the Company had sent

individual notices and also advertised in the newspapers seeking action from the shareholders who have not claimed their dividends for past seven consecutive years i.e. for final dividend of the financial year ended 2012-13, and thereafter, had transferred such unpaid or unclaimed dividends.

Unclaimed dividend for FY 2013-14 will fall due for transfer to the IEPF on September 12, 2021. Those Members who have not encashed their dividends for FY 2013-14 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, and also on the website of the Ministry of Corporate Affairs 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.

ACKNOWLEDGEMENTS 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 27, 2021

ANNEXURE -I

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[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, 2021, 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, 2021 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made there under;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

iii. The Depositories Act, 1996 and the Regulations and bye-laws framed there under;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable during the financial year**

e. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable during the financial year**

f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable during the financial year**

g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **Not Applicable during the financial year**

h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable during the financial year**

i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

vi. Other Laws applicable to the Company;

a) Income Tax Act, 1961

b) GST Act, 2017

c) Maharashtra Value Added Tax Act, 2002

d) Profession Tax Act, 1975

e) The Payment of Bonus Act, 1965

f) The Payment of Gratuity Act, 1972

g) Employees provident Funds & Miscellaneous Provisions Act, 1952

h) The Bombay Shop & Establishment Act, 1948

i) The Minimum Wages Act, 1948

j) The Employee State Insurance Act, 1948

k) Copyright Act, 1957

l) Sexual Harassment of Women at Workspace (Prevention Prohibition and Redressal) Act, 2013

m) Maternity Benefit Act, 1961

n) Negotiable Instrument Act, 1881

o) The Contract Act, 1872

p) Bombay Stamp Act, 1958

q) The Cinematograph Act, 1952

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

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

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

We further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

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

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

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

We further Report that during the year there has been Buy Back of 13,50,000 (Thirteen Lakh Fifty Thousand) fully paid up Equity Shares of the Company of face value of Rs.10/- each at a price of Rs. 140/- (Rupees one hundred and Forty Only) per Equity Share on a proportionate basis through Tender Offer ("Buyback").

Date: June 14, 2021
Place: Mumbai
UDIN:F005436C000457107

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

Bharat Upadhyay
Partner
FCS: 5436
CP. No. 4457
P/R No. 700/2020

ANNEXURE II

INFORMATION REQUIRED UNDER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(a) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

Executive Directors	Ratio
Kumar Taurani	23.17
Ramesh Taurani	23.17
Girish Taurani	7.03

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: 22.35%, CS: 22.77%

(c) The percentage increase in the median remuneration of employees in the financial year: 34.75%

(d) The number of permanent employees on the rolls of the Company: 50 Employees as on March 31, 2021

(e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
The average increase in salaries of employees other than managerial personnel in the financial year 2020-21 was 8.02%. There was no increase in the percentage of managerial remuneration for the year 2020-21. The remuneration is determined based on the performance of the employees of the Company.

(f) Affirmation that the remuneration is as per the remuneration policy of the Company:
Remuneration is as per the Nomination and Remuneration Policy of the Company.

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE YEAR ENDED MARCH 31, 2021

Top 10 Employees during the financial year under review

Sr. No.	Name of the Employee and Relation	Designation -Nature of Employee	Qualifications	Age Years	Date of commencement	Remuneration Received (Rs. in Lakhs)	Experience (Years)	Last Employment
1	Kumar Taurani (Brother of Mr. Ramesh Taurani)	Chairman & Managing Director	Graduation	63	08.05.1996	168.00	41	_
2	Ramesh Taurani (Brother of Mr. Kumar Taurani)	Managing Director	Graduation	61	27.09.2005	168.00	40	_
3	Jaya R Taurani (Daughter of Mr. Ramesh Taurani)	Chief Operating Officer - Production	LL.B (U.K)	36	01.04.2016	60.00	9	Costume Stylist
4	Girish Taurani (Son of Mr. Kumar Taurani)	Exceutive Director	Graduation	34	01.11.2016	51.00	9	Artist
5	Kunal K Taurani (Son of Mr. Kumar Taurani)	Senior Manager-Music (Digital)	Graduation	39	01.11.2008	28.00	13	_
6	Kavita Lakhani	VP- Film Production & Promotions	Graduation	51	02.08.1992	23.35	29	_
7	Pradeep Deshpande	Vice President – Digital Business	Graduation - B.E. (Computers) and Post Graduation - Advanced Diploma in Business Administration	42	07.05.2018	18.30	19	Reliance Communications
8	Danesh Kumar	Creative Head-Music	Post Graduation	46	02.05.2012	17.32	24	Sony Music India
9	Binod Gurung	Advisor – Business and A & R	Bachelor in Economics & Statistics from Guwahati University Post-Graduation in Digital Marketing and Communication from MICA	42	18.05.2020	15.96	19	Times Internet Ltd (Gaana.com)
10	Sunil Gursahani	Vice President - Publishing & Analytics	MBA	46	01.10.2018	15.30	25	Alpha Plus Technologies Pvt. Ltd.

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, 2021

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. Jaya Taurani is daughter of Mr. Ramesh Taurani, Managing Director of the Company**
Nature of contracts/arrangements/transactions	Office or place of Profit
Duration of the contracts/arrangements/transactions	Ongoing
Salient terms of the contracts or arrangements or transactions including the value, if any:	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	May 21, 2019
Amount paid as advances, if any	NIL

ANNEXURE IV

ANNUAL REPORT ON CSR ACTIVITIES

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

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

2. Composition of CSR Committee:

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

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.
   https://tips.in/wp-content/uploads/2018/07/Corporate-Social-Responsibility-Policy.pdf

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

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

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set- off for the financial year, if any (in Rs)
1	2017-18	Not Applicable	Not Applicable
2	2018-19	Not Applicable	Not Applicable
3	2019-20	Rs.50.90 lakh	Rs.15.45 lakh
	TOTAL	**Rs.50.90 lakh**	**Rs.15.45 lakh**

6. Average net profit of the company as per section 135(5).: Rs.777.20 Lakh

7. (a) Two percent of average net profit of the company as per section 135(5): Rs. 15.45 lakh
   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
   (c) Amount required to be set off for the financial year, if any: Rs.15.45 lakh
   (d) Total CSR obligation for the financial year (7a+7b- 7c).: NIL
8. (a) CSR amount spent or unspent for the financial year:

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

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable
(C) Details of CSR amount spent against other than ongoing projects for the financial year: Not Applicable
(d) Amount spent in Administrative Overheads: NIL
(e) Amount spent on Impact Assessment, if applicable: NIL
(f) Total amount spent for the Financial Year (8b+8c+8d+8e): NIL
(g) Excess amount for set off, if any: NIL

(Rs. In lakh)

Sr. No.	Particular	FY 2020-21
(i)	Two percent of average net profit of the company as per section 135(5)	15.45
(ii)	Total amount spent for the Financial Year*	15.45
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years[(iii)-(iv)]	NIL

* During the Financial year 2019-20, the Company was required to spend Rs.8.81 lakh on CSR Activity and the Company had spent Rs.59.71 lakh. The Company had spent Rs.50.90 lakh as an excess amount on CSR Activity. In the Financial year 2020-21, the Company is required to spend Rs.15.45 lakh, as per the provision of section 135(5) of the companies Act, 2013. According to third proviso to section 135(5) of the Companies Act read with the CSR Amendment Rules, 2021, The Company has taken benefit of set off of excess amount spend towards the CSR during the Financial year 2019-20.

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

   (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): NIL

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). NIL

For and on behalf of the Board of Directors

Kumar S. Taurani
Chairman and Managing Director
Chairman of CSR Committee
(DIN: 00555831)

CORPORATE GOVERNANCE REPORT

CORPORATE PHILOSOPHY

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

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

The Company has complied with the governance requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and hereby presents the Corporate Governance Report for the financial year ended March 31, 2021.

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, 2021, 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. As per the declarations received by the Company from each of the Directors, none of them are disqualified under Section 164(2) of the Companies Act, 2013.

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

- **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, 2021**

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

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.

DETAILS OF NAME OF OTHER LISTED ENTITIES WHERE DIRECTORS OF THE COMPANY ARE DIRECTORS AND THE CATEGORY OF DIRECTORSHIP AS ON MARCH 31, 2021 ARE AS UNDER:

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

  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 9, 2021 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.

- **Board Meetings**

  The Board of Directors of the Company met five times during the financial year i.e. from April 1, 2020 to March 31, 2021 on July 24, 2020, August 19, 2020, November 9, 2020, January 5, 2021 and February 9, 2021. The necessary quorum was present for all the Board Meetings.

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

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

Name	No. of Board Meeting		Attendance at last AGM held on September 25, 2020	Number of shares held in the Company
	Held	Attended		
Mr. Kumar Taurani	5	5	Yes	26,29,800
Mr. Ramesh Taurani	5	5	Yes	26,24,283
Mr. Amitabh Mundhra	5	4	Yes	NIL
Ms. Radhika Dudhat	5	5	Yes	NIL
Mr. Venkitaraman Iyer	5	5	Yes	NIL
Mr. Girish Taurani	5	4	Yes	NIL

- **Familiarisation Programme for Independent Directors**

The Company has a familiarisation programme for its Independent Directors. The objective of the programme is to familiarise the Independent Directors to enable them to understand the Company, its operations, strategies, business, functions and policies of the Company. The Board members are provided with necessary documents, reports, internal policies, amendments to the various enactments, statutory laws, etc., to enable them to familiarise themselves with the Company's operations. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, business strategy and business risks. The details of the familiarization programme have been disclosed on website at the below mentioned link:
https://tips.in/wp-content/uploads/2018/07/Familiarisation_programme_for_Independent_Directors1.pdf

- **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, 2021, 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 Dudhat	Industry Experience Accounting and Finance Experience Legal & Risk Management Strategy development and implementation
5	Mr. Venkitaraman Iyer	Industry Experience Accounting and Finance Experience Compliance & Risk Management Strategy development and implementation
6	Mr. Girish Taurani	Industry Experience Leadership Experience Accounting and Finance Experience Risk Management Strategy development and implementation

- **Code of Conduct**
  The Board has adopted code of conduct for Directors and senior management of the Company. The code of conduct is available on the website of the Company. The Company has received declaration of compliance with the Code of Conduct from all Directors and senior management. The Declaration by Chairman & Managing Director affirming compliance of the Board of Directors and senior management to the code of conduct is appended to this Report.

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

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

BOARD COMMITTEES

The Board of Directors has constituted Committees to deal with specific areas and activities which concern the Company and needs a closer review. The Board Committees play an important role in the overall management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals, takes necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee meetings are placed before the Board for its review.

The Board has constituted the following committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Demerger Committee.

I. AUDIT COMMITTEE

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

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

Name of the Members	Designation	Category	Meetings Attended
Mr. Amitabh Mundhra	Chairperson	Independent Director	3
Ms. Radhika Dudhat	Member	Independent Director	4
Mr. Venkitaraman Iyer	Member	Independent Director	4
Mr. Kumar Taurani	Member	Executive Director	4

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

The Audit Committee met four times during the Financial Year 2020-21 on July 24, 2020, August 19, 2020, November 9, 2020 and February 9, 2021. The necessary quorum was present for all Meetings. The Chairperson of the Audit Committee was present at the last Annual General Meeting of the Company.

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

II. NOMINATION AND REMUNERATION COMMITTEE

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

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

Name of the Members	Designation	Category	Meetings Attended
Ms. Radhika Dudhat	Chairperson	Independent Director	2
Mr. Amitabh Mundhra	Member	Independent Director	1
Mr. Venkitaraman Iyer	Member	Independent Director	2
Mr. Kumar Taurani	Member	Executive Director	2

The Company Secretary acts as the Secretary to the Committee.

The Committee met two times during the financial year 2020-21 on August 19, 2020 and February 9, 2021. 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

- **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, 2021 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 2020-21, the total sitting fees paid to the Non-Executive Independent Directors are as stated below:

Director's Name	Mr. Amitabh Mundhra	Ms. Radhika Dudhat	Mr. Venkitaraman Iyer
Sitting Fees	Rs.3.00 lakh	Rs.3.75 lakh	Rs.3.85 lakh

The Criteria for making payments to non-executive directors has been disclosed on website at the below mentioned link: https://tips.in/wp-content/uploads/2018/07/Criteria_for_making_payments_to_non-executive_directors.pdf

- **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	Executive Director	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 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 per month.

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

III. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

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

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

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

The Committee met four times during the financial year 2020-21 on July 24, 2020, August 19, 2020, November 9, 2020 and February 9, 2021. 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 2020-21 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	NIL	NIL	**NIL**

The Company has appointed Link Intime India Pvt. Ltd. as its Registrars and Transfer Agents to consider, approve or reject the share transfer, transmission, consolidations, splitting, demat & remat of shares and carry out related functions, documentation and procedures in connection with the same.

- **Compliance officer and Address for Correspondence**

Name & Designation	Address	E-mail I.D	Contact No.
Bijal Patel Company Secretary	601, Durga Chambers, 6th 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	2
Mr. Amitabh Mundhra	Member	Independent Director	2
Ms. Radhika Dudhat	Member	Independent Director	2

The Committee met two times during the financial year 2020-21 on July 24, 2020 and November 9, 2020.

- **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. DEMERGER COMMITTEE

The Board of Directors has constituted demerger committee comprising of Mr. Kumar Taurani as the Chairperson of the Committee, Mr. Ramesh Taurani and Mr. Girish Taurani as members of the Committee.

GENERAL BODY MEETINGS

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

Date and Time	Location	Special Resolutions
September 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 23, 2019 at 11.00 a.m.	The Jubilee Room, Hotel Sun-N-Sand, Juhu, Mumbai-400049	NIL
September 25, 2020 at 11.00 a.m.	Video conferencing/ other audio visual means	Appointment of Mr. Girish Taurani as an Executive Director of the Company for a period of three years commencing from February 13, 2020 at remuneration upto Rs.5 lakhs p.m.

- **Postal Ballot**

During the year 2020-21 no business was conducted through postal ballot.

MEANS OF COMMUNICATION

- **Website**

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

- **Quarterly/Annual Financial Results**

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

- **Stock Exchanges**

All periodical information, including the statutory filings and disclosures, are filed with BSE and NSE. The filings required to be made under the Listing Regulations, including the Shareholding pattern and Corporate Governance Report for each quarter are filed

on BSE Listing Centre and NSE Electronic Application Processing System (NEAPS).

- **Investors presentations**
  The Company makes detailed presentation to the Analysts and Institutional Investors on the quarterly financial results. These presentations are sent to stock exchanges and are also displayed on the Company's website at www.tips.in.

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

GENERAL SHAREHOLDERS INFORMATION

- **Date, Time and Venue of the Annual General Meeting**
  The ensuing AGM of the Company will be held on Tuesday, September 21, 2021 at 11:00 a.m. through video conferencing or other audio visual means.

- **Financial Year**

Financial Year	April 1, 2020 to March 31, 2021
Date of Book Closure	from September 15, 2021 to September 21, 2021 (both days inclusive)
Dividend Payment Date	On or Before October 20, 2021

- **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 2021-22 has been paid to the above Stock Exchanges.

- **Stock Code, ISIN & CIN**

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

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

Month	Share Prices on the BSE		Share Prices on the NSE	
	Highest (Rs.)	Lowest (Rs.)	Highest (Rs.)	Lowest (Rs.)
April-20	102.90	74.60	101.00	72.00
May-20	113.25	88.70	116.50	88.05
June-20	144.00	102.05	140.00	99.30
July-20	163.75	130.00	163.85	131.20
August-20	215.45	136.15	217.00	138.00
September-20	354.30	184.40	354.10	184.00
October-20	336.75	248.80	336.00	250.35
November-20	296.35	236.15	302.00	236.35
December-20	348.75	254.60	349.00	258.40
January-21	470.50	334.20	471.80	333.20
February-21	448.00	350.20	454.95	356.00
March-21	541.15	428.00	546.00	430.05

- **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-20	97.00	33717.62	97.10	9859.90
May-20	106.55	32424.10	106.35	9580.30
June-20	135.80	34915.80	136.15	10302.10
July-20	144.30	37606.89	145.35	11073.45
August-20	192.50	38628.29	188.65	11387.50
September-20	310.20	38067.93	309.85	11247.55
October-20	255.20	39614.07	255.60	11642.40
November-20	256.75	44149.72	258.40	12968.95
December-20	317.60	47751.33	317.60	13981.75
January-21	363.80	46285.77	364.80	13634.60
February-21	427.40	49099.99	439.95	14529.15
March-21	470.25	49509.15	474.35	14690.70

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

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

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

- **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, 2021**

No. of Equity Shareholdings	No. of Shareholders	Percentage of shareholders	No. of Shares for the range	Percentage of shareholding
1 - 500	4465	90.38	358922	2.77
501 -1000	196	3.97	157542	1.21
1001 –2000	94	1.90	142296	1.10
2001 –3000	64	1.30	165056	1.27
3001 – 4000	21	0.43	71332	0.55
4001 – 5000	19	0.38	89025	0.69
5001 – 10000	31	0.63	215019	1.66
10001-above	50	1.01	11769467	90.75
Total	**4940**	**100.00**	**12968659**	**100.00**

- **Shareholding Pattern as on March 31, 2021**

Category	No. of Equity Shares held	Percentage of share held
Promoter & Directors	5254083	40.51
Promoters	4469269	34.46
Public	2044458	15.76
Other Bodies Corporate	765406	5.90
Hindu Undivided Family	199156	1.54
Foreign Portfolio Investors (Corporate)	100000	0.77
Clearing Members	61577	0.47
Non Resident (Non Repatriable)	25531	0.20
Non Resident Indians	8314	0.06
Investor Education And Protection Fund	15865	0.12
NBFCs registered with RBI	25000	0.19
Total	**12968659**	**100.00**

- **Dematerialization of Shares**

  As on March 31, 2021, 1,29,53,051 shares representing 99.88% of the Company's paid-up share capital (including 74.98% held by the Promoters) were held in dematerialized form with National Securities Depository Limited (NSDL) as well as the Central Depository Services (India) Limited (CDSL).

  The break-up of Equity shares held in physical and Demat form as on March 31, 2021 is given

Particulars	Shares	Percentage
Physical Shares	15608	0.12
Demat Shares		
NSDL	2377191	81.55
CDSL	10575860	18.33
Total	**12968659**	**100.00**

- **Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any convertible instruments, conversion date and likely impact on equity**
  There are no outstanding GDRs / ADRs / Warrants / Convertible Instruments of the Company and hence, the same is not applicable to the Company.

- **Plant locations**
  The Company does not have any plants.

- **List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year**
  During the financial year 2020-21, the Company has obtained the following Credit Rating from CARE Ratings Limited.

Facilities	Rating
Long Term Bank facilities	CARE BBB+; Stable

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

  Ms. Bijal R. Patel
  Company Secretary and Compliance Officer
  Tips Industries Limited
  601, Durga Chambers, Linking Road, Khar (West), Mumbai 400 052
  Tel No.: 022-66431188
  Email I.D.: bijal@tips.in
  website: www.tips.in

DISCLOSURES

- **Related Party Transaction**
  During the year ended March 31, 2021, 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_Transcations.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

- **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements**
  The Company has disclosed and complied with all the mandatory requirements under Listing Regulations. The details of these compliances have been given in the relevant sections of this report.

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

  - **Modified opinion(s) in Audit Report**
    The Auditors of the Company have issued Audit Reports with unmodified opinion on the standalone financial statements for the year ended March 31, 2021.

  - **Reporting of Internal Auditor**
    The Internal Auditor reports to the Audit Committee.

- **Web link where policy for determining 'material' subsidiaries is disclosed**
  During the year ended March 31, 2021, the Company does not have any material listed/unlisted subsidiary companies as defined in Regulation 16 of the Listing Regulations.

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

- **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations.**
  The Company did not raise any funds through preferential allotment or qualified institutions placement during the year.

- **Certificate from Company Secretary in practice**
  The Company has received a certificate from Practicing Company Secretaries confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board/ Ministry of Corporate Affairs or any such statutory authority. The Certificate of Company Secretary in practice is annexed herewith as a part of the report.

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

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

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

Sr. No.	Particulars	No. Of Complaints
1	Number of complaints filed during the financial year 2020-21	NIL
2	Number of complaints disposed of during the financial year 2020-21	NIL
3	Number of complaints pending as on end of the financial year 2020-21	NIL

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

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

For and on behalf of the Board of Directors

Kumar S. Taurani
Chairman and Managing Director
DIN: 00555831

Place: Mumbai
Date: June 14, 2021

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, 2021.

For and on behalf of the Board of Directors

Kumar S. Taurani
Chairman and Managing Director
DIN: 00555831

Place: Mumbai
Date: June 14, 2021

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, 2021 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: June 14, 2021

CERTIFICATE UNDER REGULATION 34(3) AND CLAUSE C(10)(I) OF SHCEDULE V OF SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 FOR YEAR ENDED 31ST MARCH, 2021

TO WHOMSOEVER IT MAY CONCERN

This certificate is issued in accordance with the terms of your e-mail dated 14th June, 2021.

The said e-mail requires us to provide a certificate regarding qualification of the directors on the board of the Company for being appointed or continuing as director of the Company.

The provision of the requisite documents and information 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. Our responsibility is to provide a certificate as mentioned below.

I, CS Shirish Shetye, a Company Secretary in Practice, designated partner of SAV & Associates LLP, have examined all relevant Registers, declarations and confirmations by the directors, files and other documents relating to **Tips Industries Limited [CIN: L92120MH1996PLC099359]**, having its registered office at 601, Durga Chambers, 6th Floor, Opp. B.P.L. Gallery, 278/E, Linking Road, Khar (West), Mumbai – 400052, pertaining to the Directors, for year ended **31st March, 2021**, for the purpose of issuing certificate under Regulation 34(3) and Clause C(10)(i) of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations") and based on our examination as well as information and explanations furnished to us, which to the best of our knowledge and belief were necessary for the purpose of our certification, we hereby certify that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

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

For SAV & Associates LLP

SHIRISH SHETYE
Designated Partner
COP NO.: 825
FCS: 7172
UDIN: F001926C000460043

Place: Mumbai
Date: June 14, 2021

INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To The Members of Tips Industries Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated August 4, 2020.

2. We have examined the compliance of the conditions of Corporate Governance by Tips Industries Limited (Company) for the year ended on March 31, 2021 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation of 46 and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (Collectively referred to as "SEBI Listing Regulations, 2015) as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

MANAGEMENT'S RESPONSIBILITY FOR COMPLIANCE WITH THE CONDITIONS OF LISTING REGULATIONS

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

AUDITORS' RESPONSIBILITY

4. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an auditor nor an expression of opinion on the financial statements of the Company.

5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2021.

6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

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

9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

RESTRICTION ON USE

10. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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

Parag Ved
Partner
Membership Number: 102432
UDIN: 21102432AAAABH2816

Place: Mumbai
Date : June 14, 2021

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, 2021, 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, 2021 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.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

    f. With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-B".

3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 (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, 2021.

    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, 2021.

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

Place: Mumbai
Date: June 14, 2021
UDIN: 21102432AAAABJ7844

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 company does not have Inventory during the year ended March 31,2021 and hence clause (ii) of the Order are not applicable to the Company for the current year.

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, 2021 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

Place: Mumbai
Date: June 14, 2021
UDIN: 21102432AAAABJ7844

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, 2021 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, 2021, 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 sand 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

Place: Mumbai
Date: June 14, 2021
UDIN: 21102432AAAABJ7844

BALANCE SHEET as at March 31, 2021

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	204.07	180.57
(b) Investment Property	4	1,253.96	1,282.62
(c) Financial Assets			
(i) Investments	5	1,804.05	562.28
(ii) Loans and Deposits	6	18.96	13.24
(iii) Other financial assets	7	13.57	12.86
(d) Other non-current assets	8	449.05	667.56
Total Non-current assets		**3,743.66**	**2,719.13**
Current assets			
(a) Financial assets			
(i) Trade receivables	9	1,507.06	1,814.32
(ii) Cash and cash equivalents	10	3,110.92	2,596.03
(iii) Bank balances other than (ii) above	11	237.55	35.64
(iv) Other financial assets	12	527.19	532.75
(b)Current Tax (Net)	13	104.38	427.13
(c) Other Current Assets	14	5,591.98	890.63
Total current assets		**11,079.08**	**6,296.50**
Total Assets		**14,822.74**	**9,015.63**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	15	1,296.87	1,431.87
(b)Other equity	16	8,828.90	6,605.94
Total Equity		**10,125.77**	**8,037.81**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	-	188.98
(b) Deffered Tax Liability	18	235.54	267.99
(c)Employee Benefit Obligations	19	25.65	27.98
(d)Other Non-Current Liabilities	20	3,598.22	-
Total non-current liabilities		**3,859.41**	**484.95**
Current liabilities			
(a) Financial Liabilities			
(i) Trade payables	21		
(a) Total outstanding dues of micro enterprises and small entrprises		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		627.43	425.87
(ii) Other financial liabilites	22	29.89	29.90
(b) Employee Benefit Obligations	23	1.26	1.19
(c) Other Current Liabilities	24	178.98	35.91
Total current liabilities		**837.56**	**492.87**
Total Equity and Liabilities		**14,822.74**	**9,015.63**

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

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

Parag Ved
Partner
Membership No. 102432

Place : Mumbai
Date : June 14, 2021

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

Kumar S. Taurani
Chairman & Managing Director
DIN : 00555831

Ramesh S. Taurani
Managing Director
DIN : 00010130

Bijal Patel
Company Secretary
CS Membership No. : 30140

Sunil Chellani
Chief Financial Officer

Place : Mumbai
Date : June 14, 2021

STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2021

(₹ in Lakhs)

Particulars		Notes	Year ended March 31, 2021	Year ended March 31, 2020
I.	Revenue from operations	25	9,053.00	9,099.08
II.	Other income	26	489.22	1,782.85
	Total Income (I+II)		**9,542.22**	**10,881.93**
III	**Expenses:**			
	Cost of Production / Distribution of Expenses	27	-	2,866.04
	Employee Benefits Expense	28	806.81	742.68
	Finance Costs	29	2.09	28.34
	Depreciation and Amortization Expense	30	81.17	117.95
	Other Expenses	31	2,729.74	5,691.34
IV	**Total Expenses**		**3,619.81**	**9,446.35**
V	**Profit before Tax**		**5,922.41**	**1,435.58**
VI	Tax Expenses:			
	(1) Current Tax		1,473.91	323.00
	(2) Taxes in respect of earlier years		136.90	-
	(3) Deferred Tax		(35.28)	(21.35)
VII	**Profit / (Loss) for the year**		**4,346.88**	**1,133.93**
VIII	Other Comprehensive Income			
	Items that will not be reclassified to statement of Profit or Loss			
	Remeasurement gain (loss) of post employment benefit obligations (net of taxes)		8.42	1.59
	Other Comprehensive Income for the year, net of taxes		**8.42**	**1.59**
IX	**Total Comprehensive income for the year**		**4,355.30**	**1,135.52**
X	Earnings per equity share of Rs. 10/- each			
	(1) Basic	32(16)	32.72	7.92
	(2) Diluted	32(16)	32.72	7.92

Significant accounting policies

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

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Sunil Chellani
Chief Financial Officer

Place : Mumbai
Date : June 14, 2021

STATEMENT OF CHANGES IN EQUITY for the year ended March 31, 2021

A EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	Number	Amount
As on April 1, 2019	14,318,659	1,431.87
Changes in Equity Share Capital	-	-
As on March 31, 2020	14,318,659	1,431.87
Changes in Equity Share Capital	(1,350,000)	(135.00)
As on March 31, 2021	**12,968,659**	**1,296.87**

B OTHER EQUITY

(₹ in Lakhs)

Particulars	General Reserve	Securities Premium Reserve	Capital Redemption Reserve	Retained Earnings	Total
Balance as at April 1, 2019	**551.25**	**1,798.72**	**298.72**	**2,994.35**	**5,643.05**
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)	(29.43)
Balance as at March 31, 2020	**551.25**	**1,798.72**	**298.72**	**3,957.25**	**6,605.94**
Balance as at April 01, 2020	**551.25**	**1,798.72**	**298.72**	**3,957.25**	**6,605.94**
Profit for the year	-	-	-	4,346.88	4,346.88
Other comprehensive income for the year (net of tax)	-	-	-	8.42	8.42
Buy back of Shares	(135.00)	(1,755.00)	135.00	-	(1,755.00)
Tax on Buyback of shares				(182.81)	(182.81)
Payment of dividends	-	-	-	(194.53)	(194.53)
Balance as at March 31, 2021	**416.25**	**43.72**	**433.72**	**7,935.21**	**8,828.90**

In terms of our report of even date
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Sunil Chellani
Chief Financial Officer

Place : Mumbai
Date : June 14, 2021

CASH FLOW STATEMENT for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	5,922.41	1,435.59
Adjustments		
Depreciation and amortisation	81.17	117.95
Finance Cost	2.09	28.33
Profit on Sale of Investment	(1.49)	(4.53)
Fair value gain on Mutual Fund at FVTPL	(45.29)	(57.54)
Provision for/ (write back of) doubtful debts and advances	(2.96)	(11.46)
Bad Debts and Advances Written Off	27.99	1,446.74
(Profit)/Loss on sale of Property, Plant and Equipment	(3.50)	(7.75)
Non-cash expenses adjustment for Gratuity	11.25	2.24
Interest income	(117.65)	(75.17)
Operating Profit before Working Capital changes	**5,874.02**	**2,874.40**
Working capital adjustments		
(Increase)/Decrease in inventories	-	2,866.04
(Increase)/ Decrease in trade and other receivables	279.27	(2,203.48)
Increase / (Decrease) in Bank Deposits and other Deposits (Current)	(201.91)	23.22
Increase / (Decrease) in Other Financial Assets (Current)	5.55	(10.33)
Increase / (Decrease) in Other Current Assets	(4,701.36)	63.54
Increase / (Decrease) in loans and advances and other assets (Non current)	(5.72)	(0.30)
Increase / (Decrease) in Other Financial Assets (Non Current)	(0.71)	(0.74)
Increase / (Decrease) in Other Non Current Assets	218.51	545.97
Increase/ (Decrease) in Employess Benefit Obligations (Current)	0.06	(0.03)
Increase/ (Decrease) in Employess Benefit Obligations (Non-Current)	(2.33)	(19.61)
Increase/ (Decrease) in Other Liabilities (Non-Current)	3,598.22	-
Increase/ (Decrease) in Other Liabilities (Current)	143.07	(14.08)
Increase/ (Decrease) in trade payables	204.53	(692.70)
Increase/ (Decrease) in trade and other payables	(0.01)	(1.14)
Cash generated from operations	**5,411.19**	**3,430.76**
Direct Taxes Paid (Net of Refund)	(1,288.05)	(379.26)
Net cash flows from operating activities	**4,123.14**	**3,051.50**
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Property, Plant and Equipments	(76.00)	(60.60)
Proceeds from sale of Property, Plant and Equipments	3.50	7.75
Redemption of Mutual Fund	254.53	1,456.86
Investment in Mutual Fund	(1,449.53)	(1,945.00)
Interest Received	117.65	75.16

CASH FLOW STATEMENT for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net cash flows from investing activities	**(1,149.85)**	**(465.83)**
CASH FLOW FROM FINANCING ACTIVITIES		
(Repayment)/Procees of Long Term Borrowings	(188.98)	(658.01)
(Repayment)/Procees of Short Term Borrowings	-	-
Interest Paid	(2.09)	(28.33)
Buyback of shares	(1,890.00)	-
Tax on Buyback of shares	(182.80)	-
Dividend paid (including tax on dividend)	(194.53)	(172.63)
Net cash flows from financing activities	**(2,458.40)**	**(858.97)**
Net increase / (decrease) in cash and cash equivalents	514.89	1,726.70
Cash and cash equivalents at the beginning of the year	2,596.03	869.33
Cash and cash equivalents at the end of the year	**3,110.92**	**2,596.03**
RECONCILIATION OF CASH AND CASH EQUIVALENTS WITH THE BALANCE SHEET		
CASH AND CASH EQUIVALENTS AS PER BALANCE SHEET		
In Current Account	252.35	50.90
In Fixed Deposit	2,850.40	2,538.50
Cash on Hand	8.17	6.63
Cash and Cash equivalents as restated as at the year end	**3,110.92**	**2,596.03**

Notes

a] Debt reconciliation statement in accordance with Ind AS 7	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening balances		
Long-term borrowing	188.98	200.23
Current Maturities from long term borrowing	-	646.75
Short-term borrowing	-	-
Movements		
Long-term borrowing	(188.98)	(658.01)
Short-term borrowing	-	-
Closing balances		
Long-term borrowing	-	188.98
Current Maturities from long term borrowing	-	-
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**
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Firm Registration No. 131069W

Parag Ved
Partner
Membership No. 102432

Place : Mumbai
Date : June 14, 2021

For and on behalf of the Board of Directors of
TIPS INDUSTRIES LIMITED
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DIN : 00010130

Bijal Patel
Company Secretary
CS Membership No. : 30140

Sunil Chellani
Chief Financial Officer

Place : Mumbai
Date : June 14, 2021

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") readwith Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 with effect from April 1, 2016. The financial statements are presented in Indian Rupees (INR), except when otherwise indicated.

ii) Historical cost convention:

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

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

B) Defined benefit plans assets measured at fair value

iii) Current/ Non- Current Classification:

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

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

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

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

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

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

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

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

b) Use of accounting estimates and judgments:

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

c) Property, Plant and equipment:

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

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

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

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

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

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

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

d) Intangible assets:

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

Amortisation:
The Computer Software is amortised over a period of 3 years

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

e) Investment properties:

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

f) Financial Instruments:

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

i) Non-derivative financial assets:

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

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

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

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:

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

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.

ii) Non-derivative financial liabilities:

Initial recognition and measurement:

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

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

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

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

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

g) Fair Value:

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

i) in the principal market for the asset or liability or

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

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

h) Inventories:

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

i) Cost of Feature Films:

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

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

ii) Cost of under Production Films:

Expenses of under production films incurred till the films are ready for release are inventorised.

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

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

i) Statement of cash flows:

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

Cash and cash equivalents comprise cash and bank balances.

j) Foreign Currency Transactions:

Initial Recognition:

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

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

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

k) Revenue recognition:

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

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

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

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

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

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

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

iii) **Revenue from Films:**

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

- 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.

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

v) **Others:** Revenue in respect of Insurance/Other claims is recognized only when it is reasonably certain that the ultimate collection is made.

l) Employee Benefits:

i) Short-term obligations:

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

ii) Other long term employee benefit obligations:

Gratuity obligations:

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

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

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

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

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

Defined Contribution plans:

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

iii) Bonus Plan:

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

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

m) Taxes on Income:

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

i) Current tax:

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

ii) Deferred tax:

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

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

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

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

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

Presentation of current and deferred tax:

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

iii) Minimum Alternative Tax ('MAT'):

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

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

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

q) Leases:

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

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

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

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

As a Lessor:

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

r) Segment Reporting:

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

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

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

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

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 EQUIPMENT (PPE)

(₹ in Lakhs)

Description of Assets	As at March 31,2021	As at March 31,2020
Carrying Amount of		
Cinematography Machinery	3.14	4.81
Plant & Machinery	-	-
Computers	38.31	8.90
Motor car	122.98	160.99
Furniture and Fixtures	5.29	2.52
Office Equipments	34.35	3.35
Total	**204.07**	**180.57**

(₹ in Lakhs)

Description of Assets	Cinematography Machinery	Plant & Machinery	Furniture & Fixtures	Office Equipments	Motor car	Computer	Total
GROSS BLOCK							
Balance As at April 01, 2019	40.31	5.36	47.27	135.38	797.79	23.49	1,049.59
Additions	-	-	1.63	0.65	51.06	7.26	60.60
Disposal	-	-	-	-	32.50	-	32.50
Balance As at March 31, 2020	**40.31**	**5.36**	**48.90**	**136.03**	**816.34**	**30.75**	**1,077.69**
Balance As at April 01, 2020	40.31	5.36	48.90	136.03	816.34	30.75	1,077.69
Additions	-	-	3.79	35.08	-	37.13	76.00
Disposal	-	-	-	-	42.13	-	42.13
As at March 31, 2021	**40.31**	**5.36**	**52.69**	**171.11**	**774.21**	**67.88**	**1,111.56**
DEPRECIATION							
Balance As at April 01, 2019	32.31	5.36	44.89	128.64	608.68	20.46	840.34
Depreciation charge for the year	3.19	-	1.49	4.04	79.17	1.40	89.29
Disposal	-	-	-	-	32.50	-	32.50
Balance As at March 31, 2020	**35.50**	**5.36**	**46.38**	**132.68**	**655.35**	**21.86**	**897.13**
Balance As at April 01,2020	35.50	5.36	46.38	132.68	655.35	21.86	897.13
Depreciation charge for the year	1.68	-	1.01	4.08	38.01	7.72	52.50
Disposal	-	-	-	-	42.13	-	42.13
Balance As at March 31, 2021	**37.17**	**5.36**	**47.40**	**136.76**	**651.23**	**29.58**	**907.50**
NET BLOCK VALUE							
As at March 31, 2021	3.14	-	5.29	34.35	122.98	38.31	204.07
As at March 31, 2020	4.81	-	2.52	3.35	160.99	8.90	180.57

Note:

The company has borrowed from banks which carry charge over certain of the above PPE (Refer Note 32(8))

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

4 INVESTMENT PROPERTY

I Investment property (at cost less accumulated depreciation)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening	1,764.46	1,764.46
Add : Additions	-	-
Less: Disposal	-	-
Closing	1,764.46	1,764.46
Less : Accumulated depreciation		
Opening	481.84	453.17
Add: Depreciation/Amotisation	28.66	28.67
Less : Disposal	-	-
Closing	510.50	481.84
Net block	**1,253.96**	**1,282.62**

II Information regarding income and expenditure of Investment property

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Rental income derived from investment properties	110.92	107.44
(b) Profit arising from investment properties before depreciation and indirect expenses		
Less – Depreciation	28.66	28.67
Less – Property Tax & Maintence Charges	8.40	8.40
Profit arising from investment properties before indirect expenses	73.86	70.37

III Fair Value

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Investment Properties	2,818.22	2,818.22

IV Estimation of fair value

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

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

5 NON-CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	No of Shares As at March 31, 2021	No of Shares As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
(1) Investment in fully paid-up Equity Shares (Unquoted) (at Cost)				
Label Mobile Media Private Limited Equity shares of ₹ 10/- each	5,000	5,000	0.50	0.50
(2) Mutual Funds (Quoted)				
Investment carried at fair value through Profit & Loss				
Baroda Overnight Fund	63,506.281	14,139.51	685.74	148.18
Baroda Large cap & midcap Fund	199,980.001		25.62	
Baroda Banking & PSU Fund	499,975.001		50.02	
SBI Artigrage Opportunities Fund	-	961,642.02	-	254.52
SBI Overnight Fund	31,093.642	4,889.05	1,042.17	159.08
Total			**1,804.05**	**562.28**
Aggregate carring value of quoted investments and market value thereof			-	-
Aggregate carring value of unquoted investments			1,804.05	562.28
Aggregate provision for impairment in the value of investments			-	-

6 LOANS AND DEPOSITS (NON CURRENT) (UNSECURED, CONSIDERED GOOD)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
a] Security Deposits -Others	18.96	13.24
Total	**18.96**	**13.24**

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

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Bank Deposits with more than 12 month maturity period	13.57	12.86
Total	**13.57**	**12.86**

i] Fixed deposit of Rs.13.57 Lacs (Previous year Rs.12.86 lacs) includes electricity deposit of Rs.13.44 lacs (Previous year Rs.12.73 lacs)

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

8 OTHER FINANCIAL ASSETS (NON-CURRENT) (UNSECURED, CONSIDERED GOOD)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
a] Advances Given for Digital Rights	393.64	600.00
b] Deposits with Government Authorties	52.10	67.56
c] Capital Advances	3.31	
Total	**449.05**	**667.56**

9 TRADE RECEIVABLES(UNSECURED, CONSIDERED GOOD)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivables		
Unsecured, considered good	1,507.06	1,814.32
Credit impaired	8.25	8.25
Less: Provision for loss allowance	(8.25)	(8.25)
Total	**1,507.06**	**1,814.32**

10 CASH & CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
a] Cash on Hand	8.17	6.63
b] Balance with Banks in Current Accounts		
- Current Account	252.14	50.70
- Other Bank Balances	0.21	0.20
c] Bank Deposits with Maturity Less 3 months	2,850.40	2,538.50
Total	**3,110.92**	**2,596.03**

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
a] Bank Deposits with 3-12 months- Maturity @	231.66	29.74
b] Earnarked Balance with Banks (Unclaimed Dividend)	5.89	5.90
Total	**237.55**	**35.64**

@ These deposits are in the form of Fixed Deposit of Rs.200 Lakhs (Previous year Nil) & Bank Guarantee Rs. 31.66 Lakhs (Previous Year Rs 29.74 Lakhs)

12 OTHER FINANCIAL ASSETS (UNSECURED, CONSIDERED GOOD)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
a] Security Deposit against Premises to Related Parties	500.00	500.00
b] Security Deposits -Others	10.00	10.00
c] Loans to Employees	17.19	22.75
Total	**527.19**	**532.75**

13 CURRENT TAX (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance payment of Income tax and Tax Deducted at Source		
(net of Provision for Taxation Rs. 20,49,52,180 (L/Y 785,50,791)	104.38	427.13
Total current tax assets (net)	**104.38**	**427.13**

14 OTHER CURRENT ASSETS LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
a] Advances for film Projects in Hand	3,929.25	255.25
b] Advances for Music Audio & Video Rights	1,134.03	299.29
c] Prepaid Expenses	0.02	2.73
d] Balances with Government Authorties	489.46	178.82
e] Others	39.22	154.54
Total	**5,591.98**	**890.63**

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

15 EQUITY SHARE CAPITAL (REFER NOTE 32(3))

(₹ in Lakhs)

Particulars		As at March 31, 2021		As at March 31, 2020	
		Number of Shares	Amount	Number of Shares	Amount
a]	Authorised 20,000,000 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
c]	Buyback of shares 1,350,000 shares Rs.10/- per share	(1,350,000)	(135.00)	-	-
Total		**12,968,659**	**1,296.87**	**14,318,659**	**1,431.87**

16 OTHER EQUITY

(₹ in Lakhs)

Particulars		As at March 31, 2021	As at March 31, 2020
1	General Reserves	416.25	551.25
2	Securities Premium Reserve	43.72	1,798.72
3	Capital Redemption Reserve	433.72	298.72
4	Retained Earnings	7,935.21	3,957.25
Total		**8,828.90**	**6,605.94**

1 General Reserves

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the Beginning of the year	551.25	551.25
Less: Transferred to Capital Redemption Reserve	(135.00)	-
Balance at the end of the year	**416.25**	**551.25**

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

2 Securities Premium Reserve

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the Beginning of the year	1,798.72	1,798.72
Less:Buyback of Shares	(1,755.00)	-
Balance at the end of the year	**43.72**	**1,798.72**

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

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

3 Capital Redemption Reserve (₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the Beginning of the year	298.72	298.72
Add: Transferred from General Reserves	135.00	-
Balance at the end of the year	**433.72**	**298.72**

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

4 Retained Earnings (₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the Beginning of the year	3,957.24	2,994.35
Net profit for the period	4,346.88	1,133.93
Other comprehensive income for the year		
Remeasurement gain (loss) of post employment benefit obligations (net of taxes)	8.42	1.59
Tax on buyback of Shares	(182.80)	-
Dividend Paid	(194.53)	(143.19)
Dividend Distribution Tax Paid	-	(29.43)
Balance at the end of the year	**7,935.21**	**3,957.25**

17 BORROWINGS (REFER NOTE TO ACCOUNTS NO. 32 (8)) (₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured Term Loans		
(a) From Bank	-	188.98
Total	**-**	**188.98**

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

18 DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax Liabilities		
Property, plant, equipment and investment property	267.99	276.90
Others	9.63	3.28
Deferred Tax Assets	-	-
Employees benefit Obligations	(39.25)	(9.79)
Provision for loss allowance	(2.83)	(2.40)
Total	**235.54**	**267.99**

19 EMPLOYEE BENEFIT OBLIGATIONS(NON CURRENT)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Gratuity (Refer Note No.32(14))	25.65	27.98
Total	**25.65**	**27.98**

20 OTHER NON CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance from Customers	3,598.22	-
Total	**3,598.22**	**-**

21 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Total outstanding dues of micro and small enterprises (Refer Note No 32(9))	-	-
(b) Total outstanding dues of Creditors other than micro and small enterprises	627.43	425.87
Total	**627.43**	**425.87**

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

22 OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Unclaimed Dividends **	5.89	5.90
(b) Security Deposit	24.00	24.00
Total Other Financial Liabilities	**29.89**	**29.90**

** 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.

23 EMPLOYEE BENEFIT OBLIGATIONS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Gratuity (Refer Note no 32(14))	1.26	1.19
Total	**1.26**	**1.19**

24 OTHER CURENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Advances from Customers	140.05	0.37
(b) Amount payable to Government Authorities	38.93	35.54
Total	**178.98**	**35.91**

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

25 REVENUES FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Sale of Services		
Income from Satelite Rights Films	-	(709.02)
Income from Web Series	-	16.00
Licence fees	9,053.00	9,792.10
Total Revenue from Operations	**9,053.00**	**9,099.08**

a] Disaggregation of revenue from contracts with customers

(₹ in Lakhs)

Revenue by Geography	License Fees (Audio/ Video)		Film Production/ Distribution/ Web Series	
	Year Ended March 31, 2021	Year Ended March 31, 2020	Year Ended March 31, 2021	Year Ended March 31, 2020
Domestic	3,921.89	5,839.94	-	(693.02)
International	5,131.11	3,952.16	-	-
	9,053.00	**9,792.10**	**-**	**(693.02)**
Timing of Revenue Recongnition				
Services transferred at a point in time	9,053.00	9,792.10	-	(693.02)
Total Revenue from Contracts with Customers	**9,053.00**	**9,792.10**	**-**	**(693.02)**

b] Contract Balances

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

(₹ in Lakhs)

	Year Ended March 31, 2021	Year Ended March 31, 2020
Receivables, which are included in 'trade and other receivables' Refer Note No 9	1,507.06	1,814.32
Advance received from Customers Refer Note No 20 &24	3,738.27	0.37

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

26 OTHER INCOME

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest Income		
On Fixed Deposits with banks	117.64	75.17
Rent Income	110.92	107.44
Provisions for/(Write back of) doubtful debts and advances	2.96	11.47
Advances Written Back	195.00	48.00
Profit on Sale of Assets	3.50	7.75
Insurance Claim Received	8.35	1.06
Foreign Exchange Gain	3.99	2.07
Profit on Sale of Investments	1.49	4.53
Fair value gain on Mutual Fund at FVTPL	45.29	57.54
Other Non-operating Income	0.08	1,467.82
Total	**489.22**	**1,782.85**

27 COST OF PRODUCTIONS/DISTRIBUTION OF FILMS

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Opening-		
Cost of Under Production films	-	-
Unamortised cost at beginning of the year	-	2,866.04
Add: Cost incurred during the year	-	-
Less Closing-	-	-
Unamortised cost at the close of the year	-	-
Cost of underproduction films carried forward	-	-
Total	**-**	**2,866.04**

28 EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Salary, Wages & Bonus	779.11	708.22
Contribution to Provident and other Funds	9.79	9.67
Gratuity	13.73	11.37
Staff Welfare Expenses	4.18	13.42
Total	**806.81**	**742.68**

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

29 FINANCE COSTS

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest Paid to Banks	2.09	2.47
Interest on Loan to Directors	-	25.86
Total	**2.09**	**28.33**

30 DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Depreciation of property,plant and equipment	52.50	89.29
Amortization on Investment Property	28.67	28.67
Total	**81.17**	**117.95**

31 OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Electricity Expenses	3.95	8.67
Rent	102.42	103.38
Repairs & Maintainence :		
-Office Premises	182.54	10.70
Insurance	252.55	166.14
Rates and Taxes	19.30	1,114.18
Legal and Professional	507.16	402.43
Corporate Social Responsibilty	-	59.71
In-house Music Production/Acquistion Cost	863.46	1,100.75
Advertisement Expenses	455.62	842.49
Travelling and Conveyance	11.15	26.39
Audit Fees		
-Statutory Fees	12.00	14.50
-Out of pocket expenses	0.05	0.21
Donation	43.62	30.70
Bad Debts and Advances Written Off	27.99	1,446.75
Miscellaneous Expenses	247.93	364.34
Total	**2,729.74**	**5,691.34**

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

32 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

(₹ in Lakhs)

Particulars	As At March 31, 2021	As at March 31, 2020
Penalty under FEMA Act*	90.00	90.00

* 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.

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

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

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

3] Provision for Tax

The company proposes to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. The Company accordingly has recognized Provision for Income Tax for the year ended March 31, 2021 and re-measured its Deferred Tax Liability on the basis the rate prescribed in the said section.

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

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current Tax		
Current Tax on Profit for the Year	1,473.91	323.00
Excess provision for the earlier years written back	136.90	-
Deferred tax liability	(35.28)	(21.35)
Total Current Tax	1,575.53	301.65
Total	**1,575.53**	**301.65**

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

B. Amounts recognised in other comprehensive income

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit liability (asset)		
Before tax	(11.25)	(2.23)
Tax (expenses)/ benefit	2.83	0.64
Net of taxes	**(8.42)**	**(1.59)**

C. Reconciliation of effective tax rate

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Profit Before Tax	5,922.41	1,435.58
Tax using the Company's domestic tax rate of 25.17 % (PY 29.12%)	1,490.67	418.04
Tax effect of :		
On account of change in Tax Rate	(36.40)	(36.87)
Tax deduction Chapter VIA	(5.49)	(4.47)
Others	126.74	(75.04)
	1,575.53	**301.65**

D. Movement in deferred tax balances

(₹ in Lakhs)

Particulars	March 31, 2021					
	Net balance April 1, 2020	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset / (liabilities)						
Property, plant, equipment and investment property	(276.90)	8.91	-	(267.99)	-	(267.99)
Inventories	-	-	-	-	-	-
Employee benefits	9.79	-	29.46	39.25	39.25	-
Provision for Doubtful Debts	2.40	0.43	-	2.83	2.83	-
Others	(3.28)	(6.35)		(9.63)	-	(9.63)
Net Deferred tax assets / (liabilities)	**(267.99)**	**2.99**	**29.46**	**(235.54)**	**42.08**	**(277.63)**

Movement in deferred tax balances (₹ 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
Deferred tax asset / (liabilities)						
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)	
Net Deferred tax assets / (liabilities)	**(1,096.71)**	**829.37**	**(0.65)**	**(267.99)**	**8.91**	**(276.90)**

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, 2021 is INR 102 (in lakhs) (Previous year 103 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. 110.92 (In Lakhs) (March 31, 2020: Rs. 107.44 (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.

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.15,44,402/- (Rupees Fifteen Lakhs Forty Four Thousand Four Hundred and Two Only). However, the Company has spent Rs Nil in current Financial year and in previous year Company had spent excess of Rs.50,90,777 (Rupees Fifty Lakhs Ninety Thousand and Seven Hundred and Seventy Seven Only) towards the CSR Activities during the Financial year 2019-20.

6] Proposed Dividend

The Board of Directors at its meeting held on June 14, 2021 have recommended a payment of final dividend of Rs. 2/- (Rupees Two only) per equity share of face value of Rs.10/- each for the financial year ended March 31, 2021. The 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:

(₹ in Lakhs)

Particulars	March 31, 2021		March 31, 2020	
	No. of shares	% of holding	No. of shares	% of holding
Kumar S Taurani	2,629,800	20.28	2,881,915	20.13
Ramesh S Taurani	2,624,283	20.24	2,875,911	20.09
Varsha R Taurani	2,231,641	17.21	2,474,718	17.28
Renu K Taurani	2,226,128	17.17	2,468,718	17.24

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

(₹ in Lakhs)

Particulars	March 31, 2021		March 31, 2020	
	Number	Amount	Number	Amount
Share outstanding at the beginning of the year	14,318,659	1,431.87	14,318,659	1,431.87
Buyback of shares 13,50,000 shares @10/- per share	(1,350,000)	(135.00)	-	-
Shares outstanding at the end of the year	12,968,659	1,296.87	14,318,659	1,431.87

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

8] Borrowings :

Nature of Securities and Terms of Repayment

i] Overdraft Facilities

Overdraft Facility of Rs. Nil (March 31, 2020 Rs. 189 lacs) from two Banks are secured on first paripassu charge by way of hypothecation of Current and Future Audio Library (IPR) of the Company and also charge by way of mortgage of office premises owned by the Company situated at Mumbai and residential premises owned by the promoters. Further, personal guarantee of both the executive directors has been provided. The overdraft facility is repayable in 7 yearly equal installments at interest rate @ 11.20% p.a. Last installment dues are in August, 2021 and April, 2025 respectively.

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.

(₹ in Lakhs)

	Partiuclars	March 31, 2021	March 31, 2020
1	Principal amount remaining unpaid to any supplier as at the year end	-	-
2	Interest due thereon	-	-
3	Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
4	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED	-	-
5	Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

10] Related Party Disclosure

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

a)	**Subsidiaries where control exits**	NIL
b)	**Joint Ventures**	NIL
c)	**Key Management Personnel**	Mr. Kumar S Taurani -Chairman & Managing Director Mr. Ramesh S Taurani - Managing Director Mr. Girish K Taurani - Executive Director Mr. Sunil Chellani - Chief Financial Officer Ms. Bijal Patel - Company Secretary **Non Executive Independent Director** Ms. Radhika Dudhat Mr. Amitabh Mundhra Mr. Venkitaraman Iyer
d)	**Relatives of Key Management Personnel**	Mrs. Renu K Taurani Mrs. Varsha R Taurani Mr. Kunal K Taurani Ms. Sneha R Taurani Ms. Jaya R Taurani Ms. Raveena R Taurani Ms. Krsna G Taurani
e)	**Enterprise owned or significantly influenced by Key Management Personnel or their relatives, where transactions have taken place**	Propreitory Concern Yogisattava owned by Ms.Raveena Taurani

(₹ in Lakhs)

Particulars	March 31, 2021			March 31, 2020		
	Key Management Personnel	Relatives of Key Management Personnel	Total	Key Management Personnel	Relatives of Key Management Personnel	Total
Loan Taken	1.00	-	**1.00**	581.00	-	**581.00**
Loan Repayment	1.00	-	**1.00**	581.00	-	**581.00**
Rent Paid	-	84.00	**84.00**	-	84.00	**84.00**
Rent Received	-	13.75	**13.75**	-	12.50	**12.50**

(₹ in Lakhs)

Particulars	March 31, 2021			March 31, 2020		
	Key Management Personnel	Relatives of Key Management Personnel	Total	Key Management Personnel	Relatives of Key Management Personnel	Total
Interest Paid	-	-	**-**	25.86	-	**25.86**
Legal & Profession Fees Paid	26.92	30.00	**56.92**	22.00	30.00	**52.00**
Director Remmuneration Paid	387.00	-	**387.00**	342.74	-	**342.74**
Salary Paid	8.25	97.00	**105.25**	6.76	125.26	**132.01**
Sitting Fees paid to Non Executive Independent Director	11.00	-	**11.00**	5.95	-	**5.95**
Reimbursement of Expenses	0.42	-	**0.42**	-	4.10	**4.10**
Advance paid	40.57	-	**40.57**		0.35	**0.35**
Business Promotion Expenses	-	0.08	**0.08**	-	3.75	**3.75**
Diwali Expenses	-	-	**-**	-	3.28	**3.28**
Balances Outstanding at the year						
Payable towards Exps-Business promotion Exps	-	-	**-**	-	0.44	**0.44**
Receivable Loans	-	-	**-**	-	-	**-**
Receivable towards Debtors (Rent Receivable)	-	0.71	**0.71**	-	-	**-**
Receivable Deposits	-	500.00	**500.00**	-	500.00	**500.00**

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

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 & Web Series

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

Segment Reporting

Information about reportable segments

(₹ in Lakhs)

Particulars	March 31, 2021			March 31, 2020		
	Music (Audio/ Video)	Film Production/ Distribution/ Web series	Total	Music (Audio/ Video)	Film Production/ Distribution/ Web series	Total
Segment Revenues						
Sales & License Fees	9,053.00	-	9,053.00	9,792.10	(693.02)	9,099.08
Total	**9,053.00**	**-**	**9,053.00**	**9,792.10**	**(693.02)**	**9,099.08**

(₹ in Lakhs)

Particulars	March 31, 2021			March 31, 2020		
	Music (Audio/ Video)	Film Production/ Distribution/ Web series	Total	Music (Audio/ Video)	Film Production/ Distribution/ Web series	Total
Segment Results	7,286.19	(371.56)	6,914.63	7,721.97	(5,365.26)	2,356.70
Finance Cost	-	-	2.09	-	-	28.34
Other unallocated expenditure (net)	-	-	990.13	-	-	892.78
Profit Before Tax			**5,922.41**			**1,435.58**

(₹ in Lakhs)

Particulars	March 31, 2021				March 31, 2020			
	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	27.39	50.82	81.17	2.96	3.18	111.81	117.95
Segment non-cash expenditure other than depreciation and amortisation	-	-	-	-	-	-	-	-

(₹ in Lakhs)

Particulars	March 31, 2021			March 31, 2020		
	Music (Audio/ Video)	Film Production/ Distribution/ Web series	Total	Music (Audio/ Video)	Film Production/ Distribution/ Web series	Total
Segment Assets	1,959.58	6,530.32	8,489.90	2,571.14	591.08	3,162.22
Reconciliation to total assets						
Investment		75.64	75.64			561.78
Current Tax Assets (Net)						427.13
Other Unallocable Assets			6,257.20			4,864.50
Total Assets as per Balance Sheet	**1,959.58**	**6,605.96**	**14,822.74**			**9,015.63**

(₹ in Lakhs)

Particulars	March 31, 2021				March 31, 2020			
	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	-	-	76.00	76.00	-	-	60.60	60.60

(₹ in Lakhs)

Particulars	March 31, 2021			March 31, 2020		
	Music (Audio/ Video)	Film Production/ Distribution/ Web series	Total	Music (Audio/ Video)	Film Production/ Distribution/ Web series	Total
Segment Liabilities	4,128.27	535.12	4,663.39	392.87	8.17	401.04
Reconciliation to total liabilities						
Borrowings			-			188.98
Other Unallocable Liabilities			33.58			387.81
Total Liabilities as per Balance Sheet			**4,696.97**			**977.83**

12] Financial instruments – Fair values and risk management

A] Accounting classification and fair values

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

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

(₹ in Lakhs)

March 31, 2021	Carrying Aamount				Fair Value			
Particulars	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets								
Non Current								
Investment			0.50	0.50				
Mutual Fund	1,803.56			1,803.56	1,803.56			1,803.56
Loans and Deposits			18.96	18.96				
Other Financial Assets			13.57	13.57				
Current Assets								
Trade Receivables			1,507.06	1,507.06				
Cash & Cash Equivalents			3,110.92	3,110.92				
Bank Balances other than above			237.55	237.55				
Other Financial Assets			527.19	527.19				
Financial Liabilities								
Current Liability								
Trade Payable			627.43	627.43				
Other Financial Liabilities			29.89	29.89				

(₹ in Lakhs)

March 31, 2020	Carrying Aamount				Fair Value			
Particulars	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets								
Non Current								
Investment			0.50	0.50				
Mutual Fund	561.78			561.78	561.78			561.78
Loans and Deposits			13.24	13.24				
Other Financial Assets			12.86	12.86				
Current Assets								
Trade Receivables			1,814.32	1,814.32				
Cash & Cash Equivalents			2,596.03	2,596.03				
Bank Balances other than above			35.64	35.64				
Other Financial Assets			532.75	532.75				
Financial Liabilities								
Non Current								
Borrowings			188.98	188.98				
Current Liability								
Trade Payable			425.87	425.87				
Other Financial Liabilities			29.90	29.90				

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

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 Companys 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.3348.47 Lakhs as on March 31, 2021 (March 31, 2020 : Rs.2,631.67 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, 2021 (March 31, 2020 : Rs. 510 Lakhs). The loans and advances are in nature of rent deposit paid to landlords and are fully recoverable.

d] Trade receivables
Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

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, 2021 and March 31, 2020 the Company had unutilized credit limits from banks of Rs. 2143 Lakhs, Rs. 2668 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

(₹ in Lakhs)

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

March 31, 2020	Contractual Cash Flows						
	Carrying Amount	Total	Less than 6 months	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Current Financial Liabilities							
Trade Payables	425.87	425.87	425.87	-	-	-	-
Other Financial Liabilities	29.90	29.90	29.90	-	-	-	-

iv] Market Risk

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

a] Currency Risk

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

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

The currency profile of financial assets and financial liabilities as at 31st March, 2021 and 31st March, 2020 are as below :

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

(₹ in Lakhs)

Currency	March 31, 2021		March 31, 2020	
	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
USD	924.75	-	551.21	-
Euro	0.61	6.57	-	
GBP	61.20	-	56.33	-
TOTAL	**986.56**	**6.57**	**607.54**	**0.00**

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

(₹ in Lakhs)

Currency	March 31, 2021	March 31, 2020
USD	924.75	551.21
Euro	(5.96)	-
GBP	61.20	56.33
TOTAL	**979.99**	**607.54**

iii) Sensitivity analysis

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

(₹ in Lakhs)

Effect in INR	March 31, 2021		March 31, 2020	
	Profit or Loss		Profit or Loss	
	Strenghtening	Weakening	Strenghtening	Weakening
USD - 10 % Movement	92.48	(92.48)	55.12	(55.12)
Euro - 10 % Movement	-0.60	0.60	-	-
GBP - 10 % Movement	6.12	(6.12)	5.63	(5.63)

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

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Borrowings		
Fixed Rate Borrowings	-	-
Variable Rate Borrowings	-	188.98

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.

(₹ in Lakhs)

INR	Profit or (loss)	
	100 bp increase	100 bp decrease
March 31, 2021		
Variable-rate instruments	-	-
Cash flow sensitivity (net)	**-**	**-**
March 31, 2020		
Variable-rate instruments	(188.98)	188.98
Cash flow sensitivity (net)	**(188.98)**	**188.98**

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

c] Price Risk

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

13] Capital Management

a] Risk Management

The Company's capital management objectives are:

- safeguard their ability to continue as A going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

- maintain an optimal capital structure to reduce the cost of capital

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

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

b] Dividend on equity shares

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Dividend declared and paid during the year		
Final Dividend for the year ended March 31,2021 of Re. 1.50 (March 31, 2020 - Re 1.00- per fully paid share (along with Dividend distribution tax)	194.53	172.63
Proposed Dividend not recognised ar the end of the reporting period		
In addition to the above dividend, since year end the directors have recommended the payment of final Dividend for the year ended of Rs. 2/- (March 31,2020 - Re 1.50/- per fully paid share (along with Dividend distribution tax). The proposed dividend is subject to the approval of shareholder in the ensuing annual general meeting. Hence no liability has been recognised in books	259.37	194.53

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

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. 9.00 Lacs for year ended March 31, 2021 (Rs. 8.73 Lacs for year ended March 31, 2020) provident fund contributions in the Statement of Profit and Loss.

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

ii] Post Employment Defined Benefit Plans :

Gratuity

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2021. 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:

(₹ in Lakhs)

Particulars	March 31,2021	March 31,2020
Present value of obligation at the beginning of the year	116.87	107.73
Current service cost	11.28	10.14
Interest cost	7.87	8.15
Remeasurements (gains) / losses		
Actuarial (gain)/ loss arising from changes in financial assumptions	0.85	9.73
Actuarial (gain)/ loss arising from changes in experience adjustments	(11.99)	(11.89)
Benefits paid	(3.96)	(7.00)
Present value of obligation at the end of the year	**120.91**	**116.87**

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

(₹ in Lakhs)

Particulars	March 31,2021	March 31,2020
Fair value of plan assets at the beginning of the year	87.68	60.95
Interest Income	6.28	4.90
Remeasurements gains / (losses)		
Return on plan assets (excluding amount included in net interest cost)	(0.76)	0.07
Contributions by employer	4.75	28.77
Benefits paid	(3.96)	(7.00)
Fair value of plan assets at the end of the year	**94.00**	**87.68**
c] Reconciliation of the present value of the defined benefit obligation and the fair value of plan assets:		
Present value of obligation at the end of the year	120.91	116.87
Fair value of plan assets at the end of the year	94.00	87.68
Liabilities recognised in the balance sheet	**26.91**	**29.18**
d] Actual Return of Plan Assets	5.52	4.97
e] Re-measurements losses/(gains) recognised in the Other Comprehensive Income		
Return on plan assets (excluding amount included in net interest cost)	0.76	(0.07)
Effect of changes in financial assumptions	0.85	9.73
Effect of changes in experience adjustments	(11.99)	(11.89)
Total re-measurement included in Other Comprehensive Income	**(10.39)**	**(2.23)**
f] Expense recognised in Statement of Profit or Loss:		
Current service cost	11.28	10.14
Net interest cost	1.59	3.26
Total expense recognised in Statement of Profit and Loss (refer note 28)	12.87	13.40
g] Category of plan assets:	in %	in %
Fund with Life Insurance Corporation of India	100	100

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

(₹ in Lakhs)

	Particulars	March 31,2021	March 31,2020
h]	**Maturity profile of defined benefit obligation:**		
	Within 1 year	1.26	1.20
	1 - 2 years	18.96	1.35
	2 - 3 years	1.23	22.65
	3 - 4 years	1.37	1.25
	4 - 5 years	1.55	1.39
	5 - 10 years	66.14	64.62
i]	**Principal actuarial assumptions:**		
	Discount rate	6.70%	6.77%
	Salary growth rate	10%	10%
	Mortality Rate during employment	IALM (2012-14) Ult.	IALM (2006-08) Ult.

j]	**Sensitive Analysis**	**Discount Rate**	
		PVO DR + 1%	PVO DR - 1%
	PVO	109.63	134.17
		Salary Escalation Rate	
		PVO ER + 1%	PVO ER - 1%
		133.54	109.91

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

iii] Leave Obligation

The Company provides leave to employees. The employees at the end of the financial year can carry forward their balance leave to the subsequent financial year and it gets lapsed if not availed in that subsequent financial year. The Company Rules does not provide encashment of Leave at any time during the tenure of employment and also on retirement or termination. The Company records a provision for leave obligation at the end of the financial year. The total provision recorded by the Company towards this obligation was Rs 3.01 lakhs and Rs. 3.37 lacs as at March 31, 2021 and March 31, 2020

iv] Risk Exposure

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

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

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

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

15] 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, 2021.

16] Earnings per share (EPS)

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

a] Profit attributable to Equity holders of company (₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Profit/(Loss) attributable to equity shareholders		
Continuing Operation	4,346.88	1,133.93
Profit attributable to equity holders of the Company for basic earnings	4,346.88	1,133.93
Profit attributable to equity holders of the Company adjusted for the effect of dilution	4,346.88	1,133.93

b] Weighted average number of ordinary shares (₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Issued ordinary shares at April 1	143.18	143.18
Weighted average number of shares at March 31 for basic and Diluted EPS	132.87	143.18

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

c] Basic and Diluted earnings per share

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Basic earnings per share	32.72	7.92
Diluted earnings per share	32.72	7.92

17] The Board of Directors of the Company at its meeting held on May 10, 2021 has considered and approved to restructure the business of the Company by way of a Scheme of Arrangement and Demerger ("Scheme") whereby the Film Business Undertaking ("Film Division") of Tips Industries Limited ("Demerged Company") will be demerged into the "Tips Films Limited "Company as a going concern basis with effect from the Appointed Date of April 1, 2021. The said Scheme would be subject to requisite approvals of the National Company Law Tribunal, BSE Limited, National Stock Exchange of India Limited, Securities and Exchange Board of India and other statutory / regulatory authorities, including those from the shareholders and/or creditors of the Demerged Company. The Company is in the process of filing the Scheme with the concerned authorities. Pending necessary regulatory approvals and other compliances, no adjustments have been made in the books of account.

18] Towards the end of the financial year 2020-2021, the 2nd wave of COVID-19 pandemic caused operational disturbances even before the 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 activity has led to diminished revenues, posed chanllenges in collections of contracted revenues and impeded contract renewals. The Company is bracing for a challenging year ahead. Based or the current indications of future economic conditions, the management expects to recover carrying amounts of Non-Current and Current Assets. This assessment and the outcome of the pandemic as regards the aforesaid matters is highly dependent on circumstances/developments as they evolve in the subsequent periods.

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 : June 14, 2021

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

Kumar S. Taurani
Chairman & Managing Director
DIN : 00555831

Ramesh S. Taurani
Managing Director
DIN : 00010130

Bijal Patel
Company Secretary
CS Membership No. : 30140

Sunil Chellani
Chief Financial Officer

Place : Mumbai
Date : June 14, 2021

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FLAGSHIP CHANNEL

The Must Have HITS

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Bhakti Prem

YouTube/BhaktiPrem

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YouTube/TipsPunjabi

HARYANVI

YouTube/TipsHaryanvi

भोजपुरी

YouTube/TipsBhojpuri

MARATHI

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GUJARATI

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IBADAT

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JHANKAR GAANE

YouTube/TipsJhankar

NEWLY LAUNCHED

TELUGU

YouTube/TipsTelugu

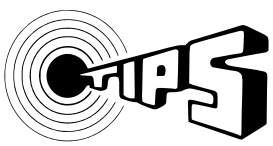
NEWLY LAUNCHED

90's GAANE

YouTube/90sgaane

VOLUME

YouTube/Volume



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