

**Tips Industries Limited**

Annual Report 2022-23



**The Must Have HITS**



**MUSIC:  
UNLOCKING  
THE MAGIC  
OF SOUND**

# CONTENTS



**01** Music: Unlocking The Magic of Sound

**02** Chairman's Message to Shareholders

**04** CEO Speak

**08** Corporate Information

**09** Notice

**22** Board's Report & Management  
Discussion and Analysis

**45** Corporate Governance Report

**64** Business Responsibility and  
Sustainability Report

**86** Auditors' Report

**96** Financial Statements

# MUSIC: UNLOCKING THE MAGIC OF SOUND

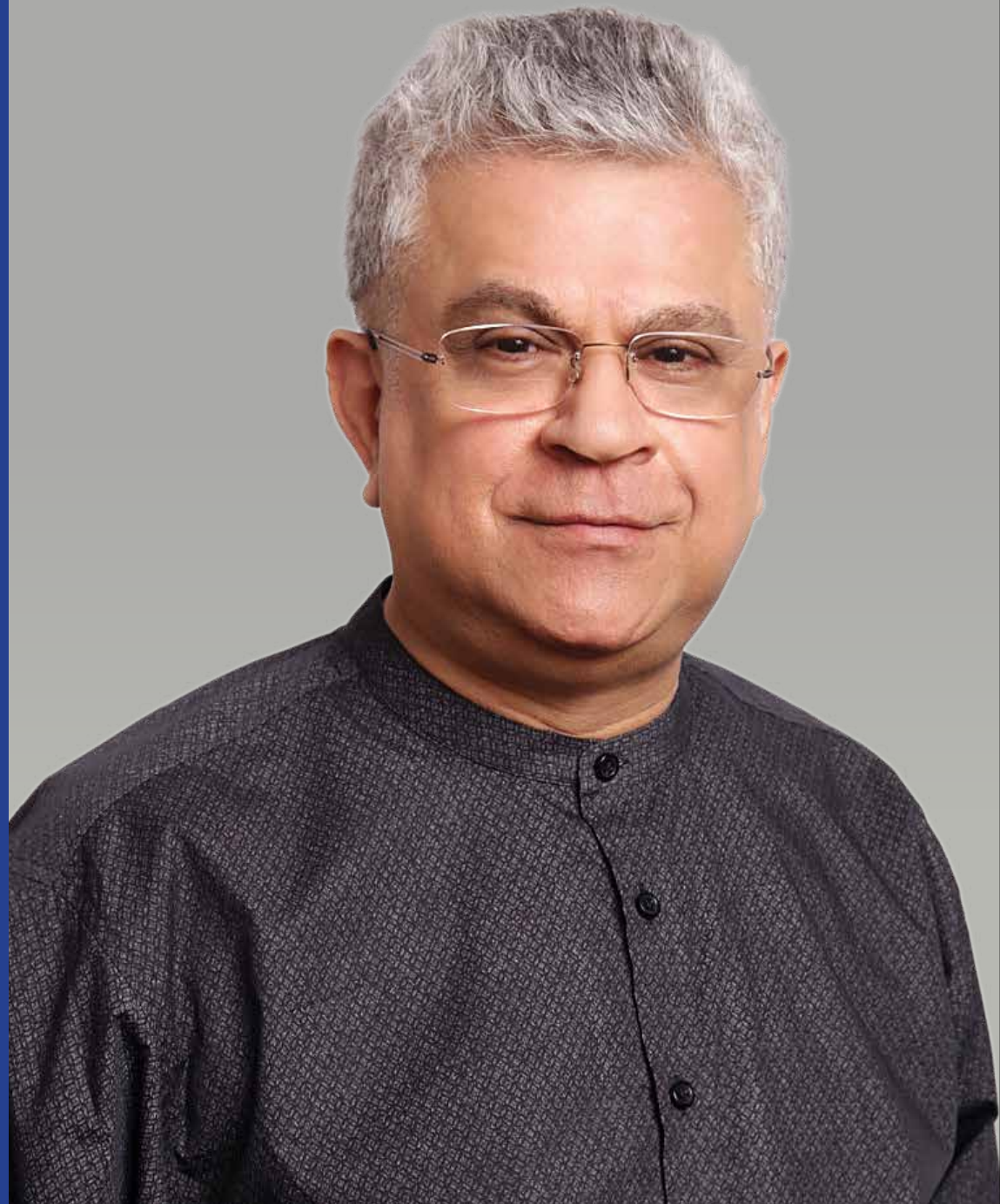


Unlocking the magic of sound is an extraordinary journey that traverses beyond borders and boundaries, captivating hearts and souls with its unifying force. At the forefront of this captivating realm stands Tips Industries Limited, a pioneering Indian music label that embarks on the creation and monetization of music. With an extensive and diverse catalogue spanning film, non-film, devotional, pop, and remixes in various languages including Hindi, Punjabi, Gujarati, and Bhojpuri, Tips Industries Limited encompasses every genre of popular Indian music. This vast collection is licensed to numerous over-the-top (OTT) video platforms, social media platforms, content aggregators, television channels, telecom companies, radio stations, advertisers, event management companies, hotels, restaurants, and many others. In this era of innovation, social media and gaming platforms have emerged as novel avenues for monetization. With a remarkable track record of several years, Tips Industries Limited has consistently showcased its prowess in creating exceptional music and acquiring valuable music-related intellectual property rights (IPR), cementing its position as a thought leader of the industry.



# CHAIRMAN'S MESSAGE TO SHAREHOLDERS

"Music is a uniting force that transcends borders and yet remains undervalued. Even in developed markets where subscription streaming is widely accepted, subscription rates per hour of music consumed remain far below the rates of film or television based entertainment."



**Dear Fellow Shareholders,**

The period from FY2014 to FY2023 has been a remarkable and unforgettable journey. In FY2014, our total debt amounted to Rs. 133 crore. Over the course of these years, we successfully repaid the entire debt of Rs. 133 crore, along with accumulated interest of Rs. 54.5 crore. Additionally, we made substantial investments of Rs. 157.3 crore in new content, distributed dividends to shareholders amounting to over Rs. 24 crore (including dividend distribution tax), conducted buybacks totalling Rs. 68.9 crore, and ultimately concluded FY23 with cash and investments exceeding Rs. 117 crore. This serves as a glimpse into the captivating process of Unlocking the Power of Sound. We also follow the most conservative accounting policy in the entire music sector since inception of the Company (100% content cost written off in the year of release).

Music possesses the unique ability to unite people across borders, yet its true value often goes unrecognized. Even in developed markets where subscription streaming is widely embraced, the rates of music subscription, per hour of consumption, remain significantly lower compared to film or television entertainment. In India, the subscription journey is still in its early stages. Therefore, our focus remains on nurturing artists and cultivating a high-quality repertoire. By leveraging knowledge and innovation, we aim to facilitate fans' connection with their favourite artists and music in the ways they desire.

We are pleased to highlight the success of our album releases, as there are several remarkable musical gems worthy of mention. In brief, our top 5 albums collectively recorded over 1 billion streams, with notable performances by "Ponniyin Selvan-1" at 498 million streams, "Freddy" at 157 million streams, "Saunkan Saunkne" at 142 million streams, "Moh" at 132 million streams, and "Bajre Da Sitta" at 94 million streams. Additionally, our recreations of "Yai Re" garnered 43 million streams, while the LoFi Mixes of "Dil Laga Liya Maine" and "Jeene Laga Hoon" recorded over 76 million and 46 million streams respectively.

We are actively engaged in creating and acquiring new intellectual property. FY2024 will witness a greater number of film and non-film

**Key milestones achieved during our journey from 2014 to 2023 include the successful repayment of Rs. 133 crore in debt, along with an additional Rs. 54.5 crore in accumulated interest. Shareholders were rewarded with dividends exceeding Rs. 24 crore, and buybacks totalling Rs. 68.9 crore were conducted. Notably, we also invested Rs. 157.3 crore in creating new content. It's important to note that, in accordance with our accounting policy, the entire cost of new content is written off in the year of its release.**

music releases from the Tips label. Currently, both music and technology are driving the growth of our business. We firmly believe that advancements in technology, particularly in social media, digital health/fitness, and gaming, present exciting new market opportunities.

Expanding upon these advancements, we anticipate the streaming market's reach to grow through the penetration of Smart Audio Devices such as smartwatches, earbuds, Smart TVs, and Connected Cars. These developments have the potential to increase engagement and consumption, while also supporting new listening habits, thus becoming powerful drivers for customer acquisition and retention.

In light of these promising developments, we envision a future brimming with opportunities. Bon Voyage!

**Jai Hind**  
**Kumar Taurani**

# CEO SPEAK:

## THOUGHTS FROM THE GLOBAL LEADERS OF MUSIC INDUSTRY

**Sir Lucian Grainge**, *Chairman & CEO, Universal Music Group*

### *On Leadership*

“Being a leader is not necessarily about market share and size, it’s about being ahead – and we want to be ahead.”

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### *On Business*

“We Have To Be An Organization Of Great Characters... [But] Everyone That Works For Me Has To Be Able To Count, And They Have To Be Able To Say No.”

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### *On Artificial Intelligence*

“ChatGPT can write a poem; it can write lyrics. Is this a tool that artists will use to enhance the quality of their music? Or is it a disruptive threat?”

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“For some companies, technology is the highest form of art; for us the highest form of art is music.”

Source : <https://www.musicbusinessworldwide.com/sir-lucian-grainge-we-can-accelerate-artists-careers-beyond-any-other-structure/>

Source : <https://www.musicbusinessworldwide.com/sir-lucian-grainge-everyone-that-works-for-me-has-to-be-able-to-count-and-they-have-to-be-able-to-say-no/>

# CEO SPEAK:

## THOUGHTS FROM THE GLOBAL LEADERS OF MUSIC INDUSTRY

**Rob Stringer**, *Chairman of Sony Music Group and CEO of Sony Music Entertainment*

### *On Emerging Markets*

“If you look at the calculations of smartphone use with music revenue built in, from where we are today at 6% to where it will be potentially in 2030, that’s going to come from emerging markets [with] huge amounts of revenue.”

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### *On Music’s Value*

“We don’t want our music to be under-sold – that’s a very important point: We don’t want to ever under-value music. I don’t want a great song to be competing with two minutes of someone snoring in Lapland; I don’t think it’s the same thing. A piece of art is different to a piece of noise.”

“Recently, we have seen price increases from a number of our digital partners that have been long overdue, and we look forward to more DSPs recognising that the value of music continues to rise.”

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### *On Artificial Intelligence*

“AI promises to provide us tools so that our artists and writers can create and innovate. It also heralds greater levels of insight through machine learning, as well as potential new licensing channels and avenues for commercial exploitation.”

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“We supported Spotify going into India; that was not an uncomplicated negotiation, but we got it done because we understood that we needed them to have a chance of being a potential player [there].”

Source : <https://www.musicbusinessworldwide.com/rob-stringer-talks-strategy-tencent-and-why-sonys-music-is-worth-more-than-2-minutes-of-someone-snoring-in-lapland/>

Source : <https://musically.com/2023/05/24/sony-music-boss-warns-of-music-streamings-meaningless-volume/>

Source : <https://faroutmagazine.co.uk/sony-music-chairman-rob-stringer-ai-music-industry/>

# CEO SPEAK:

## THOUGHTS FROM THE GLOBAL LEADERS OF MUSIC INDUSTRY

**Robert Kyncl, CEO, Warner Music Group**

### *On Music Pricing*

“Music is undervalued, and this is not my opinion – there are actually numbers to back it up. If you take the US, the price that the user pays per hour of consumption of music is half of what they pay for movies and TV shows on streaming services.”

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### *On Artificial Intelligence*

“It is crucial that any AI generative platform discloses what their AI is trained on and this must happen all around the world. Europe is leading by example, with the EU Artificial Intelligence Act. The European Parliament is considering amendments which would codify the position that copyrighted content may not be used to train AI without prior authorization from the rightsholders, and would require AI developers to disclose a summary of the materials they use to train AI.”

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Source : <https://mixmagmena.com/read/warner-music-ceo-robert-kyncl-says-streaming-platforms-should-increase-prices-news>

Source : <https://www.musicbusinessworldwide.com/ed-sheeran-stream-is-not-worth-the-same-as-a-stream-robert-kyncl-says-music-streaming-payout/>

Source : <https://www.musicbusinessworldwide.com/ed-sheeran-stream-is-not-worth-the-same-as-a-stream-robert-kyncl-says-music-streaming-payout/>



“Recent price increases [at certain music streamers] have been successful and are a move in the right direction, but this should be just the first step. Those subscription services which have raised prices have done the fiscally prudent thing – for themselves, their shareholders, and the creative community and there is no sign that they are seeing elevated churn.”



## Our Corporate Culture



### Our Purpose:

Deliver Entertainment



### Our Mission:

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



### Our Vision:

To be amongst the Top 3 music companies in India.



### Our Core Values:

- Honesty
- Commitment
- Teamwork
- Passion
- Positive attitude

# CORPORATE INFORMATION

## BOARD OF DIRECTORS:

<b>Mr. Kumar Taurani</b>	<i>Chairman &amp; Managing Director</i>
<b>Mr. Ramesh Taurani</b>	<i>Executive Director</i>
<b>Mr. Girish Taurani</b>	<i>Executive Director</i>
<b>Mr. Amitabh Mundhra</b>	<i>Independent Director</i>
<b>Mrs. Tara Subramaniam</b>	<i>Independent Director</i>
<b>Mr. Shashikant Vyas</b>	<i>Independent Director</i>

## CHIEF FINANCIAL OFFICER:

**Mr. Sushant Dalmia** (from December 15, 2022)  
**Mr. Sunil Chellani** (till December 14, 2022)

## COMPANY SECRETARY & COMPLIANCE OFFICER:

**Ms. Bijal R. Patel**

## REGISTERED OFFICE:

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

## CORPORATE OFFICE:

2<sup>nd</sup> Floor, Raheja Chambers,  
Linking Road and Main Avenue  
Santacruz (West), Mumbai - 400 054

## STATUTORY AUDITORS:

### **SSPA & Associates**

Chartered Accountants  
1<sup>st</sup> Floor, Arjun, Plot No. 6A, V. P. Road,  
Andheri (West), Mumbai - 400 058

## INTERNAL AUDITORS:

### **Grant Thornton Bharat LLP**

11<sup>th</sup> Floor, Tower II,  
One International Centre, S B Marg,  
Elphinstone (West), Mumbai - 400 013

## SECRETARIAL AUDITORS:

### **NL Bhatia & Associates**

507, Skyline Wealth Space, 5<sup>th</sup> Floor,  
C2 Wing, Skyline Oasis Complex,  
Premier Road, Near Vidyavihar Station,  
Ghatkopar (West), Mumbai - 400 086

## REGISTRAR & SHARE TRANSFER AGENT:

### **Link Intime India Pvt. Ltd.**

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

## BANKERS:

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

# Notice of the Annual General Meeting

**NOTICE** is hereby given that the 27<sup>th</sup> Annual General Meeting of the Members of Tips Industries Limited will be held on **Thursday, August 10, 2023 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, 2023, 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, 2023.\*
3. To appoint a director in place of Mr. Ramesh Taurani (DIN: 00010130), who retires by rotation and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS:

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

**"RESOLVED THAT** pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with rules made thereunder and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to all applicable approvals, permissions and such conditions as may be prescribed by any of the concerned authorities while granting such approvals, basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into, contract(s)/ arrangement(s)/ transaction(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) as mentioned in the explanatory statement with Tips Films Limited for the Financial Year 2023-24, for an aggregate value of up to Rs. 30 Crores, subject to such contract(s)/ arrangement(s)/ transaction(s) being carried out at arm's length and in the ordinary course of business of the Company.

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

Place: Mumbai

Date: May 12, 2023

**By Order of the Board of Directors**

**Bijal R. Patel**

**Company Secretary**

## Registered Office:

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

\*The actual equity dividend to be declared by the shareholders at the 27<sup>th</sup> Annual General Meeting will be for only equity shares other than the equity shares in respect of which equity shareholder(s) has/have waived/forgone his/their right to receive the dividend for the financial year ended March 31, 2023 in accordance with the rules framed by the Board as per Note No.11 hereinafter appearing.

## Notes:

1. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business under Item No. 4 is annexed hereto. The relevant details of the Director seeking re-appointment under Item No. 3, pursuant to Regulations 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and as required under Secretarial Standards - 2 on General Meetings issued by the Institute of Company Secretaries of India, are annexed.

2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 08, 2021, Circular No. 21/2021 dated December 14, 2021, Circular No. 2/2022 dated May 05, 2022 and General Circular No. 10/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs (collectively referred to as 'MCA Circulars') and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, read with the Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020, No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and Circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 issued by the SEBI (collectively referred to as 'SEBI Circulars'), companies are allowed to hold AGM through VC/OAVM, without the physical presence of members at a common venue. In compliance with the Circulars, the AGM of the Company is being held through VC/OAVM.
3. 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.
4. Corporate members intending to appoint their authorized representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013 ("the Act"), are requested to send a scanned copy of certified board resolution authorizing their representatives to attend the AGM through VC/OAVM and vote on their behalf through remote e-voting or voting at AGM. The said resolution shall be sent to the scrutinizer by email at [csshirish@savllp.in](mailto:csshirish@savllp.in) or to the Company at [bijal@tips.in](mailto:bijal@tips.in).
5. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
7. In compliance with the Circulars, Notice of the AGM along with the Annual Report 2022-23 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 AGM and Annual Report for the financial year 2022-23 will also be available on the Company's website [www.tips.in](http://www.tips.in), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of CDSL (agency for providing the remote e-voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com) Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.  
  
However, the Shareholders of the Company may request physical copy of the Annual Report from the Company by sending a request at [bijal@tips.in](mailto:bijal@tips.in) in case they wish to obtain the same.
8. The Register of Members and Share Transfer Books of the Company will remain closed from August 4, 2023 to August 10, 2023 (both days inclusive), for determining the names of members eligible for dividend on Equity Shares, if declared at the AGM.
9. Dividend, if approved by the members at the Annual General Meeting will be paid within a period of 30 days from the date of declaration, to the Members whose names appear on the Register of Members and Register of Beneficial Owners as on August 3, 2023, electronically through various online transfer modes to those members who have updated their bank account details. For members who have not updated their bank account details, dividend warrants / demand drafts will be sent to their registered addresses. To avoid delay in receiving dividend, members are requested to update their KYC with their depositories (where shares are held in dematerialized mode) and with the Company's Registrar and Transfer Agent (RTA) (where shares are held in physical mode) to receive the dividend directly into their bank account on the payout date.
10. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020, and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates, if approved at the Annual General Meeting (AGM) of the Company. The rate of TDS would depend upon the category and residential status of the members.

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 wish to waive/forgo the right to receive dividend for the year ended March 31, 2023 shall fill up the form and send it to the Company's Registrar on or before August 3, 2023 (record date). The form prescribed by the Board of Directors of the Company for waiving/forgoing the right to receive dividend for any year shall be available for download on the Company's website [www.tips.in](http://www.tips.in) or can also be obtained from the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited.

**THE BOARD OF DIRECTORS OF THE COMPANY AT ITS MEETING HELD ON NOVEMBER 29, 2017 HAVE FRAMED THE FOLLOWING RULES UNDER ARTICLE 111A OF THE ARTICLES OF ASSOCIATION OF THE COMPANY FOR EQUITY SHAREHOLDERS WHO WANT TO WAIVE/ FORGO THE RIGHT TO RECEIVE DIVIDEND IN RESPECT OF FINANCIAL YEAR 2017-18 OR FOR ANY YEAR THEREAFTER.**

- (a) A Shareholder can waive/forgo the right to receive the dividend (either final and/or interim) to which he is entitled, on some or all the Equity Shares held by him in the Company as on the Record Date/Book Closure Date fixed for determining the names of Members entitled for such dividend. However, the shareholders cannot waive/forgo the right to receive the dividend (either final and/or interim) for a part of percentage of dividend on share(s).
- (b) The Equity Shareholder(s) who wish to waive/forgo the right to receive the dividend for any year shall inform the Company in the form prescribed by the Board of Directors of the Company only.
- (c) In case of joint holders holding the Equity Shares of the Company, all the joint holders are requested to intimate to the Company in the prescribed form their decision of waiving/forgoing their right to receive the dividend from the Company.
- (d) The Shareholder, who wishes to waive/forgo the right to receive the dividend for any year shall send his irrevocable instruction

waiving/ forgoing dividend so as to reach the Company before the Record Date/Book Closure Date fixed for the payment of such dividend. Under no circumstances any instruction received for waiver/forgoing of the right to receive the dividend for any year after the Record Date/Book Closure Date fixed for the payment of such dividend for that year shall be given effect to.

- (e) The instruction once given by a Shareholder intimating his waiver/forgoing of the right to receive the dividend for any year for interim, final or both shall be irrevocable and cannot be withdrawn for that particular year for such waived/forgone the right to receive the dividend. But in case, the relevant Shares are sold by the same Shareholder before the Record Date/Book Closure Date fixed for the payment of such dividend, the instruction once exercised by such earlier Shareholder intimating his waiver/forgoing the right to receive dividend will be invalid for the next succeeding Shareholder(s) unless such next succeeding Shareholder(s) intimates separately in the prescribed form, about his waiving/forgoing of the right to receive the dividend for the particular year.
- (f) The Equity Shareholder who wish to waive/forgo their right to receive the dividend for any year can inform the Company in the prescribed form only after the beginning of the relevant financial year for which the right to receive the dividend is being waived/forgone by him.
- (g) The instruction by a Shareholder to the Company for waiving/forgoing the right to receive dividend for any year is purely voluntary on the part of the Shareholder. There is a no interference with a Shareholder's Right to receive the dividend, if he does not wish to waive/forgo his right to receive the dividend. No action is required on the part of Shareholder who wishes to receive dividends as usual. Such Shareholder will automatically receive dividend as and when declared.
- (h) The decision of the Board of Directors of the Company or such person(s) as may be authorized by Board of Directors of the Company shall be final and binding on the concerned Shareholders on issues arising out of the interpretation and/or implementation of these Rules.
- (i) These Rules can be amended by the Board of Directors of the Company from time to time as may be required.

12. Members wishing to claim dividends that remain unclaimed are requested to correspond with Company's RTA i.e. Link Intime Private Limited at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in). Members are requested to note that dividends which are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account will be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years shall also be transferred to the IEPF as per Section 124 of the Act read with applicable IEPF rules.

In the event of transfer of shares and the unclaimed dividend to IEPF, members are entitled to claim the same from the IEPF Authority by submitting an online application in the prescribed Form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same duly signed to the Company/ Company's RTA along with the requisite documents enumerated in Form IEPF-5.

To claim unpaid / unclaimed dividend or in case you need any information / clarification, please write to or contact to the Company's RTA at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) or the Company Secretary of the Company at [bijal@tips.in](mailto:bijal@tips.in).

13. SEBI vide its latest Circular dated March 16, 2023, in supersession of earlier Circulars in this regard, has reiterated that it is mandatory for all holders of physical securities to furnish their PAN as well as other KYC documents to the RTA (Registrar and Share Transfer Agent) of the Company in respect of all concerned Folios. The Folios wherein even any one of the PAN, Address with PIN Code, Email address, Mobile Number, Bank Account details, Specimen Signature and Nomination by holders of physical securities are not available on or after October 01, 2023, such Folios shall be frozen by the RTA. SEBI has introduced Forms to lodge any request for registering PAN, KYC details or any change/ updation thereof.

In terms of the aforesaid SEBI Circular, effective from January 1, 2022, any service requests or complaints received from the member, are not processed by RTA till the aforesaid details/ documents are provided to RTA.

Members may also note that SEBI vide its Circular dated January 25, 2022 has mandated listed companies to issue securities in dematerialized form only while processing service requests viz. issue of duplicate securities certificates, claim from unclaimed suspense account. In view of the same and to eliminate

all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form.

Members are therefore requested to dematerialize their physical holdings. For any clarification, assistance or information relating to dematerialization of Company's shares, please contact the Registrar & Share Transfer Agents ("RTA") of the Company viz., M/s. Link Intime India Pvt. Ltd. C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083 at Tel: +91 22 4918 6000 or e-mail at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).

Relevant details and forms prescribed by SEBI in this regard including the mode of dispatch are available on the website of the Company and Company's RTA, for information and use by the Shareholders. You are requested to kindly take note of the same and update your particulars timely.

Members who are holding shares in demat mode are requested to notify any change in their residential address, Bank A/c details and/ or email address immediately to their respective Depository Participants.

14. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member desires to opt-out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form No. ISR-3 or Form No. SH-14, as the case may be. The said forms are available on the website of the Company [www.tips.in](http://www.tips.in) Members are requested to submit the said details to their DP in case the shares are held by them in dematerialised form, and to the RTA, in case the shares are held in physical form.
15. All documents referred to in the accompanying Notice and the Explanatory Statement can be obtained for inspection by writing to the Company at its email ID [bijal@tips.in](mailto:bijal@tips.in) till the date of AGM.
16. 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.

17. Attention is drawn to Regulation 40 of the SEBI Listing Regulations which has mandated that transfer of securities would be carried out only in dematerialized form. Members are therefore requested to dematerialize their physical holdings. For any clarification, assistance or information relating to dematerialization of Company's shares, please contact the Registrar & Share Transfer Agents ("RTA") of the Company viz., M/s. Link Intime India Pvt. Ltd. C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083 at Tel: +91 22 4918 6000 or e-mail at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).

#### 18. 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) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. August 3, 2023 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 VIRTUAL MEETINGS ARE AS UNDER:

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

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

- (i) The voting period begins on August 7, 2023 at 9:00 a.m. and ends on August 9, 2023 at 5:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 3, 2023 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.
- (iii) Members will be provided with the facility for voting during the VC proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-Voting, will be eligible to exercise their right to vote at the end of discussion on such resolution(s) upon announcement by the Chairman. Members who have cast their vote on resolution(s) by remote e-Voting prior to the AGM will also be eligible to participate at the AGM through VC/OAVM but shall not be entitled to cast their vote on such resolution(s) again.
- (iv) The remote e-voting module on the day of the AGM shall be disabled by CDSL for voting 15 minutes after the conclusion of the Meeting.
- (v) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the

public non-institutional shareholders/retail shareholders is at a negligible level.

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

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of

Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>



Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forgot 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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 022-4886 7000 and 022-2499 7000

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

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

The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

- 1) Click on “Shareholders” module.
- 2) 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.
- 3) Next enter the Image Verification as displayed and Click on Login.

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

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

Particulate	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>

Particulate	For Shareholders holding shares in Demat Form other than individual and Physical Form
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (viii) After entering these details appropriately, click on “SUBMIT” tab.

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

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

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

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

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

- (xiv) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you

wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xix) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com).

After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

The list of accounts linked in the login will be mapped automatically & can be delinked in case of any wrong mapping.

It is Mandatory that, 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 at [csshirish@savllp.in](mailto:csshirish@savllp.in) or

to the Company at the email address viz; [bijal@tips.in](mailto:bijal@tips.in), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

#### **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 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](mailto: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](mailto: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 may 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](mailto:bijal@tips.in) or to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, If you have any queries or issues regarding attending AGM & e-Voting

from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33.

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

19. The Board of Directors of the Company has appointed Mr. Shirish Shetye (FCS 1926) or failing him Ms. Aparna Joshi (FCS 7172), Designated Partner of M/s. SAV & Associates LLP, Company Secretaries, as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process, in a fair and transparent manner.
20. The Scrutinizer shall immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting and e-voting on the date of the AGM and make, not later than 2 working days of the conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company or any person authorized by him in writing and the Results shall be declared by the Chairman or any person authorized by him thereafter.
21. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.tips.in](http://www.tips.in) and on CDSL e-voting website immediately after the declaration of results by the Chairman of the Meeting or a person authorized by him and the same shall be communicated to BSE Limited and National Stock Exchange of India Limited.

Place: Mumbai  
Date: May 12, 2023

**By Order of the Board of Directors**

**Bijal R. Patel**  
Company Secretary

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

## EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 4:

Pursuant to Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, any transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with the previous transactions during a financial year, exceeds Rs.1,000 crore or 10% of annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower, and will require prior approval of Members by means of an ordinary resolution, even if such transaction are in the ordinary course of business and at arm's length basis.

The Company, one of the leading music labels in India, is engaged in the business of creation, acquisition and exploitation of audio-video content of music digitally in India and overseas through licensing on various medium.

Tips Films Limited is engaged in the business of production and distribution of films, web-series and related content on various platforms.

In line with the above objective and in the best interest of both the Companies to achieve synergies, the Company enters into various business contract(s)/ agreements(s)/ transaction(s) including acquisition of the audio-video rights with Tips Films Limited which are recurring in nature and are being made in the ordinary course of business at an arm's length basis.

The estimated value of the contract(s)/ agreements(s)/ transaction(s) of the Company with Tips Films Limited in terms of the 'Related Party Transactions' under Regulation 2(1)(zc) of the SEBI Listing Regulations may exceed the threshold of Material Related Party Transactions, as provided under the SEBI (LODR) Regulations, 2015.

Your approval is being sought for the Related Party Transactions as set out in the resolution for the financial year 2023-24.

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

SN	Description	Details
<b>1</b>	<b>Details of Summary of information provided by the management to the Audit Committee</b>	
a	Name of the Related Party	Tips Films Limited
b	Nature of relationship	Group Company
c	Name of the director or key managerial personnel who is related, if any and nature of relationship	Following Directors of the Company are also the Directors and Promoters of Tips Film Limited 1. Mr. Kumar Taurani 2. Mr. Ramesh Taurani
d	Tenure of the proposed transaction	One year i.e. Financial Year 2023-24
e	Nature, material terms, monetary value and particulars of contracts or arrangement	The Company enters into various transactions with Tips Films Limited such as acquisition of the audio-video rights, advance receive/provide thereon or any other transactions for transfer of resources, services or obligations and other reimbursements for business purpose from/to Tips Films Limited. These transactions are proposed to be entered during FY 2023-24 for an aggregate amount of up to Rs. 30 Crores.
f	Value of Transaction	Up to Rs. 30 Crores
g	Percentage of annual consolidated turnover considering FY 2022-23 as the immediately preceding financial year	15.61%

SN	Description	Details
2	<b>Justification for the transaction</b>	The RPTs with Tips Films Limited will help the Company achieve synergies, economies of scale and will be in the best interest of the Company.
3	<b>Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:</b> Not Applicable	
a	details of the source of funds in connection with the proposed transaction	Not Applicable
b	where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments - nature of indebtedness; - cost of funds and - tenure	
c	applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	
d	the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	

SN	Description	Details
4	<b>A copy of the valuation or other external report, if any, such report has been relied upon</b>	The proposed RPTs is evaluated by external registered valuer in terms of pricing and arm's length criteria after completion of the project.
5	<b>Any other information that may be relevant</b>	All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Companies Act, 2013 and forms a part of this Notice.

Except as mentioned above, none of the Directors and/ or Key Managerial Personnel of the Company and/or their respective relatives are, in any way, concerned or interested either directly or indirectly, financially or otherwise in the resolution mentioned at Item No. 4 of the Notice

Basis the consideration and approval of the Audit Committee, the Board of Directors recommends the Ordinary Resolution forming part of Item No. 4 of this Notice for approval.

Place: Mumbai  
Date: May 12, 2023

**By Order of the Board of Directors**

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

**Bijal R. Patel**  
**Company Secretary**

**Details of director seeking re-appointment at the Annual General Meeting [Pursuant to Secretarial Standard 2 (SS-2) issued by the Institute of Company Secretaries of India (ICSI) and Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

<b>Name of Director</b>	<b>Mr. Ramesh S. Taurani</b>
<b>DIN</b>	00010130
<b>Date of Birth / Age</b>	January 17, 1960 / 63 Years
<b>Nationality</b>	Indian
<b>Qualification &amp; Expertise in specific functional areas</b>	<p>Mr. Ramesh S. Taurani holds the Bachelor degree in commerce. He is one of the promoters of the Company and comes with a rich experience of almost 42 years in the Media &amp; 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 visualization and dedication support to build success of the business.</p> <p>His passion for films from an early age has honed his understanding of the film and music business. Over the years he has developed a sharp skill for music curation and film visualization. As Tips Industries branched out into film and music production, he has shouldered the responsibility for creative aspects of the business. He is widely credited for delivering several blockbuster films and bringing together several leading artistes for film projects, a difficult task for anybody in the industry. His deep network in the film fraternity is a source of strength for the Company. Mr. Ramesh Taurani's contribution to the creation of the Company's film and music libraries has been immense.</p>
<b>Date of Appointment as Director of the Company</b>	September 27, 2005
<b>Relationships between Directors inter-se</b>	Mr. Ramesh S. Taurani, is brother of Mr. Kumar S. Taurani, Chairman and Managing Director of the Company
<b>Shareholding in the Company</b>	25,99,500 Equity shares
<b>Directorships held in other Public Companies (excluding Foreign, Private and Section 8 Companies)</b>	Tips Films Limited – Managing Director
<b>Memberships / Chairmanships of committees of other Public Companies (includes only Audit Committee and Stakeholders Relationship Committee)</b>	NIL
<b>Name of Listed entities from which the person has resigned in the past three years</b>	NIL

# Board's Report & Management Discussion And Analysis

**To  
The Members  
Tips Industries Limited**

Your Directors are pleased to present the 27<sup>th</sup> Annual Report on the business and operations of the Company, together with the Audited Financial Statements for the financial year ended March 31, 2023. The Management Discussion and Analysis is also included in this Report.

## THE INDIAN MEDIA AND ENTERTAINMENT INDUSTRY

Despite the global slowdown, India's economic growth rate is stronger than in many peer economies and reflects relatively robust domestic consumption and lesser dependence on global demand. According to the International Monetary Fund (IMF), India has overtaken the U.K. to become the world's fifth largest economy at market exchange rates due to its strong economic foundations, thriving domestic demand,

careful financial management, high saving rates, and favourable demographic trends.

According to the FICCI–EY Media & Entertainment (M&E) Report 2023, the Indian M&E sector grew by 20% in CY2022 to Rs.2.1 trillion (US\$26.2 billion), 10% above its pre-pandemic levels. While television remained the largest segment, digital media cemented its position as a strong number two segment followed by a resurgent print. The M&E sector is expected to grow 11.5% in CY2023 to reach Rs.2.34 trillion (US\$29.2 billion) and then grow at a CAGR of 10% to reach Rs.2.83 trillion (US\$35.4 billion) by 2025.

Except for TV subscription revenue, all M&E segments grew in 2022. Digital media grew the most at Rs.132 billion and consequently, increased its contribution to the M&E sector from 16% in 2019 to 27% in 2022. Digital advertising grew 30% to reach Rs.499 billion, or 48% of total advertising revenues.

Segment	2019	2020	2021	2022	2023E	2025E	CAGR 2022-2025
Television	787	685	720	709	727	796	3.9%
Digital media	308	326	439	571	671	862	14.7%
Print	296	190	227	250	262	279	3.7%
Filmed entertainment	191	72	93	172	194	228	9.8%
Online gaming	65	79	101	135	167	231	19.5%
Animation and VFX	95	53	83	107	133	190	21.1%
Live events	83	27	32	73	95	134	22.2%
Out of Home media	39	16	20	37	41	53	12.8%
Music	15	15	19	22	25	33	14.7%
Radio	31	14	16	21	22	26	7.5%
<b>Total</b>	<b>1,910</b>	<b>1,476</b>	<b>1,750</b>	<b>2,098</b>	<b>2,339</b>	<b>2,832</b>	<b>10.5%</b>
<b>Growth</b>		<b>(23.20%)</b>	<b>19.30%</b>	<b>19.90%</b>	<b>11.50%</b>	<b>21.44%</b>	

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

Source: FICCI–EY Media & Entertainment (M&E) Report 2023



## MUSIC

**Music: Unlocking the Magic of Sound.** Music is special. The true magic of music is its ability to bring people together, evoke deep emotions and connect us to something greater than ourselves. It's the key to unlocking the emotional power of sound has a substantial impact not only on mood but also on mind, body and overall health. As per IMI's Digital Music Study Report 2022, 67% of the surveyed respondents in India say that music is crucial for maintaining their mental health.

Different cultures have different musical traditions and styles that reflect their unique history, customs, and beliefs. Music plays a role in shaping and reinforcing cultural identity. It permeates our culture across all age groups, which makes India one of the world's most exciting music markets, as reflected in our growth rates.

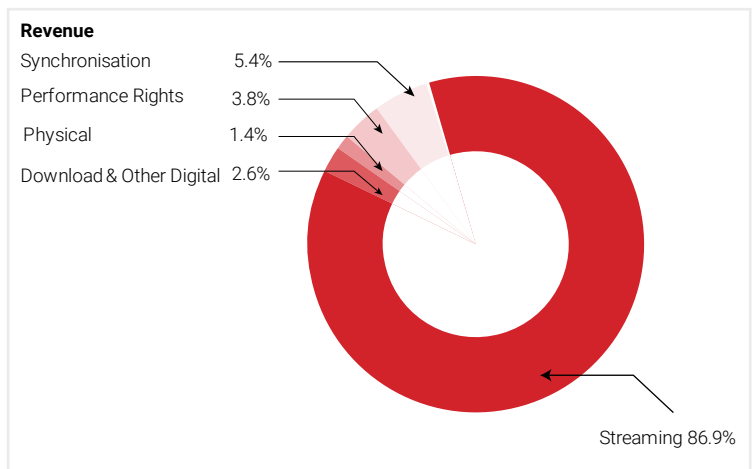
The recorded music industry in India grew 19% to reach Rs. 22 billion. Film music, which had reduced during the pandemic, returned at scale. 87% of revenues were earned through digital means. The surge in digital adoption across countries like Nepal, Bangladesh, Pakistan, Sri Lanka, etc. has led to increased uptake of popular international platforms like TikTok, YouTube, Instagram, etc. where Indian music is popularly used.

Most importantly, the music listening hours per week in audio streaming increased by 17.2% in CY2022 over CY2021 to 6.7 hours a week, as per IMI. India's market is largely digital with digital revenues accounting for 86.9% of overall revenues. Physical sales accounted for 1.4%, Synchronisation revenues and performance rights contributed 5.4% and 3.8% respectively to total industry revenues. It is expected that Industry revenues will surpass Rs.33 billion by CY2025 on the back of increasing digital revenues and performance rights.

### Recorded Music Revenues by Sector

Category	Revenue
Streaming	86.9%
Synchronisation	5.4%
Performance Rights	3.8%
Download & Other Digital	2.6%
Physical	1.4%

Source: IMI Report



Bollywood aggregated 66% of total consumption and comprised 5 of the top 10 genres listened to in India. Overall, 70% of all music listening time was spent on music by domestic artists. This was one of the highest levels of domestic music listening worldwide, behind only China (72%) and the US (76%) and considerably over the global average of 49%.

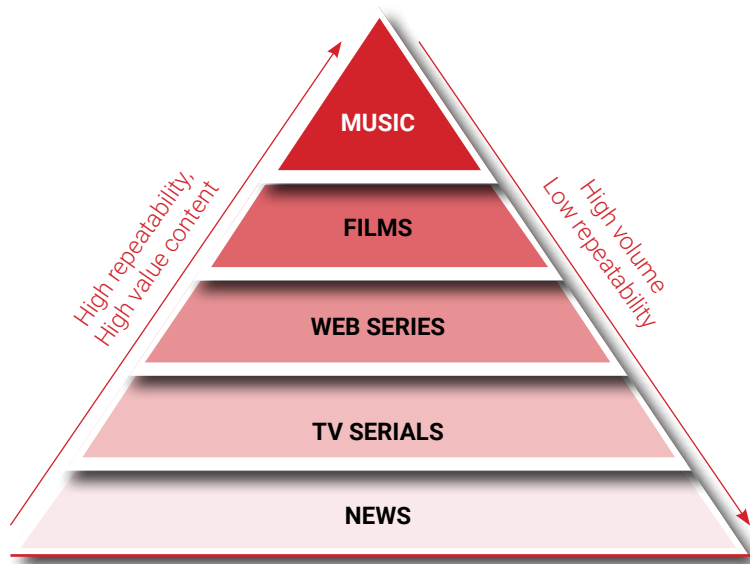
Digital revenues comprised 87% of total revenues in CY2022, up from 68% in CY2019. Younger people are generally early adopters of technology and more likely to subscribe to music streaming services. Music listeners aged 16-44 years are more likely to pay for audio streaming as they prefer an ad-free 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 (IPRs)**

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

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

- **Impact of Internet**

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

### **FACTORS AFFECTING GROWTH OF MUSIC INDUSTRY TODAY**

- **Convenience**

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

- **Rising Data Consumption**

The Ericsson Mobility Report- November 2022 and 2021 (EMR) estimates that data usage per smartphone will increase from 25 GB/month in 2022 to 54 GB/month in 2028. The report estimates total Mobile Data Traffic to grow at 14% CAGR between 2022 and 2028 in India. FICCI's M&E Report 2023 states that 58% of all video consumption was driven by music videos. Rising data consumption provides a tailwind for growth.

- **More Subscribers**

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

- **Faster Networks**

The number of 4G connections are expected to decline from a peak of 93 crores in 2024 to about 57 crores in 2028. 5G subscriptions are expected to grow from 3.1 crores at the end of 2022 to 69 crores

in 2028. Higher speeds provide seamless user experience and improve adoption. Upgrading to faster connections will continue to drive an increase in content consumption. Total mobile phone connections are expected to grow to 130 crores in 2028.

- **Smarter Phones**

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

- **Cheap Data**

India has the lowest data costs in the world. Given such low costs, data prices are no longer a hindrance to adoption of mobile Internet. EMR estimates data usage per smartphone to increase from 25 GB/Month in 2022 to 54GB/Month in 2028. Smart phones and video drive data consumption.

## BUSINESS OVERVIEW

TIPS, one of India's leading entertainment companies, has been engaged in the business of creation and acquisition of audio-visual content for music and exploitation of audio-visual content library digitally in India and overseas through licensing on various distribution platforms. 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 30,000 songs across all genres and major languages. The Company has a widespread presence across leading global digital platforms such as YouTube, Spotify, Jio Saavn, Resso, Apple Music. Amazon Prime etc. As of March 2023, on YouTube, Tips Music has more than 82 mn subscribers across its channels and received 112.7 billion views.

## FINANCIAL RESULTS

During the year under review, the Company's total revenue, including other income stood of Rs. 19,213.76 lakhs as compared to the previous year of Rs. 13,879.52 lakhs, representing an increase of 38.43%. The Net Profit after Tax for the year stood at Rs. 7,652.16 lakhs, as compared to Rs. 6,455.55 lakhs in the previous year, representing an increase of 18.54%.

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	2022-23	2021-22
Revenue from Operations	18,678.12	13,558.64
Other Income	535.64	320.88
<b>Total income from operations</b>	<b>19,213.76</b>	<b>13,879.52</b>
<b>Profit from operations before Depreciation, Interest and Taxation</b>	<b>10,726.10</b>	<b>8,943.92</b>
Less: Depreciation	132.59	74.94
Less: Finance Cost	28.61	7.28
<b>Profit before Provision for Taxation</b>	<b>10,564.90</b>	<b>8,861.71</b>
Less: Provision for Taxation		
Current Tax	2,694.00	2,300.00
Taxes in respect of earlier years	233.42	90.55
Deferred Tax	(14.68)	15.61
<b>Profit/(Loss) after Taxation</b>	<b>7,652.16</b>	<b>6,455.55</b>
Other Comprehensive income/ (Expenses)	(1.80)	(10.79)
Total Comprehensive Income for the period	7,650.36	6,444.76
Share Capital	1,284.27	1,296.87
Reserves & Surplus	12,333.82	8,943.44

## 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 evergreen and rich content of over 30,000 songs, which are available for streaming and download across leading digital marketplaces like iTunes and Google Play, as well as popular streaming platforms like YouTube, Spotify, Jio Saavn, Resso, Apple Music. etc. During the financial year 2022-23, Company has released 896 new songs. The music revenue for FY 2022-23 was Rs. 18,678.12 lakhs as compared to Rs. 13,558.64 lakhs in the previous year, representing an increase of 37.76%.

## SCHEME OF ARRANGEMENT AND DEMERGER

Pursuant to the Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench vide its order dated March 3, 2022 (the "Order") on

Scheme of Arrangement and Demerger between Tips Industries Limited (“Demerged Company”), Tips Films Limited (“Resulting Company”) and their respective Shareholders, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, the Film Division (as defined in the Scheme) of the Tips Industries Limited has been vested and transferred into Tips Films Limited, on a going concern basis with effect from the Appointed Date i.e. April 1, 2021. The Scheme had been made effective from March 23, 2022.

### **DIVIDEND AND DIVIDEND DISTRIBUTION POLICY**

The Directors has recommended a final dividend of 50%, i.e. Re. 0.50 /- (Rupee fifty paise) per share on fully paid-up equity share of Re.1/- each (post-split) 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.

In compliance with the Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Dividend Distribution Policy formulated by the Company is available on the website of the Company at <https://tips.in/wp-content/uploads/2021/09/Dividend-Distribution-Policy.pdf>

### **SHARE CAPITAL**

At the beginning of the financial year 2022-23, the paid-up equity share capital of the Company was Rs. 12,96,86,590 divided into 1,29,68,659 equity shares of face value of Rs.10/- each.

#### **• Buyback of Equity Shares**

During the year under review, the Company has bought back 1,26,000 fully paid-up equity shares of the Company, of face value of Rs. 10/- each, during the buyback tendering period i.e. from Friday, January 27, 2023 to Thursday, February 9, 2023 (both days inclusive), on a proportionate basis, through the tender offer route, at a price of Rs. 2,600/- per equity share. The Company has extinguished total 1,26,000 fully paid-up equity shares of Rs. 10/- each (out of which 1,25,999 equity shares were in dematerialized form and 1 equity share was in physical form on February 21, 2023 and February 16, 2023 respectively). Consequently, the paid-up equity share capital of the Company has been reduced to Rs. 12,84,26,590 divided into 1,28,42,659 fully paid-up equity shares of face value of Rs.10/- each.

#### **• Sub-divided (split) of the equity share**

Pursuant to the Special Resolution passed by the Members of the Company by way of Postal Ballot through electronic means on March 27, 2023, the Company sub-divided (split) its equity share of the face value of Rs. 10/- each (fully paid-up) into 10 (ten) equity shares of face value of Re. 1 /- each (fully paid-up) and consequent amendment in the existing Clause V (Capital Clause) of the Memorandum of Association of the Company and existing Clause 3 (Capital Clause) of the Association of the Company.

The Depositories has allotted new ISIN- INE716B01029 due to sub-division of equity shares of the Company for dematerialization of shares of the Company. The effect of change in face value of the share was reflected on the share price at the Stock Exchanges where the Company is listed i.e. BSE and NSE with effect from April 21, 2023 (Record date).

As of the date of this report, the paid-up equity share capital of the Company was Rs. 12,84,26,590 divided into 12,84,26,590 equity shares of Re.1/- each.

### **RESERVE**

The Board of Directors has not recommended transfer of any amount to reserves and the amount of Rs. 7,652.16 lakhs is retained in the Profit and Loss Account.

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

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

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

#### **• Director Retiring by Rotation**

In terms of Section 152 of the Companies Act 2013, Mr. Ramesh Taurani, Director of the Company (DIN: 00010130), is liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment. The Board recommends the same for your approval.

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

During the financial year 2022-23, the following directors were re-appointed for a period of three years with effect from June 1, 2022, by the members in the previous Annual General Meeting of the Company held on August 29, 2022.

- Mr. Kumar Taurani as Chairman and Managing Director
- Mr. Girish Taurani as an Executive Director
- Mr. Ramesh Taurani as Executive Director

- **Resignation of Independent Directors**

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

- **Appointment of Independent Directors**

The Members of the Company, in the previous Annual General Meeting of the Company held on August 29, 2022, approved the appointment of Mrs. Tara Subramaniam and Mr. Shashikant Vyas as an Independent Directors of the Company for a term of five years with effect from May 31, 2022.

In the opinion of the Board, they fulfil the condition for appointment as Independent Directors on the Board. Further, in the opinion of the Board, the Independent Directors also possess the attributes of integrity, expertise and experience as required to be disclosed under Rule 8(5)(iiiia) of the Companies (Accounts) Rules, 2014.

- **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, 2023, are Mr. Kumar Taurani, Chairman and Managing Director; Mr. Ramesh Taurani, Executive Director, Mr. Girish Taurani, Executive Director, Mr. Sushant Dalmia, Chief Financial Officer, and Ms. Bijal Patel, Company Secretary.

The Board of Directors, at its meeting held on December 15, 2022, appointed Mr. Sushant Dalmia as Chief Financial Officer of the Company w.e.f. December 15, 2022, in place of Mr. Sunil Chellani who has tendered his resignation from the position of Chief Financial Officer of the Company w.e.f. closure of business hours of December 14, 2022.

#### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The policy of the Company on directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, is available on our website at <https://tips.in/corporate-governance/>

#### **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company has conducted the Annual Performance Evaluation process, evaluating the performance of the Board, its Committees and all the individual directors (including Independent Director, Non-Independent Director & Chairman). The criteria of evaluation has been explained in the Corporate Governance Report forming part of this 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:

- that in the preparation of the Annual Accounts for the year ended March 31, 2023, 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, 2023, 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 eight times during the financial year i.e. from April 1, 2022 to March 31, 2023 on May 11, 2022, May 30, 2022, July 29, 2022, October 21, 2022, November 9, 2022, December 15, 2022, January 23, 2023 and February 13, 2023. 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 have a more focused attention on the business and for better governance and accountability, the Board has constituted the Committees viz. Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Risk Management Committee.

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

## AUDITORS AND THEIR REPORTS

### STATUTORY AUDITORS

#### • Appointment of 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 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.

#### • Statutory Auditors' Report

The Reports given by the Statutory Auditors on the Financial Statements of the Company for financial year 2022-23 does not contain any qualification, reservation or adverse remarks and forms part of the Annual Report.

#### • Details in respect of frauds reported by auditors

No frauds have been reported by the Statutory Auditors during the financial year 2022-23.

## SECRETARIAL AUDITORS

#### • Appointment of Secretarial Auditors

Pursuant to the provisions of Section 204 read with rules made thereunder, M/s. N.L. Bhatia & Associates, Practicing Company Secretaries (UIN: P1996MH055800), have been appointed to undertake Secretarial Audit of the Company the financial year 2022-23.

#### • Secretarial Audit Report

In terms of Section 204 of the Companies Act, 2013, a Secretarial Audit Report given by the Secretarial Auditors in Form No. MR-3 is annexed with this Report as **Annexure – A**.

- **Annual Secretarial Compliance Report**

In accordance with Regulation 24A of the of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Secretarial Compliance Report for the financial year ended 2022-23 on compliance of all applicable SEBI Regulations and circulars/guidelines issued thereunder, was obtained from M/s. N.L. Bhatia & Associates, Practicing Company Secretaries.

There are no qualifications, reservations or adverse remarks made by Secretarial Auditors in their Report.

### **COST AUDITORS**

Pursuant to the provision of Section 148 of the Companies Act, 2013 as amended, the requirement of appointment of Cost Auditors is not applicable to the Company.

### **INTERNAL AUDITORS**

Pursuant to provisions of Section 138 read with rules made thereunder, M/s. Grant Thornton Bharat LLP was appointed as an Internal Auditors of the Company for the financial year 2022-23 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 risks that can impact its business performance and plans:

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 73% in 2022 but is still higher than the global average of 30%.

70% of Indian listeners admitted to using stream-ripping websites, with this percentage being slightly higher among the 16-34 age group who preferred the simplicity and ease of use associated with stream ripping.

We create music content and demand for which depends substantially on user preferences that often change in unpredictable ways. There is no formula that will predict whether a given music will be successful.

Reduction of cinema screens is an ongoing trend. Since 2018 the number of cinema screens has reduced from 9601 to 9382 in 2022. This trend persists across all states but is less pronounced in the four southern states. This reduces the initial footprint achieved by film music upon release of new films.

### **OPPORTUNITIES**

- **Digital / OTT Rights**

India is second globally in the digital consumption of services, following China. Video subscriptions grew 27% in 2022 as sports content went behind paywalls. Paid subscriptions crossed 99

million across 45 million households and generated Rs. 68 billion in revenues. Global streaming players are expected to spend Rs.300 billion on content over 2021-25, Netflix, Disney and Amazon are expected to spend USD 66.6 billion on content in CY2022, a growth of 18.2% yoy.

- **International Services Take Lead Over Domestic Services**

The preferred way to stream music reveals the prevalence of international services over domestic services. 46% of the respondents preferred YouTube for streaming their music, a trend that has continued since 2021, although this year recorded an 11% drop from 2021. This trend is also indicative of the peculiar preference of the Indian respondents to visually engage with music. 20.1% preferred Spotify while 7.9% preferred YouTube music.

- **Increase the paid subscriber of music streaming services**

As per IMI Report, the use of the paid tier of music streaming services is the highest among the 25-34 age group (52.4%) who are more likely to pay to listen to music without interruption and have access to millions of songs. Listeners are willing to pay to enjoy listening to a rich library of content without any interruptions. A rich library comprising millions of songs gives them a wider range to choose their music from. Users like to choose their own music from streaming services rather than being directed to music through platform curations

## 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 2022, Indian consumers spent 25.7 hours (21.9 hours in 2021) listening to music each week compared to a global average of 20.1 hours(18.4 hours in 2021). Data indicates that the hours spent listening to music can grow further. Consumption through paid audio streaming increased from 3.3 hours in 2021 to 4.3 hours in 2022. 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.

52.4% of the 25 - 34 age group in India said they were more likely to pay to listen to music without interruption. Members of older demographic groups are also increasing their music engagement. Indians in the age group of 55-64 listened to 16.7 hours of music in 2021 up 1.9 hours over 2019. According to an IFPI survey of 19 leading geographic markets in 2019, 54% of 35 to 64 year olds used a streaming service to listen to music in the past month, representing an increase from 46% in 2018, which was the highest rate of growth for use of streaming services across all age groups.

**Music permeates our culture across age groups, as evidenced by the footprint that music has across social media. According to the Recording Industry Association of America (“RIAA”), as of September 2022, 6 out of the top 10 most followed accounts on Twitter belong to musicians, and according to YouTube, the majority of videos that have achieved more than one billion lifetime views as well as the top 10 most watched videos of all time, belong to musicians. Further, according to MusicWatch Inc., 77% of music consumers across all age groups used social media for music in 2021.**

**The music industry as a whole is currently undergoing a transformation driven by Gen Z. According to Luminate, Gen Z is investing more time and money on music when compared to the average music listener. They spend 21% more hours and spend 18% more money on music annually compared to the average music listener. Gen Z listeners are also 28% more likely to pay for premium music subscriptions. One in four Gen Z listeners who are not currently paying for a streaming service intend to begin paying for one in the next 6 months.**

**According to a study conducted by visual capitalist in May 2021, 6 of the top 10 influencers across all social media platforms were musicians. As per the Recording Industry Association of America (RIAA), 9 out of 10 social media users do music related social media activity. This new monetization channel is showing great promise.**

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



According to IFPI, global paid music streaming subscribers totalled 589 million at the end of 2022 and subscription revenue grew 10.3% to touch USD 12.7 billion. Subscription accounts have grown to 589 million, representing only 7.4% of the humans on this planet. In terms of smartphone users, it represents only 8.9% of the 6.6 billion smartphone users globally, as per the EMR. The fast growing population of paying subscribers is still only a small fraction of the reported user bases of large, globally scaled digital services such as Meta Platforms, which reported 2.96 billion monthly active users across its services as of December 2022, and YouTube, which has 2.6 billion unique monthly users according to Statista.

The United States, with a population of under 330 million, generated 1.15 trillion on-demand streams (both audio and video) in 2019, according to Nielsen; continued growth is to be expected. During 2022, the stream count per month for India averaged between 16 to 20 billion. That indicates the potential size of India's streaming market as its population of 1.38 billion gets connected to the Internet.

The global music market derives 48.3% of revenues from paid subscriptions. In India, we expect to see advertisement-supported and subscription models co-exist. The evolution of Chinese markets over the past 8 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 21<sup>st</sup> 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 2022, the Chinese market was ranked 5<sup>th</sup> in the world.

- **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 from 2019 and Apple has also raised subscription rates from USD 9.99 to USD 10.99 in USA.

Pricing improvements have aided paid streaming revenues to grow at 10.3% in 2022.

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

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

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

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

- **Device Innovation**

On average people access music in more than 6 different ways according to Universal Music Group. As per Indian Music Industry's Digital Music Study Report 2022, music listeners engage 10+ different methods to engage with Music, on average. We believe that the use of multiple devices is expanding listening hours by bringing music into more moments of consumers' lives; the different uses that these devices enable are also broadening consumers' exposure to new and different genres of music. The music that consumers listen to during a commute may be different from the music they listen to while they exercise, and different still from the music they play through a smart speaker while cooking a meal. Smart speakers enable consumers to access music more readily by using their voices. According to PwC, smart speaker ownership is expected to increase at a 38% CAGR from 2018 through 2023, reaching 440 million devices globally in 2023. Smart speakers are

fuelling further growth in streaming by converting more casual listeners into paid subscribers, drawn in by music as a critical application for these devices. According to Nielsen, 61% of U.S. consumers who use a smart speaker weekly to listen to music currently pay for a subscription as well.

#### • **Format and Monetization Model Innovation**

Short-form music and music-based video content has grown rapidly, driven by the growth of global social video applications such as TikTok, which features 15-second videos often set to music. TikTok has reportedly been downloaded more than 3.3 billion times since its launch in 2017. TikTok has reported 1.4 billion monthly active users at the end of 2022. Such applications have the potential for mass adoption, illustrating the opportunity for additional platforms of scale to be created to the benefit of the music and entertainment industry. Short-form music and music based videos have become popular on social media platforms like Facebook and Instagram too. It illustrates the growing number of pathways through which performing artists and music labels may monetize their content. IMI reports that 19% of time spent on listening to music is on short form video apps, a close second to YouTube which accounts for 22% of such time.

The Media and Entertainment Industry in India continues to undergo 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, 2023, the number of employees on the payroll of the Company was 49.

#### **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

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

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to the Report as **Annexure - B**.

#### **WHISTLE-BLOWER POLICY / VIGIL MECHANISM POLICY**

In compliance with the provisions of Section 177(9) of the Companies Act, 2013, the Board of Directors of the Company has framed the Whistle-Blower Policy/Vigil Mechanism Policy for Directors and employees of the Company to report their genuine concerns.

The Whistle Blower Policy is disclosed on the website of Company at [https://tips.in/wp-content/uploads/2018/07/Whistle\\_Blower\\_Policy-Vigil\\_Mechanism\\_Policy.pdf](https://tips.in/wp-content/uploads/2018/07/Whistle_Blower_Policy-Vigil_Mechanism_Policy.pdf).

#### **RELATED PARTY TRANSACTIONS**

All Related Party Transactions, that were entered into during the financial year under review, were on an arm's length basis, and in the ordinary course of business and are in compliance with the applicable provisions of the Act and the Listing Regulations.

The particulars of material contracts or arrangements or transactions entered by the Company with related parties during the financial year are given in the **Annexure – C** in form AOC-2.

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

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

### 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.

### SECRETARIAL STANDARDS

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

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

- **Conservation of energy**

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

- **Technology absorption**

During the year, the Company has not absorbed or imported any technologies.

- **Foreign exchange earnings and outgoings**

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

### 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.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Board has constituted a Corporate Social Responsibility ("CSR") Committee in terms of the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014. The composition and terms of reference of the CSR Committee is provided in the Corporate Governance Report forming part of this report.

The Board has framed a CSR Policy for the Company, on the recommendations of the CSR Committee, and the policy is available on the website of the Company at [www.tips.in](http://www.tips.in).

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

### BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING

In compliance with the Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circulars issued from time to time, the Business Responsibility and Sustainability Reporting for the financial year ended March 31, 2023 has been separately furnished in the Annual Report and forms a part of the Annual Report.

### EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return of the Company as on March 31, 2023 is available on the website of the Company at [www.tips.in](http://www.tips.in) in the investor section.

### 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:

- Except mentioned above, no material changes and commitments which could affect the Company's financial position have occurred

between the end of the financial year of the Company and the date of this report.

- Except mentioned above, no significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- No complaint received from any employee, pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 and rules made thereunder.
- No proceedings, either filed by the Company or filed against the Company, pending under the Insolvency and Bankruptcy Code, 2016 as amended, before the National Company Law Tribunal or other Courts as at the end of the financial year 2022-23.

#### **CAUTIONARY STATEMENT**

Statements in this Board's Report and Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking within the meaning of applicable securities, laws, and regulations. Actual results may differ

materially from those expressed in the statement. Important factors that could influence the Company's operations include a change in government regulations, tax laws, economic and political developments within and outside the country and such other factors.

#### **ACKNOWLEDGMENTS AND APPRECIATION**

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

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

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

**Kumar S. Taurani**

**Chairman and Managing Director**

DIN: 00555831

Place: Mumbai

Date: May 12, 2023

# ANNEXURE - A

## SECRETARIAL AUDIT REPORT

To,  
The Members,

**Tips Industries Limited**

601, Durga Chambers, 6<sup>th</sup> Floor,  
Opp. B.P.L. Gallery 278/E, Linking Road,  
Khar (West) Mumbai 400 052.

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

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
2. We have followed the auditing standards issued by the Institute of Company Secretaries of India (ICSI) and audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. We believe that the processes and practices, we have followed are aligned with Auditing Standards issued by the Institute of Company Secretaries of India (ICSI) provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **M/s N L Bhatia & Associates**

Practicing Company Secretaries

UIN: P1996MH055800

PR No: 700/2020

**Bhaskar Upadhyay**

**Partner**

FCS: 8663

C.P. No.: 9625

UDIN: F008663E000227631

Place: Mumbai

Date: April 29, 2023

## Form No. MR-3

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023**  
**[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 conformity with the auditing standards issued by the Institute of Company Secretaries of India ("the Auditing Standards") and the processes and practices followed during the conduct of Audit are aligned with the Auditing Standards to provide 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, 2023, 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, 2023 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 (Buyback of Securities) Regulations, 2018;
  - (e) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018; **Not Applicable during the financial year**
  - (f) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not Applicable during the financial year**
  - (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **Not Applicable during the financial year**
  - (h) 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**

- (i) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **Not Applicable during the financial year**
- (vi). Other Laws applicable to the Company as mentioned in "**Annexure-A**"

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

- (i). Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii). Guidelines issued by MCA and SEBI relating to conducting the meeting via video conferencing and Other Audio-Visual means.

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

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

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

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

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

**We further report that,** the Board fixed the record date as Saturday, May 21, 2022 for the purpose of determining the shareholders of the Company to whom the fully paid-up Equity Shares of Tips Films Limited

will be issued and allotted, in consideration of the demerger of Film Division business (as defined in the Scheme) into and with Tips Films limited. Shareholders of Tips Industries Limited is entitled to receive 1 (one) equity shares of Rs. 10/- each fully paid up of Tips Films Limited for every 3 (three) equity share of Rs. 10/- each fully paid up held in Tips Industries Limited, as per the Scheme of Arrangement and Demerger approved by the Hon'ble NCLT, Mumbai vide its order dated March 3, 2022.

**We further report that,** the Company passed the special resolution through Postal Ballot for buy-back upto 1,26,000 (One Lakh Twenty Six Thousand) fully paid up Equity Shares of Rs.10/- (Rupees Ten only) each at a price of Rs. 2,600/- (Rupees Two Thousand Six Hundred only) per equity share aggregating upto an amount of Rs. 32,76,00,000/- (Rupees Thirty Two Crores Seventy Six Lakhs Only) payable in cash, on a proportionate basis through the tender offer process. The Open Offer opened on January 27, 2023 and closed on February 09, 2023. The Buy-back completed on February 15, 2023.

**We further report that,** the Company has passed special resolution through Postal Ballot on March 27, 2023 for sub-division/split of every 1 (One) Equity Share of face value of Rs. 10/- (Rupees Ten Only) each into 10 (Ten) Equity Shares of face value of Re. 1/- (Rupee One Only) each. Pursuant to such sub-division/split of equity shares of the Company, Clause "V(a)" of the Memorandum of Association and Article "3" of Articles of the Association of the Company was altered to give effect to the sub-division/split of every 1 (One) Equity Share of face value of Rs. 10/- (Rupees Ten Only) each into 10 (Ten) Equity Shares of face value of Re. 1/- (Rupee One Only) vide special resolution dated March 27, 2023 through Postal Ballot.

**We further report that,** the Company has passed special resolution through Postal Ballot on March 27, 2023 for revision and increase in the remuneration of Mr. Girish Taurani (DIN: 08695775), Executive Director of the Company w.e.f. January 1, 2023.

For **M/s N L Bhatia & Associates**  
Practicing Company Secretaries  
UIN: P1996MH055800  
PR No: 700/2020

**Bhaskar Upadhyay**  
**Partner**

FCS: 8663

C.P. No.: 9625

Place: Mumbai  
Date: April 29, 2023

UDIN: F008663E000227631

## MR-3 - Annexure A

### OTHER LAWS APPLICABLE TO THE COMPANY

1. Income Tax Act, 1961
2. GST Act, 2017
3. Profession Tax Act, 1975
4. The Payment of Bonus Act, 1965
5. The Payment of Gratuity Act, 1972
6. Employees provident Funds & Miscellaneous Provisions Act ,1952
7. The Bombay Shop & Establishment Act, 1948
8. The Minimum Wages Act, 1948
9. The Employee State Insurance Act, 1948
10. Copyright Act, 1957
11. Sexual Harassment of Women at Workspace (Prevention Prohibition and Redressal) Act, 2013
12. Maternity Benefit Act, 1961
13. Negotiable Instrument Act, 1881
14. The Contract Act, 1872
15. Bombay Stamp Act, 1958
16. The Cinematograph Act, 1952



## Annexure – B

### PARTICULARS OF REMUNERATION

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:

Name	Designation	Ratio to Median	% increase / (decrease) in Remuneration
Mr. Kumar Taurani	Chairman & Managing Director	20.65	NIL
Mr. Girish Taurani	Executive Director	8.29	16.88%
Mr. Ramesh Taurani*	Executive Director	NA	NA
Mr. Amitabh Mundhra^	Independent Director	NA	NA
Mrs. Tara Subramaniam^	Independent Director	NA	NA
Mr. Shashikant Vyas^	Independent Director	NA	NA

\* Mr. Ramesh Taurani didn't draw any remuneration during the financial year 2022-23.

^ The Independent Directors were paid only sitting fees during the financial year 2022-23

(b) The percentage increase in remuneration of Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

Name	Designation	% increase / (decrease) in Remuneration
Mr. Sunil Chellani#	Chief Financial Officer	20%
Mr. Sushant Dalmia@	Chief Financial Officer	-
Ms. Bijal Patel	Company Secretary	15%

# resigned from the post of Chief Financial Officer from the w.e.f. closure of business hours of December 14, 2022

@ appointed as Chief Financial Officer of the Company w.e.f. December 15, 2022

(c) The percentage increase in the median remuneration of employees in the financial year: 5.00%

(d) The number of permanent employees on the rolls of the Company: 49 Employees as on March 31, 2023.

(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 made in salaries of employees other than managerial personnel in the financial year 2022-23 was 24.26%. Details regarding increase in the managerial remuneration is given in the above table at Sr. No (a). 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:**

It is hereby affirmed that the remuneration paid is as per the remuneration policy of the Company.

**(g) There are employees drawing salary in excess of 120 Lakhs as stipulated under section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

Sr. No.	Name of the Employee and relation*	designation -Nature of Employee	Qualifications	Age Years	Date of commencement	Remuneration Received (Rs. in lacs)	Experience (Years)	Last Employment
1	Kumar Taurani	Chairman & Managing Director	Graduation	65	08.05.1996	168.00	43	-

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

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

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

Date: May 12, 2023  
 Place: Mumbai

# Annexure - C

## FORM NO. AOC - 2 RELATED PARTY TRANSACTIONS

(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:

<b>Name(s) of the related party and nature of relationship</b>	Tips Films Limited, Group Company	Mr. Kunal Taurani is son of Mr. Kumar Taurani, Chairman & Managing Director of the Company	Mrs. Krsna Taurani is spouse of Mr. Girish Taurani, Executive Director of the Company	Mrs. Renu Taurani is spouse of Mr. Kumar Taurani, Chairman & Managing Director of the Company
<b>Nature of contracts/ arrangements/ transactions</b>	Transactions entered with Tips Films Limited for acquisition of audio-video rights and advance paid thereon and other reimbursements for business purpose for an aggregate amount of up to Rs. 20 Crores	Appointed as Sr. Manager - Music (Digital) of the Company at Remuneration of Rs. 30 lakhs per annum.	Appointed as Sr. Manager- Creative of the Company at Remuneration of Rs. 12 lakh per annum.	Obtained the premises on leave and license basis at license fee of Rs. 42 lakhs per annum.
<b>Duration of the contracts/ arrangements/ transactions</b>	One year	Ongoing	Ongoing	One year
<b>Salient terms of the contracts or arrangements or transactions including the value, if any</b>	NIL	NIL	NIL	NIL
<b>Date of approval by the Board</b>	May 30, 2022	May 30, 2022	May 30, 2022	January 23, 2023
<b>Amount paid as advances, if any</b>	NIL	NIL	NIL	NIL

For and on behalf of the Board of Directors

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

Date: May 12, 2023

Place: Mumbai

## Annexure - D

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2022-23

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

To follow these CSR objectives, the Company actively participate and

1. Contribute in the area of promoting education, providing medical facilities to needy and underprivileged persons, animal welfare.
2. Collaborate with charitable trusts, NGO in pursuit of our goals.
3. Meet and interact regularly with various NGO, trust for funding the CSR amount to economically weaker sections.

#### 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	Chairperson – Executive Director	1	1
2	Mr. Amitabh Mundhra	Member Independent Director	1	1
3	Ms. Radhika Dudhat*	Member Independent Director	0	NA
3	Mrs. Tara Subramaniam#	Member Independent Director	1	1

\*resigned w.e.f. close of business hours of May 30, 2022

# appointed w.e.f. May 31, 2022

**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.**

CSR Committee – <https://tips.in/wp-content/uploads/2022/08/Composition-of-Committees-of-Board-of-Directors.pdf>

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

CSR projects - <https://tips.in/wp-content/uploads/2023/07/CSR-PROJECT.pdf>

**4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. Not Applicable**

**6. (a) Average net profit of the company as per sub-section (5) of Section 135:** Rs. 5,346.07 lakhs

**(b) Two percent of average net profit of the Company as per sub-section (5) of Section 135:** Rs. 106.92 lakhs

**(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** NIL

**(d) Amount required to be set-off for the financial year, if any:** NIL

**(e) Total CSR obligation for the financial year [(b)+(c)-(d)]:** Rs. 106.92 lakhs

**7. (a) Amount spent on CSR projects (both ongoing project and other than ongoing project):** Rs.138.92 lakhs including Rs.32 lakhs previous year unspent amount

**(b) Amount spent in administrative overheads:** NIL

**(c) Amount spent on impact assessment, if applicable:** NIL

**(d) Total amount spent for the financial year [(a)+(b)+(c)]:** Rs.138.92 lakhs including Rs.32 lakhs previous year unspent amount

**(e) CSR amount spent or unspent for the financial year:**

(Rs. In Lakhs)

Total Amount Spent for the Financial Year	Total amount transferred to unspent CSR account as per subsection (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
138.92*	3.25	April 28, 2023	-	-	-

\*including Rs.32 lakhs previous year unspent amount

(f) Excess amount for set-off, if any:

Sr. No.	Particulars	Rs. In Lakhs
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	106.92
(ii)	Total amount spent for the Financial Year	103.70*
(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

\* excludes Rs. 32 lakhs unspent CSR amount of ongoing project of previous financial year 2021-22

8. Details of unspent CSR amount for the preceding three financial years:

Rs. in Lakhs

Sl. No.	Preceding Financial Year	Amount transferred to unspent CSR account under sub-section (6) of Section 135	Balance amount in unspent CSR account under sub-section (6) of Section 135	Amount spent in the financial year	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any		Amount remaining to be spent in succeeding financial years.	Deficiency, if any
					Amount	Date of transfer		
1	FY 2019-20	-	-	-	-	-	-	-
2	FY 2020-21	-	-	-	-	-	-	-
3	FY 2021-22	32.00	0.00	32.00	NIL	NA	0.00	NA

9. Whether any capital assets have been created or acquired through CSR amount spent in the financial year: No

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

During financial year 2022-23, the Company has spent aggregate Rs. 138.92 lakhs (out of which Rs.32 lakhs was unspent CSR amount of ongoing project of previous financial year 2021-22). The unspent CSR balance Rs.3.25 lakhs for financial year 2022-23 pertaining ongoing projects has been transferred to a separate Unspent CSR bank account and will be spent within the permissible time limit.

For and on behalf of the Board of Directors

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

Place: Mumbai  
Date: May 12, 2023

# 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 creating 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 ("Listing Regulations") and hereby presents the Corporate Governance Report for the financial year ended March 31, 2023.

## BOARD OF DIRECTORS

### • Composition of Board

The Board is entrusted with ultimate responsibility of the management, direction and performance of the Company. The Company has an optimum combination of Executive and Non- Executive Directors with one woman independent director in line with the provisions of the Companies Act, 2013 ("Act") and the Listing Regulations as amended from time to time. As on

### • The composition and category of Directors, the number of Directorships and Committee Chairpersonships / Memberships held by them and Directorships held by them in other listed entities as on March 31, 2023

March 31, 2023, the Board consists of Six Directors comprising of three Executive Directors and three Non-Executive Independent Directors. The Chairperson of the Board is an Executive Director.

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

None of the Directors hold office in more than seven listed Companies. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed Companies as required under the Listing Regulations. None of the Directors on the Board is a member of more than ten Committees or Chairperson of five Committees (committees being Audit Committee and Stakeholder Relationship Committee) across all Public Companies in India, which he/she is a Director. The Company has obtained the requisite disclosures from Directors in respect of their directorship in other companies and membership/ chairpersonship in committees of other companies.

All Directors are in compliance with the limit on Directorships / Independent Directorships of listed companies as prescribed under Regulation 17A of the Listing Regulations

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

Name	Category / position	No. of Directorships in other public Ltd Companies^	No. Chairpersonship/ Membership of Committees in other Public Ltd Companies^		Directorships in other listed companies and category of Directorship as on March 31, 2023^
			Chairperson	Member	
Mr. Kumar Taurani DIN: 00555831	Promoter & Executive Director (Chairman & Managing Director)	1	NIL	2	<b>Tips Films Limited</b> (Chairperson & Executive Director)
Mr. Ramesh Taurani DIN: 00010130	Promoter & Executive Director	1	NIL	NIL	<b>Tips Films Limited</b> (Managing Director)

Name	Category / position	No. of Directorships in other public Ltd Companies <sup>^</sup>	No. Chairpersonship/ Membership of Committees in other Public Ltd Companies <sup>^</sup>		Directorships in other listed companies and category of Directorship as on March 31, 2023 <sup>^</sup>
			Chairperson	Member	
Mr. Girish Taurani DIN: 08695775	Promoter Group & Executive Director	NIL	NIL	NIL	NIL
Mr. Amitabh Mundhra DIN: 00014227	Non-Executive Independent Director	2	NIL	NIL	NIL
Mrs. Tara Subramaniam@ DIN: 07654007	Non-Executive Independent Director	4	2	5	<b>Restaurant Brands Asia Limited</b> (Non-Executive Independent Director) <b>Vascon Engineers Ltd</b> (Non-Executive Independent Director)
Mr. Shashikant Vyas@ DIN: 00237150	Non-Executive Independent Director	NIL	NIL	NIL	NIL

<sup>^</sup>Excluding Tips Industries Limited  
@appointed w.e.f. May 31, 2022

**Notes:**

1. Excludes Directorships in Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.
2. Includes only Audit Committee and Stakeholders Relationship Committee.
3. Mr. Kumar Taurani and Mr. Ramesh Taurani are related to each other as brother and Mr. Girish Taurani is the son of Mr. Kumar Taurani. None of other directors are related to each other.
4. Brief profiles of each of the above Directors are available on the Company's website [www.tips.in](http://www.tips.in).

• **Independent Directors**

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.

Based on the disclosures received from all the Independent Directors and also in the opinion of the Board, the Independent Directors fulfill the conditions specified in the Act and the Listing Regulations and 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 non-independent directors and management representatives was held on January 23, 2023 to review the performance of Non-Independent Directors (including the Chairperson) 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.

• **Familiarisation Programme for Independent Directors**

The Independent Directors are familiarized, inter alia, with the Company, their rights, roles and responsibilities, the nature of the



industry and the business of the Company. The details of the same can be viewed at <https://tips.in/wp-content/uploads/2023/04/Annexure-9-TM-0423.pdf>

#### • Resignation of Independent Directors

Ms. Radhika Dudhat and Mr. Venkitaraman Iyer have been appointed as Independent Director in the Tips Films Limited, thus, they have resigned from the position of Independent Directors of the Company with effect from closure of business hours of May 30, 2022. They further confirmed that there were no other material reasons for their resignation.

#### • 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 August 29, 2022	Number of shares held in the Company
	Held	Attended		
Mr. Kumar Taurani	8	8	Yes	26,04,964
Mr. Ramesh Taurani	8	8	Yes	25,99,500
Mr. Girish Taurani	8	6	Yes	5,94,334
Mr. Amitabh Mundhra	8	8	Yes	NIL
Ms. Radhika Dudhat#	2	2	NA	NIL
Mr. Venkitaraman Iyer#	2	1	NA	NIL
Mrs. Tara Subramaniam@	6	6	Yes	NIL
Mr. Shashikant Vyas@	6	6	Yes	NIL

# resigned w.e.f. closure of business hours of May 30, 2022  
@appointed w.e.f. May 31, 2022

#### • 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 including general management

#### • Board Meetings

The Board of Directors of the Company met eight times during the financial year i.e. from April 1, 2022 to March 31, 2023 on May 11, 2022, May 30, 2022, July 29, 2022, October 21, 2022, November 9, 2022, December 15, 2022, January 23, 2023 and February 13, 2023 and the maximum time gap between two Board meetings was less than one hundred and twenty days. 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.

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

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

Sr. No.	Board of Directors	Experience
1	Mr. Kumar Taurani	Industry Experience Leadership Experience Accounting and Finance Experience Risk Management Strategy development and implementation
2	Mr. Ramesh Taurani	Industry Experience Leadership Experience Accounting and Finance Experience Risk Management Strategy development and implementation
3	Mr. Girish Taurani	Industry Experience Leadership Experience Accounting and Finance Experience Risk Management Strategy development and implementation
4	Mr. Amitabh Mundhra	Industry Experience Leadership Experience Accounting and Finance Experience Risk Management Strategy development and implementation
5	Mrs. Tara Subramaniam	Industry Experience Accounting and Finance Experience Legal & Risk Management Strategy development and implementation
6	Mr. Shashikant Vyas	Industry Experience Leadership Experience Accounting and Finance Experience Risk Management Strategy development and implementation

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, diversity and competence required for it to function effectively.

• **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 Chairperson & 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. The Company has also put Structured Digital Database (SDD) system in the Company for UPSI as per legal requirement.

**BOARD COMMITTEES**

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

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

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

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility Committee
5. Risk Management Committee

## I. AUDIT COMMITTEE

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

### • Composition, Meetings and Attendance of each member of the Committee

Name of the Members	Category	Designation	No. of Meetings held during tenure	Meetings Attended
Mr. Amitabh Mundhra	Independent Director	Chairperson	7	7
Mr. Kumar Taurani	Chairperson & Managing Director	Member	7	7
Ms. Radhika Dudhat#	Independent Director	Member	2	2
Mr. Venkitaraman Iyer#	Independent Director	Member	2	1
Mrs. Tara Subramaniam@	Independent Director	Member	5	5
Mr. Shashikant Vyas@	Independent Director	Member	5	5

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

@appointed w.e.f. May 31, 2022

The Audit Committee met seven times during the financial year 2022-23 on May 11, 2022, May 30, 2022, July 29, 2022, October 21, 2022, November 9, 2022, December 15, 2022 and January 23, 2023. 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.

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.

### • 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	Category	Designation	No. of Meetings held during tenure	Meetings Attended
Ms. Radhika Dudhat#	Independent Director	Chairperson	1	1
Mr. Venkitaraman Iyer#	Independent Director	Member	1	1
Mrs. Tara Subramaniam@	Independent Director	Chairperson	2	2
Mr. Shashikant Vyas@	Independent Director	Member	2	2
Mr. Amitabh Mundhra	Independent Director	Member	3	3
Mr. Kumar Taurani	Chairperson & Managing Director	Member	3	3

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

@appointed w.e.f. May 31, 2022

The Company Secretary acts as the Secretary to the Committee.

The Committee met three times during the financial year 2022-23 on May 30, 2022, December 15, 2022 and January 23, 2023. The necessary quorum was present for all Meetings. The Chairperson of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company.

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

- **Terms of Reference**

Terms of Reference and role of the Nomination and Remuneration Committee includes the matters specified under the Companies Act, 2013 and Listing Regulations, which includes recommendation of appointment of 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**

The Nomination and Remuneration Committee of the Board has laid out the evaluation criteria for performance evaluation of the Board, its Committees and all the individual directors (including Independent Director, Non-Independent Director & Chairperson) in terms of Section 178(3) of the Act and the Listing Regulations.

Criteria for evaluation include inter-alia, composition of the Board and its Committees, execution and performance of specific duties, active participation at the Board and its Committee meetings, availability and attendance at the meetings, commitment and contribution to the Board and the Company, obligations and governance and others.

Evaluation of Performance of the Board, its committees, individual directors and Chairperson, for the financial year 2022-23 was carried out. The Board was satisfied with the evaluation results, which reflected the overall engagement of the Board with the Company.

## REMUNERATION TO THE DIRECTORS

Details of Remuneration paid to Non-Executive Independent Directors and Executive Directors of the Company for the financial year ended March 31, 2023 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 financial year 2022-23, the total sitting fees paid to the Non-Executive Independent Directors are as stated below:

(Rs. In lakhs)

Director's Name	Sitting Fees
Mr. Amitabh Mundhra	8.00
Ms. Radhika Dudhat#	2.00
Mr. Venkitaraman Iyer#	1.00
Mrs. Tara Subramaniam@	6.00
Mr. Shashikant Vyas@	6.00

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

@appointed w.e.f. May 31, 2022

The Criteria for making payments to non-executive directors has been disclosed on website at the below mentioned link:

[https://tips.in/wp-content/uploads/2018/07/Criteria\\_for\\_making\\_payments\\_to\\_non-executive\\_directors.pdf](https://tips.in/wp-content/uploads/2018/07/Criteria_for_making_payments_to_non-executive_directors.pdf)

- **Executive Directors**

Name	Designation	Remuneration	Bonuses & Stock options
Mr. Kumar Taurani	Chairperson & Managing Director	Rs.168 Lakhs p.a.	NIL
Mr. Girish Taurani	Executive Director	Rs.67.50 Lakhs p.a.	NIL
Mr. Ramesh Taurani	Executive Director	NIL	NIL

- The Members of the Company, at the 26<sup>th</sup> Annual General Meeting held on August 29, 2022, passed special resolutions for re-appointment of Mr. Kumar Taurani as Chairperson & Managing Director of the Company for a period of three years effective from June 1, 2022 and payment of remuneration of Rs.14 lakhs per month.

- Mr. Girish Taurani was re-appointed as an Executive Director of the Company in the 26<sup>th</sup> Annual General Meeting held on August 29, 2022 for a period of three years effective from June 1, 2022 and

approved payment of remuneration of Rs.5 lakhs per month. Further, the Members of the Company, through postal ballot, approved the revision in the remuneration of Rs. 7.5 lakhs per month effective from January 1, 2023.

- The Members of the Company at the 26<sup>th</sup> Annual General Meeting held on August 29, 2022 re-appointed Mr. Ramesh Taurani as an Executive Director of the Company for a period of three years effective from June 1, 2022. He didn't draw any remuneration from the Company.

### 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**

The Committee met four times during the financial year 2022-23 on May 30, 2022, July 29, 2022, October 21, 2022 and January 23, 2023.

Name	Category	Designation	No. of Meetings held during tenure	Meetings Attended
Ms. Radhika Dudhat#	Chairperson	Non – Executive Independent Director	1	1
Mr. Shashikant Vyas@	Chairperson	Non – Executive Independent Director	3	3
Mr. Kumar Taurani	Member	Chairperson & Managing Director	4	4
Mr. Ramesh Taurani	Member	Executive Director	4	4

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

@appointed w.e.f. May 31, 2022

The necessary quorum was present for all Meetings. The Chairperson of the Stakeholders Relationship Committee was present at the last Annual General Meeting of the Company.

- Compliance Officer**

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

the email ID [bjal@tips.in](mailto:bjal@tips.in) to enable shareholders to email their grievances.

- Number of Shareholders' Complaints Received so far**

The number of shareholders' complaints received and resolved during financial year 2022-23 is given below:

- Number of shareholders' complaints received - 2
- Number of shareholders' complaints resolved - 2

- Number not Solved to the Satisfaction of Shareholders**

None. All complaints were resolved to the satisfaction of shareholders.

- Number of Pending Complaints**

As at March 31, 2023, no complaint was pending unresolved.

### 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 Board has adopted the CSR Policy as formulated and recommended by the Committee. The CSR Policy is available on the website of the Company at the web link: <https://tips.in/wp-content/uploads/2018/07/Corporate-Social-Responsibility-Policy.pdf>

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

Name	Category	Designation	No. of Meetings held during tenure	Meetings Attended
Mr. Kumar Taurani	Executive Director	Chairperson	1	1
Mr. Amitabh Mundhra	Independent Director	Member	1	1
Ms. Radhika Dudhat#	Independent Director	Member	NA	NA
Mrs. Tara Subramaniam@	Independent Director	Member	1	1

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

@appointed w.e.f. May 31, 2022

The Committee met once during the financial year 2022-23 on October 21, 2022.

• **Terms of Reference**

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

The Annual Report on CSR activities for the financial year 2022-23 forms part of the Board's Report.

**V. RISK MANAGEMENT COMMITTEE**

The Risk Management Committee is constituted in accordance with the provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015.

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

Name	Category	Designation	No. of Meetings held during tenure	Meetings Attended
Mr. Kumar Taurani	Executive Director	Chairperson	3	3
Mr. Ramesh Taurani	Executive Director	Member	3	3
Mr. Amitabh Mundhra	Non – Executive Independent Director	Member	3	3

The Company Secretary acts as the Secretary to the Committee.

The Committee met three times during the financial year 2022-23 on May 30, 2022, October 21, 2022 and January 23, 2023. The necessary quorum was present for all Meetings.

• **Terms of reference**

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

**GENERAL BODY MEETINGS**

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

Date and Time	Location	Special Resolutions
September 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 of upto Rs.5 lakhs p.m.
September 21, 2021 at 11.00 a.m.	Video conferencing/ other audio visual means	Re-appointment of Mr. Kumar Taurani and Mr. Ramesh Taurani, Managing Directors of the Company for a period of one year commencing from June 1, 2021 at remuneration of Rs.14 lakhs p.m.  Re-appointment of Mr. Venkitaraman Iyer as an Independent Director of the Company for second term of one year commencing from September 16, 2021
August 29, 2022 at 11.00 am	Video conferencing/ other audio visual means	Re-appointment of Mr. Kumar Taurani as Chairman and Managing Director of the Company for a period of three years commencing from June 1, 2022 at remuneration of Rs.14 lakhs p.m.  Re-appointment of Mr. Girish Taurani as Executive Director of the Company for a period of three years commencing from June 1, 2022 at Remuneration of Rs. 5 lakhs p.m.  Appointment of Mrs. Tara Subramaniam and Mr. Shashikant Vyas as Non-executive Independent Directors of the Company for a period of five years commencing from May 31, 2022.

• **Postal Ballot**

During the year 2022-23, 5 (Five) resolutions were passed through two postal ballots in accordance with the provisions of Sections 110 and 108 of the Companies Act, 2013 read with rules made thereunder and Regulation 44 of the SEBI(LODR) Regulations, 2015.

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

1. **Postal Ballot vide notice dated November 9, 2022, on the following Resolution.**

- (a) **Special Resolution:** Approval for Buyback of Equity Shares

Particulars of Voting	Total number of valid Votes	% of total number of valid votes cast
Votes cast in favour	7,35,600	99.9886
Votes cast in Against	84	0.0114

The voting period for remote e-voting was commenced on November 18, 2022 (9.00 a.m.) and ended on December 17, 2022 (5.00 p.m.) (both days inclusive). The consolidated report on the result of the postal ballot through remote e-voting for approving the aforementioned resolution was passed with requisite majority on December 17, 2022. The results were declared on Monday, December 19, 2022 and communicated to the stock exchanges and were available on the Company's website at <https://tips.in/wp-content/uploads/2022/12/TIPSINDLTDpbrbb.pdf> and the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).

2. **Postal Ballot vide notice dated February 13, 2023, on the following Resolutions.**

- (a) **Special Resolution:** Approval of Sub-division of every 1 (One) Equity Share of face value of Rs. 10 (Rupees Ten Only) each into 10 (Ten) Equity Shares of face value of Re. 1/- (Rupee One Only) each.

Particulars of Voting	Total number of valid Votes	% of total number of valid votes cast
Votes cast in favour	1,01,28,705	99.9984
Votes cast in Against	157	0.0016

- (b) **Special Resolution:** Approval of alteration of the capital clause of the Memorandum of Association.

Particulars of Voting	Total number of valid Votes	% of total number of valid votes cast
Votes cast in favour	1,01,28,390	99.9954
Votes cast in Against	463	0.0046

- (c) **Special Resolution:** Approval of alteration of the capital clause of the Articles of Association

Particulars of Voting	Total number of valid Votes	% of total number of valid votes cast
Votes cast in favour	1,01,28,400	99.9955
Votes cast in Against	453	0.0045

- (d) **Special Resolution:** Increase in Remuneration of Mr. Girish Taurani (DIN: 08695775), Executive Director of the Company

Particulars of Voting	Total number of valid Votes	% of total number of valid votes cast
Votes cast in favour	53,17,356	99.9732
Votes cast in Against	1,428	0.0268

The voting period for remote e-voting was commenced on February 26, 2023 (9.00 a.m.) and ended on March 27, 2023 (5.00 p.m.) (both days inclusive). The consolidated report on the result of the postal ballot through remote e-voting for approving the aforementioned resolutions were passed with requisite majority on March 27, 2023. The results were declared on Tuesday, March 28, 2023 and communicated to the stock exchanges and were available on the Company's website at <https://tips.in/wp-content/uploads/2023/04/Annexure-B.pdf> and the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).

**Procedure for Postal Ballot:**

The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the rules framed thereunder and applicable circulars issued by the Ministry of Corporate Affairs from time to time.

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

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

## MEANS OF COMMUNICATION

- Website**

The Company maintains a website [www.tips.in](http://www.tips.in), wherein all information relevant for the shareholders are displayed under the 'Investor Section'. The website provides details, inter alia, about the Company, its performance including quarterly financial results, annual reports, press release, transcript of earning conference call, investor presentation, unpaid dividend details, shareholding pattern, contact details etc. as required under Regulation 46 of Listing Regulations are made available on the website.

- Quarterly/Annual Financial Results**

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

- Stock Exchanges**

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

- Investors presentations**

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

- Annual Report**

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

## GENERAL SHAREHOLDERS INFORMATION

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

The ensuing AGM of the Company will be held on Thursday, August 10, 2023 at 11:00 a.m. (IST) through video conferencing or other audio visual means.

- Financial Year**

Financial Year	April 1, 2022 to March 31, 2023
Date of Book Closure	From August 4, 2023 to August 10, 2023 (both days inclusive)
Dividend Payment Date	On or before September 8, 2023

- Name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s)**

The equity shares of the Company are listed at:

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 annual listing fee for the year 2023-24 has been paid to the above Stock Exchanges within the stipulated time

- Stock Code, ISIN & CIN**

<b>Stock Code</b>	<b>BSE:</b> 532375; <b>NSE :</b> TIPSINDLTD
<b>International Security Identification Number (ISIN)</b>	INE716B01029
<b>Corporate Identification No (CIN)</b>	L92120MH1996PLC099359

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

Monthly high & low prices of the equity shares of the Company at the BSE Limited and National Stock Exchange of India Ltd. (Nifty) during financial year 2022-23 are as under:



Month	Tips Share Price at BSE (Rs)		Tips Share Price at NSE (Rs)	
	High	Low	High	Low
April-22	2374.90	1819.00	2368.00	1800.00
May-22	1918.00	1465.05	1914.75	1472.50
June-22	1681.35	1273.95	1748.40	1250.10
July-22	1990.30	1365.10	1988.70	1364.40
August-22	1916.75	1384.60	1940.00	1390.65
September-22	1740.00	1470.00	1724.95	1465.00
October-22	1850.00	1456.15	1850.00	1458.45
November-22	1923.90	1725.00	1910.00	1700.00
December-22	1899.00	1670.55	1890.00	1667.60
January-23	1795.50	1535.00	1794.00	1540.00
February-23	1745.70	1458.00	1740.00	1457.95
March-23	1699.00	1433.50	1595.00	1430.00

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

Performance of the Company's equity shares (closing share price) in comparison to BSE Sensex and NSE Nifty during the financial year 2022-23:

Months	Closing Price of Tips at BSE (Rs.)	BSE Index (Sensex)	Closing Price of Tips at NSE (Rs.)	NSE (Nifty)
April-22	1862.40	57060.87	1862.65	17102.55
May-22	1597.25	55566.41	1600.70	16584.55
June-22	1396.45	53018.94	1393.30	15780.25
July-22	1885.00	57570.25	1883.75	17158.25
August-22	1566.00	59537.07	1572.95	17759.30
September-22	1547.45	57426.92	1559.50	17094.35
October-22	1731.80	60746.59	1735.00	18012.20
November-22	1808.50	63099.65	1807.75	18758.35
December-22	1757.15	60840.74	1764.70	18105.30
January-23	1594.20	59,549.90	1592.90	17662.15
February-23	1503.65	58962.12	1503.95	17303.95
March-23	1446.45	58991.52	1460.35	17359.75

• **In case the securities are suspended from trading, the directors report shall explain the reason thereof**

None of the securities of the Company are suspended from trading during the financial year 2022-23.

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

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

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

• **Share Transfer System**

The Registrars and Share Transfer Agent have put in place an appropriate share transfer system to ensure timely share transfers.

In terms of SEBI notification dated January 25, 2022 all requests for transfer of securities including transmission and transposition requests should be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, members are advised to dematerialize the shares held by them in physical form.

The Company obtains yearly certificate from M/s. SAV & Associates LLP, Practicing Company Secretary, confirming the compliance by the Company of the timelines specified under Regulation 40(9) of the Listing Regulations for registering transmission/consolidation etc. and files the same with the stock exchanges in the prescribed timeline.

• **Distribution of Shareholding as on March 31, 2023**

No. of Equity Shareholdings	No. of Shareholders	Percentage of shareholders	No. of Shares for the range	Percentage of shareholding
1 - 500	25956	97.98	748807	5.83
501 -1000	229	0.86	176232	1.37
1001 -2000	131	0.49	185184	1.44
2001 -3000	48	0.18	119762	0.93
3001 - 4000	30	0.11	103181	0.80
4001 - 5000	16	0.06	71525	0.56
5001 - 10000	31	0.12	224310	1.75
10001 - above	49	0.19	11213658	87.32
<b>Total</b>	<b>26490</b>	<b>100.00</b>	<b>12842659</b>	<b>100.00</b>

• **Shareholding Pattern as on March 31, 2023**

Category	No. of Equity Shares held	Percentage of share held
Promoters and Directors	9631638	75.00
Public including Key Managerial Personnel	2208581	17.20
Other Bodies Corporate	692822	5.39
Hindu Undivided Family	221599	1.73
Non-Resident Indians	27437	0.21
Investor Education And Protection Fund	18538	0.14
Body Corporate - Ltd Liability Partnership	17624	0.14
Non-Resident (Non Repatriable)	16224	0.13
Foreign Portfolio Investors (Corporate) - II	5780	0.05
Clearing Members	2171	0.02
Trusts	245	0.00
<b>Total</b>	<b>12842659</b>	<b>100.00</b>

• **Dematerialization of shares and liquidity**

As on March 31, 2023, 1,28,35,602 shares representing 99.95% of the Company's paid-up share capital 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, 2023 is given below:

Particulars	Shares	% of Shares
Physical Shares	7057	0.05
Demat Shares		
NSDL	2201178	17.14
CDSL	10634424	82.81
<b>Total</b>	<b>12842659</b>	<b>100.00</b>

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

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

• **Plant locations**

The Company does not have any plants.

• **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](mailto:bijal@tips.in)  
 website: [www.tips.in](http://www.tips.in)

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

No Credit Rating was obtained during the Financial Year 2022-23.

## DISCLOSURES

- **Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large**

During the financial year ended March 31, 2023, there were no materially significant related party transactions, which had potential conflict with the interests of the Company at large. The disclosure of all related party transactions entered into during the financial year 2022-23 are set out in notes forming part of the financial statements. The Policy on related party transactions has been uploaded on website of the Company at below mentioned link:

<https://tips.in/wp-content/uploads/2023/06/Annexure-1.pdf>

- **Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to Capital Markets, during the last three years**

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 and affirmation that no personnel has been denied access to the audit committee**

The Board of Directors has adopted a "Whistle Blower Policy/ Vigil Mechanism Policy" for directors and employees of the Company. No person has been denied access to the Audit Committee for any grievance. A copy of the Whistle Blower Policy is also available on the website of the Company at below mentioned link:

[https://tips.in/wp-content/uploads/2018/07/Whistle\\_Blower\\_Policy\\_Vigil\\_Mechanism\\_Policy.pdf](https://tips.in/wp-content/uploads/2018/07/Whistle_Blower_Policy_Vigil_Mechanism_Policy.pdf)

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

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

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

During the year ended March 31, 2023, the Company does not have any material listed/unlisted subsidiary companies as defined in Regulation 16 of the Listing Regulations.

- **Disclosure of Commodity Price Risk and Commodity Hedging Activities**

The Company does not trade in commodities. The Commodity price risk and commodity hedging activities are not applicable to the Company. Therefore, the said disclosure is not applicable to the Company.

- **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 a company secretary in practice 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 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.

- **Whether the board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year**

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.

- Total fees for all services paid by the listed entity to the statutory auditor**

The details of total fees for all services paid by the Company to the statutory auditor are as follows:

Type of service	Rs. In Lakhs
Audit fees	12.50
Other Certification Fee	3.00
Reimbursement of expenses	0.36
<b>Total</b>	<b>15.86</b>

- Disclosures in relation to 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 2022-23	NIL
2	Number of complaints disposed of during the financial year 2022-23	NIL
3	Number of complaints pending as on end of the financial year 2022-23	NIL

- Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount'**

During the financial year 2022-23, the Company has not given any 'Loans and Advances' in the nature of loan to Firms/ Companies in which Directors are interested.

- Details of material subsidiaries of the Company, including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries**

The Company does not have material subsidiary companies as on reporting date. Hence, the said disclosure is not applicable

## **DISCLOSURE OF THE EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II HAVE BEEN ADOPTED**

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, 2023.

### **Reporting of Internal Auditor**

The Internal Auditor reports to the Audit Committee.

## **DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATIONS 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46**

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.

## **DECLARATION SIGNED BY THE CHIEF EXECUTIVE OFFICER STATING THAT THE MEMBERS OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL HAVE AFFIRMED COMPLIANCE WITH THE CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT**

The certification by the Chairman & Managing Director and Chief Financial Officer of the Company, in compliance of Regulation 17(8) read with Part B, Schedule II of the SEBI Listing Regulations, is annexed here with as a part of the report.

## **COMPLIANCE CERTIFICATE FROM EITHER THE AUDITORS OR PRACTICING COMPANY SECRETARIES REGARDING COMPLIANCE OF CONDITIONS OF 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.

### **DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT**

As per regulation 34(3) read with Schedule V of the Listing Regulations, no shares of the Company are lying in the suspense account.

### **DETAILS OF UNCLAIMED AND UNPAID DIVIDENDS AND TRANSFER OF SHARES TO IEPF**

In accordance with Section 125 of the Companies Act, 2013 read with the IEPF rules made thereunder, the amounts of dividend that remain unpaid or unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Members can claim the unclaimed dividend from the Company before transfer to the IEPF by making their claim to the Company or by contacting the Registrar and Transfer Agent.

Further, in terms of Section 124(6) of the Companies Act, 2013, read with the IEPF rules made thereunder, all the shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more from the date of transfer to the unpaid dividend account are required to be transferred to the demat account of the IEPF.

Members are advised that in terms of the provisions of Section 124 of the Companies Act, 2013, once unclaimed dividend and shares are transferred to IEPF, no claim shall lie against the Company in respect thereof. However members may apply for the same with the IEPF authority by making an application in the prescribed web Form No. IEPF-5.

Accordingly, all the shares in respect of which dividends were declared upto the financial year ended 2014-15 and remained unclaimed for a continuous period of seven years have been transferred to the demat account of IEPF.

The details of unpaid/ unclaimed dividend and equity shares so transferred are uploaded on the website of the Company at [www.tips.in](http://www.tips.in) as well as that of the Ministry of Corporate Affairs, Government of India at [http:// www.mca.gov.in](http://www.mca.gov.in).

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

Place: Mumbai  
Date May 12, 2023

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

### 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, 2023.

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

Place: Mumbai  
Date: May 12, 2023

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

### CEO AND CFO CERTIFICATION

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

We, Kumar S. Taurani, Chairman and Managing Director of Tips Industries Limited and Sushant Dalmia, 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, 2023 and that to the best of our knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or we propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee;
  - (i) Significant changes, if any, in internal control over financial reporting during the year;
  - (ii) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

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

DIN: 00555831  
Date: May 12, 2023  
Place: Mumbai

**Sushant Dalmia**  
**Chief Financial Officer**

**CERTIFICATE UNDER REGULATION 34(3) AND CLAUSE C(10)(i) OF SCHEDULE V OF SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015****FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2023  
TO WHOMSOEVER IT MAY CONCERN**

This certificate is issued in accordance with the terms of your e-mail dated 09<sup>th</sup> May, 2023.

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

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

I, CS Shirish Shetye, a Company Secretary in Practice, Designated Partner of SAV & Associates LLP, have examined all relevant Registers, declarations and confirmations by the directors, files and other documents relating to **Tips Industries Limited [CIN: L92120MH1996PLC099359]**, having its registered office at 601, Durga Chambers, 6<sup>th</sup> Floor, Opp. B.P.L. Gallery, 278/E, Linking Road, Khar (West), Mumbai – 400052, pertaining to the Directors, for year ended **31<sup>st</sup> March, 2023**, for the purpose of issuing certificate under Regulation 34(3) and Clause C(10)(i) of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Regulations”) and based on our examination as well as information and explanations furnished to us, which to the best of our knowledge and belief were necessary for the purpose of our certification, we hereby certify that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

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

**For SAV & Associates LLP**

Company Secretaries  
Peer Review Regn. No.: 1528/2021

**SHIRISH SHETYE****Designated Partner**

COP No.: 825  
FCS: 1926  
UDIN: F001926E000297804

Place: Thane

Date: May 12, 2023

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

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

1. This certificate is issued in accordance with the terms of our engagement letter dated August 30, 2022.
2. We have examined the compliance of the conditions of Corporate Governance by Tips Industries Limited (Company) for the year ended on March 31, 2023 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, 2023.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
8. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
  - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
  - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
  - iii. Obtained and read the Register of Directors as on March 31, 2023 and verified that atleast one independent woman director was on the Board of Directors throughout the year;



- iv. Obtained and read the minutes of the following committee meetings / other meetings held from April 01, 2022 to March 31, 2023:
    - a) Board of Directors;
    - b) Audit Committee;
    - c) Annual General Meeting (AGM);
    - d) Independent Directors Meeting;
    - e) Nomination and Remuneration Committee;
    - f) Stakeholders Relationship Committee;
    - g) Corporate Social Responsibility Committee; and
    - h) Risk Management Committee.
  - v. Obtained necessary declarations from the directors of the Company.
  - vi. Obtained and read the policy adopted by the Company for related party transactions.
  - vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been preapproved prior by the audit committee.
  - viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
9. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

### Opinion

10. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
11. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

### Restriction on use

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

Place: Mumbai  
Date: May 12, 2023

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

**Parag Ved**  
**Partner**  
Membership Number: 102432  
UDIN: 23102432BGUAKZ7114

# Business Responsibility and Sustainability Report

In recent years, there has been a growing awareness among investors/stakeholders in companies that prioritize environmental, social and governance (ESG) practices. ESG investing has become popular across the globe, including in India, as investors/stakeholders around the world seek to invest in companies that prioritize sustainability and responsibility.

The Securities and Exchange Board of India (SEBI) has put in place the Business Responsibility and Sustainability Reporting (BRSR) framework which requires listed companies to disclose information under the nine principles of the National Guidelines on Responsible Business Conduct.

TIPS Industries Limited firmly believes that performance of the Company on environmental, social and governance aspects is as important as financial and operational performance. The Business Responsibility and Sustainability Reporting (BRSR) is a single and comprehensive disclosure of non-financial sustainability information on environmental, social, governance aspects, policies, stakeholders engagement, and the impact of the activities on the environment and society.

TIPS Industries Limited, a leading Company in the Media & Entertainment Industry, is engaged in the business of digital contents business i.e creation and acquisition of audio-visual content for music and exploitation of content library digitally, in India and overseas through licensing on various platforms. The Company does not involve in any manufacturing activities. Thus, considering the nature of the business, some of the disclosures under the BRSR are not applicable to the Company.

This year we are publishing our first Business Responsibility and Sustainability Report for FY 2022-23 with essential indicators. In subsequent reporting period, we will strive to report on leadership indicators as well.

## SECTION A: GENERAL DISCLOSURES

### I. DETAILS OF THE LISTED ENTITY

1	Corporate Identity Number (CIN) of the Listed Entity	L92120MH1996PLC099359
2	Name of the Listed Entity	Tips Industries Limited
3	Year of incorporation	1996
4	Registered office address	6th Floor, 601, Durga Chambers, Linking Road, Khar - West, Mumbai 400052, Maharashtra, India
5	Corporate address	2nd Floor, Raheja Chambers, Linking Road, Santacruz - West, Mumbai 400054, Maharashtra, India
6	E-mail	info@tips.in
7	Telephone	+91 22 6643 1188
8	Website	<a href="http://www.tips.in">www.tips.in</a>
9	Financial year for which reporting is being done	April 1, 2022 to March 31, 2023
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited National Stock Exchange of India Limited
11	Paid-up Capital	Rs.12,84,26,590
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Sushant Dalmia Chief Financial Officer Contact No.: +91 22 6643 1188 Email Id: <a href="mailto:investorrelations@tips.in">investorrelations@tips.in</a>
13	Reporting boundary	Standalone Basis

## II. PRODUCTS/SERVICES

### 14. Details of business activities (accounting for 90% of the turnover)

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Information and communication (J3)	Creation and acquisition of audio-visual content for music and exploitation of content library digitally in India and overseas through licensing on various platform	97.21%

### 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover)

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	License fees	59202	100%

The Company has diversified music library comprising a collection of evergreen and rich content of over 30,000 songs which are available for streaming and download across leading digital marketplaces like iTunes and Google Play, as well as popular streaming platforms like You Tube, Spotify, Jio Saavn, Resso, Apple Music etc.

## III. OPERATIONS

### 16. Number of locations where plants and/or operations/offices of the entity are situated

Location	Number of plants	Number of offices	Total
National	Not Applicable	4	4
International	Not Applicable	NIL	NIL

### 17. Markets served by the entity

#### a. Number of locations

Locations	Number
National (No. of States)	Exploitation of audio-visual content for music digitally in India and overseas through licensing on various platform such as You Tube, Spotify, Jio Saavn, Resso, Apple Music, Amazon Prime etc.
International (No. of Countries)	

#### b. What is the contribution of exports as a percentage of the total turnover of the entity?

The contribution to export is 71.35% of total turnover of the company.

#### c. A brief on types of customers

Business to Business ( B2B) - Tips works with the leading corporations operated in the Music Production Industry.

#### IV. EMPLOYEES

##### 18. Details as at the end of Financial Year:

###### a. Employees and workers (including differently abled)

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	49	36	73.47%	13	26.53%
2.	Other than Permanent (E)	38	23	60.53%	15	39.47%
<b>3.</b>	<b>Total employees (D+E)</b>	<b>87</b>	<b>59</b>	<b>67.82%</b>	<b>28</b>	<b>32.18%</b>

Employees include Executive Directors and Key Management Personnel

Note: The Company does not have any workers as defined in the guidance note on BRSR, issued by SEBI. Hence in all sections, details sought of the 'Workers' category are not applicable to the Company.

###### b. Differently abled Employees and workers

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	NIL	NIL	NIL	NIL	NIL
2.	Other than Permanent (E)	NIL	NIL	NIL	NIL	NIL
<b>3.</b>	<b>Total differently abled employees (D + E)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

The Company does not have any workers as defined in the guidance note on BRSR, issued by SEBI.

##### 19. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	1	16.67%
Key Management Personnel	5	1	20.00%

##### 20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

Particulars	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	8.70	0.00	6.12	6.06	18.18	10.10	5.88	18.75	10.00

The Company does not have any workers as defined in the guidance note on BRSR, issued by SEBI.

**V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURE)****21. (a) Names of holding / subsidiary / associate companies / joint ventures**

The Company doesn't have any holding / subsidiary / associate companies / joint ventures.

**VI. CSR Details****22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes**

(ii) **Turnover (in Rs.)** - 18,678.12 Lakhs

(iii) **Net worth (in Rs.)** - 13,618.09 Lakhs

**VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES****23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) and provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		Remarks
		Number of complains filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	
Communities	Yes, <a href="https://tips.in/contact">https://tips.in/contact</a>  Under the supervision of CMD	-	-	-	-	-	-
Investors (other than shareholders)	Yes, <a href="https://tips.in/contact">https://tips.in/contact</a>	-	-	-	-	-	-
Shareholders	Yes, <a href="https://tips.in/wp-content/uploads/2022/09/Annexure-2.pdf">https://tips.in/wp-content/uploads/2022/09/Annexure-2.pdf</a>	2	-	All complaints were resolved	1	-	All complaints were resolved
Employees*	Yes, <a href="https://tips.in/wp-content/uploads/2018/07/Whistle_Blower_Policy_Vigil_Mechanism_Policy.pdf">https://tips.in/wp-content/uploads/2018/07/Whistle_Blower_Policy_Vigil_Mechanism_Policy.pdf</a>	-	-	-	-	-	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) and provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		Remarks
		Number of complains filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	
Customers	Yes, <a href="https://tips.in/contact">https://tips.in/contact</a> Under the supervision of CMD	-	-	-	-	-	-
Value Chain Partners/ Vendors	Yes, <a href="https://tips.in/contact">https://tips.in/contact</a> Under the supervision of CMD	-	-	-	-	-	-
Others	-	-	-	-	-	-	-

\* In addition, there are internal policies of the Company.

The Company does not have any workers as defined in the guidance note on BRSR, issued by SEBI.

## 24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Digitalization	Opportunity	Digitalization has played an important role in shaping the music industry. The digitization has led to discontinuation of sale of music in physical formats. Music streaming, downloads, Internet radios and other subscription-based music services have become an important channel for the distribution of music. Digital technologies and processes have changed the landscape within the music industry by altering ways in which revenue is being generated.	Not applicable	Positive Implications
2	Piracy	Risk	Unauthorised sharing of copyrighted works	The Company continuously keep track on piracy incidents and file claims under applicable laws to safeguard its content.	Negative Implications

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Employee engagement	Opportunity	The Company ensures that all its employees enjoy a safe and healthy working environment. We have a mutually respectful and appreciative relationship with all our employees.	Not applicable	Positive Implications
4	Corporate Social Responsibility	Opportunity	The Company through its CSR initiatives has been enhancing value and promote social sustainability, sustainable development of the environment and social welfare of the people and society at large.	Not applicable	Positive Implications

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred to as P1-P9 as given below:

P1	Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.
P2	Businesses should provide goods and services in a manner that is sustainable and safe.
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains.
P4	Businesses should respect the interests of and be responsive to all its stakeholders.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect and make efforts to protect and restore the environment.
P7	Businesses when engaging in influencing public and regulatory policy should do so in a manner that is responsible and transparent.
P8	Businesses should promote inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their consumers in a responsible manner.

Disclosure Questions	P	P	P	P	P	P	P	P	P	
	1	2	3	4	5	6	7	8	9	
<b>Policy and management processes</b>										
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	The Corporate policies of the Company can be viewed at weblink <a href="https://tips.in/corporate-governance">https://tips.in/corporate-governance</a> . Some of the policies of the Company are accessible only to employees of the Company.									

Disclosure Questions	P	P	P	P	P	P	P	P	P									
	1	2	3	4	5	6	7	8	9									
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y									
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes. The Company's Code of Conduct extend to our value chain partners and the Company expects its stakeholders to adhere to the same in all their dealings.																	
4. Name of the national and international codes/certifications/ labels/ standards (e.g.Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g.SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Not Applicable																	
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company is actively evolving specific commitments, goals and targets that align with the nine principles and overall business development and growth.																	
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.																		
<b>Governance, leadership and oversight</b>																		
7. Statement by director responsible for the business responsibility report, highlighting ESGrelated challenges, targets and achievements	TIPS firmly believes that performance of the Company on environmental, social and governance aspects is as important as financial and operational performance. The Company is committed to follow principles into its businesses which is essential to improve their governance practices and ensures that they are operating in a transparent and ethical manner.																	
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Kumar S. Taurani, Chairman & Managing Director																	
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, Mr. Kumar S. Taurani, Chairman & Managing Director																	
<b>10. Details of Review of NGRBCs by the Company:</b>																		
Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Performance against above policies and follow up action	Director									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Status of compliance with all applicable statutory requirements is reviewed on a quarterly basis by the Board. Quarterly Compliance Certificate on applicable laws are provided by respective department heads and placed before the Board.																	



11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	No, the policies are evaluated internally from time to time and updated whenever required. The Company seeks external assistance and advice as and when required.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	-	-	-	-	-	-	-	-	-
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-	-	-	-	-	-	-	-	-
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	-	-	-	-	-	-	-	-	-
It is planned to be done in the next financial year (Yes/No)	-	-	-	-	-	-	-	-	-
Any other reason (please specify)	-	-	-	-	-	-	-	-	-

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

### PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

#### ESSENTIAL INDICATOR

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	2	Induction programme for new Independent Directors and Discussion on the Directors' Roles and Responsibilities and Business Review  In additional, Refer Note no. 1	100%
Key Managerial Personnel	2	Business strategy, risk management  In additional, Refer Note no. 1	100%
Employees other than BoD and KMPs	1	Code of conduct, Insider Trading, POSH  In additional, Refer Note no. 2	100%

Note no. 1:

During the year several meetings were held with the Directors and KMPs to discuss on the overall performance of the Company including equity performance, earnings outlook, Company's strategy, operations, CSR Funds.

Note no. 2:

Senior Function Heads also participate periodically in the meetings for deeper understanding of various aspects of the business. Employees are provided trainings to improve their performance.

**2. Details of fines/ penalties/ punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format:**

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website)

NIL.

**3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Not applicable.

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

The Company's Codes of Conduct for Directors and Senior Management and Whistle Blower Policy /Vigil Mechanism Policy covers the concerns regarding anti-corruption or anti-bribery policy. All the policies are accessible on the Company website under 'Corporate Governances' in the 'Investor' tab at <https://tips.in/corporate-governance>.

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

Particulars	FY 2022-23	FY 2021-22
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL

The Company does not have any workers as defined in the guidance note on BRSR, issued by SEBI.

**6. Details of complaints with regard to conflict of interest:**

Particulars	FY 2022-23	FY 2021-22
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NIL
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NIL

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable.

**PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE.**

**ESSENTIAL INDICATOR**

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Segment	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	Not Applicable, Considering the nature of business, no R&D and capex investments is made for improving the environmental and social impacts.		
Capex			

2. a. Does the entity have procedures in place for sustainable sourcing?  
b. If yes, what percentage of inputs were sourced sustainably?

The consumption of resources is limited to running of operations and sourcing of inputs is not relevant to our core activities.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Considering the nature of business, the consumption of resources is limited to the operational level. we have following practices for below mention waste categories.

- a) **Plastics (including packaging):** As the Company is in business of digital content business, the Company produces very minimal plastic waste. In continuation of reduce, reuse and recyle approach of the Company, its ensure that all plastic waste is properly disposed off. It has also replaced plastic garbage bags with bio-degradable bags.
- b) **E- Waste:** Computers and related accessories are handed over to vendors or to certified disposal agencies.
- c) **Hazardous waste:** There is no hazardous waste generation owing to the nature of business.
- d) **Other waste:** There are no other kinds of waste generated in our office other than listed above.
4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not applicable.

**PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS.**

**ESSENTIAL INDICATOR**

**1. a. Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
	(A)	Number (B)	%(B/A)	Number (C)	%(C/A)	Number (D)	%(D/A)	Number (E)	%(E/A)	Number (F)	%(F/A)
<b>Permanent employees</b>											
Male	36	-	-	-	-	NA	NA	-	-	-	-
Female	13	-	-	-	-	13	100%	NA	NA	-	-
<b>Total</b>	<b>49</b>	-	-	-	-	<b>13</b>	<b>26.53%</b>	-	-	-	-
<b>Other than Permanent Employees</b>											
Male	23	-	-	-	-	NA	NA	-	-	-	-
Female	15	-	-	-	-	15	100%	NA	NA	-	-
<b>Total</b>	<b>38</b>	-	-	-	-	<b>15</b>	<b>39.47%</b>	-	-	-	-

**b. Details of measures for the well-being of workers:** Not applicable, the Company does not have any workers as defined in the guidance note on BRSR, issued by SEBI.

**2. Details of retirement benefits, for Current FY and Previous Financial Year.**

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100.00%	NA	Y	100.00%	NA	Y
Gratuity	100.00%	NA	Y	100.00%	NA	Y
ESI	4.08%	NA	Y	16.33%	NA	Y
Others please specify	NA	NA	NA	NA	NA	NA

Note - Employees include only permanent employees

### 3. Accessibility of workplaces

**Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Our registered office is accessible with ramps and rails and our corporate office has elevators which can be accessed from the parking lot for differently abled person.

### 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company doesn't have a separate equal opportunity policy but the Company' Code of Conduct and Sexual Harassment Policy which includes Fair Employment Practices and it does not tolerate any kind of discrimination or harassment. The Code of Conduct is available on the website of the Company at [https://tips.in/wp-content/uploads/2018/07/Code\\_of\\_Conduct.pdf](https://tips.in/wp-content/uploads/2018/07/Code_of_Conduct.pdf).

### 5. Return to work and Retentions rates of permanent employees and workers that took parental leave.

Particulars	Permanent employees	
	Return to work rate	Retention rate
Male	-	-
Female	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>

The Company does not have any workers as defined in the guidance note on BRSR, issued by SEBI.

### 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Particulars	Yes/No (if Yes, then give details of mechanism in brief)
Permanent Employees	Yes, employees can reach out to their reporting managers and/or HR to redress their grievances.
Other than Permanent Employees	

The Company does not have any workers as defined in the guidance note on BRSR, issued by SEBI.

### 7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

No

## 8. Details of training given to employees and workers :

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	59	-	-	10	16.95%	49	-	-	6	12.24%
Female	28	-	-	6	21.43%	30	-	-	3	10.00%
<b>Total</b>	<b>87</b>	<b>-</b>	<b>-</b>	<b>16</b>	<b>18.39%</b>	<b>79</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>11.39%</b>

The Company does not have any workers as defined in the guidance note on BRSR, issued by SEBI.

## 9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	Senior Function Heads interact with employees and provide internal training to improve their performance on need basis.					
Female						
<b>Total</b>						

The Company does not have any workers as defined in the guidance note on BRSR, issued by SEBI.

## 10. Health and safety management system:

### a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Considering the nature of business, there are no major possibilities or significant occupational health risks in the operating premises. Therefore, occupational health and safety management concerns are not applicable to us. The Company ensures the effectiveness of internal safety systems periodically by identifying possible risks, implementing measures to prevent potential incidents, educating employees about unsafe behaviors and send internal communication alerts to Company's employees on need basis. Fire extinguishers and CCTV cameras are installed in all offices. In past, we had conducted Fire Drill Training at registered office. Housekeeping is maintained with utmost care.

### b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Not Applicable, the Company is in the media and entertainment industry and considering the nature of business, the Company does not have any work-related hazards. The Company ensures safety of all its employees.

**c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)**

This is not applicable to the Company since we do not have workers.

**d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes, considering the various aspects of the employees, our management extends voluntary medical assistance to some of our employees and provides financial assistance to the employees and spouse/ dependent of the deceased employee.

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
Total recordable work related injuries	Employees	Nil	Nil
No. of fatalities	Employees	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil

The Company does not have any workers as defined in the guidance note on BRSR, issued by SEBI.

**12. Describe the measures taken by the entity to ensure a safe and healthy work place.**

Refer point no. 10(a).

**13. Number of Complaints on the following made by employees and workers:**

Particulars	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	NA	NA	Nil	NA	NA
Health & Safety	Nil	NA	NA	Nil	NA	NA

**14. Assessments for the year:**

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	No assessment has been done by statutory authorities or third parties.
Working Conditions	No assessment has been done by statutory authorities or third parties.

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

Not Applicable.

## PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTEREST OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

### ESSENTIAL INDICATORS

#### 1. Describe the processes for identifying key stakeholder groups of the entity?

The Company has identified the Internal and External group of stakeholders. The stakeholders are Employees, Shareholders, Investors, Vendors/ Value chain partner.

List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/ Half Yearly/ Quarterly/ Others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Through Physical and Digital Channels	Regular	Business information, Sharing Policies, Learning & Development
Shareholders	No	Stock Exchanges intimations, E-mail, newspaper, website, Annual General Meeting	Annual, periodic and as per required	Financial Performance and other relevant information and statutory approvals
Investors (other than Shareholders)	No	Earnings Call/ Investor meet	Quarterly and as per requirement	Company performance
Vendors/ Value chain partner	No	Through Physical and Digital Channels	Regular	Business requirement, Long term relationship

## PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

### ESSENTIAL INDICATORS

#### 1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	%B/A	Total (C)	No. of employees / workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	The Company does not have a separate training specific to human rights issues but Human Rights is part of the Company's Code of Conduct.					
Other than permanent						
<b>Total Employees</b>						

The Company does not have any workers as defined in the guidance note on BRSR, issued by SEBI.



2. Details of minimum wages paid to employees and workers, in the following format :

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Permanent										
Male	36	-	-	36	100%	33	-	-	33	100%
Female	13	-	-	13	100%	16	-	-	16	100%
<b>Other than Permanent</b>										
Male	23	-	-	23	100%	22	-	-	22	100%
Female	15	-	-	15	100%	8	-	-	8	100%

The Company does not have any workers as defined in the guidance note on BRSR, issued by SEBI.

3. Details of remuneration/salary/wages, in the following format:

Particulars	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (Rs. In lakhs)	Number	Median remuneration/ salary/ wages of respective category (Rs. In lakhs)
Board of Directors (BOD)*	2	117.75	0	0.00
Key Managerial Personnel #	1	75.00	1	11.50
Employees other than BOD and KMP^	33	6.73	12	10.00

The Company does not have any workers as defined in the guidance note on BRSR, issued by SEBI.

\* Includes Managing Director and Executive Director

# includes Chief Financial Officer and Company Secretary

^ Includes Permanent Employees

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

The HR is the focal point responsible for addressing Human Rights impacts or issues caused or contributed to by the business.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The grievances pertaining to human rights can be addressed to the HR of the Company who is responsible to get them resolved.

**6. Number of Complaints on the following made by employees and workers:**

Particulars	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	NA	Nil	Nil	NA
Discrimination at workplace	Nil	Nil	NA	Nil	Nil	NA
Child Labour	Nil	Nil	NA	Nil	Nil	NA
Forced Labour/ Involuntary Labour	Nil	Nil	NA	Nil	Nil	NA
Wages	Nil	Nil	NA	Nil	Nil	NA
Other human Rights related issues	Nil	Nil	NA	Nil	Nil	NA

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The Company has various policies including the Code of Business Conduct, the Policy on Prevention of Sexual Harassment (POSH), Whistleblower Policy to prevent adverse consequences to the complainant in discrimination and harassment cases.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes.

**9. Assessments for the year:**

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	0
Forced/involuntary labour	0
Sexual harassment	0
Discrimination at workplace	0
Wages	0
Others – please specify	0

The Company internally monitors compliance for all relevant laws and policies pertaining to these issues.

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

There were no significant risks / concerns arising from the human rights assessments.

**PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT.****ESSENTIAL INDICATORS****1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format**

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	344.1132 Giga Joules	180.7164 Giga Joules
Total fuel consumption (B)	NIL	NIL
Energy consumption through other sources (C)	NIL	NIL
Total energy consumption (A+B+C)	344.1132 Giga Joules	180.7164 Giga Joules
Energy intensity per rupee of Turnover (Total energy consumption/ turnover in rupees)	0.02	0.01
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No.

**2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

No.

**3. Provide details of the following disclosures related to water, in the following format:**

The Company is not into any manufacturing activities therefore Water usage is restricted to individual /personal usages of employees only. The Company ensures that water is consumed in the Company's' office premises in hygienic and filtered and not contaminated. Further, efforts have been made to ensure that water is utilized carefully by installing efficient water taps and fittings.

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No

**4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Not Applicable, Considering the nature of activity, the Company has not implemented any mechanism for Zero Liquid Discharge.

**5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Given the nature of our business, this indicator is not applicable

**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?**

The Company is not involved in any manufacturing activity hence, there is no chance of emission of effluent gases. It is not applicable to us.

**7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

No.

**8. Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2022-23	FY 2021-22
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	The Company is not engaged in any manufacturing activities. We replaced plastic garbage bags with bio-degradable bags. E-waste like Computers and related accessories are handed over to vendors or to certified disposal agencies.	
E-waste (B)		
Bio-medical waste (C)	We do not produce or dispose of any kind of bio-medical, construction debris or radioactive waste. Hence it is not applicable.	
Construction and demolition waste (D)		
Battery waste (E)		
Radioactive waste (F)		
Other Hazardous waste. Please specify, if any. (G)		
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)		
<b>Total (A+B+C+D+E+F+G+H)</b>	-	
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>	The Company is not engaged in any manufacturing activities. We replaced plastic garbage bags with bio-degradable bags. E-waste like Computers and related accessories are handed over to vendors or to certified disposal agencies.	
(i) Recycled		
(ii) Re-used		
(iii) Other recovery operations		
<b>Total</b>	-	
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>	Our waste generation is minimal and consequently there is no requirement of incineration or land filling activities.	
(i) Incineration		
(ii) Landfilling		
(iii) Other disposal operations		
<b>Total</b>	-	

**Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?**

No.

- 9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

We strive to reduce waste and recycle as much as possible. Our waste primarily comprises of plastic, papers and e-waste. We use glass/steel bottles at our offices to reduce the number of plastic bottles. We use 100% biodegradable plastic garbage bags to collect and dispose off dry and wet waste. We prefer digital processes and reduce the paper work in the ongoing activity. All such E-wastes are being disposed of through registered E-waste vendors and agencies.

The Company does not produce any hazardous and toxic chemicals.

- 10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

No, the Company does not have operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.

- 11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Not Applicable. The Company has not conducted any environmental impact assessments of projects as the Company is in the digital contents business.

- 12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

Yes, the Company is in compliance with all the applicable laws.

**PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT.**

#### ESSENTIAL INDICATORS

- 1. a. Number of affiliations with trade and industry chambers/ associations.**

Three

- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

Sr. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Phonographic Performance Limited	National
2	Indian Music Industry	National
3	Indian Performing Right Society Limited	National

**2. Provide details of corrective action taken or underway on any issues related to anti competitive conduct by the entity, based on adverse orders from regulatory authorities.**

No adverse order was received by the Company from regulatory authorities related to anti competitive conduct during the financial year 2022-2023 hence no corrective action was required to be taken.

**PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT**

**ESSENTIAL INDICATORS**

**1. Details of Social Impact Assessments (SIA) of projects undertaken by the Company based on applicable laws, in the current financial year.**

Currently, the Company does not have any Social Impact Assessment (SIA) projects in place.

**2. Information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your Company.**

Not applicable

**3. Describe the mechanisms to receive and redress grievances of the community.**

As a part of CSR initiatives, Company engages with community by way of its volunteers and employees. Grievance received if any are addressed and corrective measures shall be taken by the company, if needed.

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers.**

Not applicable, as we are not in manufacturing of goods and sourcing of goods is not a part of our principal business activities.

**PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER.**

**ESSENTIAL INDICATORS**

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

Complaints can be registered on the email id info@tips.in or alternately on the web-link <https://tips.in/contact>. Response of the complaints and feedback send under the supervision of the senior head/ CMD of the Company.

**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about**

	As a percentage to total turnover
Environmental and social parameters relevant.	
Other than Permanent Employeesa Safe and responsible usage	Not applicable as the Company is in the digital contents business
Recycling and/or safe disposal	

### 3. Number of consumer complaints in respect of the following

Particulars	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other	-	-	-	-	-	-

### 4. Details of instances of product recalls on account of safety issues:

Particulars	Number	Reasons for recall
Voluntary recalls	Not Applicable	
Forced recalls		

### 5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, Company has adopted Risk Management Policy and the same is hosted on the website of the Company and the same can be accessed by the below link <https://tips.in/wp-content/uploads/2021/09/Risk-Management-Policy.pdf>.

### 6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not Applicable.

# 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, 2023, 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, 2023 and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year ended on that date.

## Basis for opinion

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

is sufficient and appropriate to provide a basis for our opinion on the financial statements.

## Key Audit Matters

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

Further, based on information and explanation given to us, we have determined that there are 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 Company's annual report, but does not include the financial statements and auditor's report thereon.

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

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

## Management and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes



in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's responsibilities for the audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis

for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other

matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

### Report on other legal and regulatory requirements

1. As required by 'The Companies (Auditor's Report) Order, 2020' (hereinafter referred to as the "Order"), issued by the Central Government of India in terms of sub - section 11 of section 143 of the Companies Act, 2013, we give in the "Annexure-A" a statement on the matters specified in paragraph 3 and 4 of the Order to the extent applicable.
2. (A) As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified

as on March 31, 2023 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".**
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a) The Company has disclosed the impact of pending litigations as at March 31, 2023 on its financial position in its financial statements – Refer Note No. 34(1)(a) to the financial statements.
  - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - d)
    - (i) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Notes 34(15)(d) of the financial statements no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recoded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (ii) The Management has represented, that, to the best of its knowledge and belief, as disclosed in

the Notes 34(15)(d) of the financial statements no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like or behalf of the Ultimate Beneficiaries.

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

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

2. (C) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act:

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

**For SSPA & Associates**

Chartered Accountants

Firm Registration No. 131069W

**Parag Ved**

**Partner**

Membership No. 102432

UDIN: 23102432BGUAKY5470

Place: Mumbai

Date: May 12, 2023

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF TIPS INDUSTRIES LIMITED FOR THE YEAR ENDED MARCH 31, 2023**

- i. In respect of Property, Plant and Equipment
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has no Intangible Assets during the year.
- (b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company, in respect of immovable properties taken on lease and disclosed as right to use assets in the financial statements, the lease agreement are in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) during the year.
- (e) According to the information and explanation given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and rules made thereunder.
- ii. In respect of Inventories:
- (a) The company does not have Inventory during the year ended March 31, 2023 and hence clause (ii) of the Order is not applicable to the Company for the current year.

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

- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year.

- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans, details of same are given below :

<b>Particulars</b>	<b>Loans</b>
(NRI in Lakhs)	
Aggregate amount during the year	
- Other	312.52
Balance Outstanding as at balance sheet date	
- Other	275.64

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the loans granted during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company,

there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advance in the nature of loan to any party during the year.

- (e) The Company has granted loans to companies which had fallen due during the year and Company has extended tenure of such loans.

The aggregate amount of such dues extended and the percentage of the aggregate to the total loans granted during the year are as follows:

(INR in Lakhs)	
Name of the parties (Other)	Aggregate amount if overdue of existing loans renewed or extended or settled by fresh loan
Advantage Raheja Hotel Pvt. Ltd.	250.00
Percentage of the aggregate to the total loans or advances in the nature of loan granted during the year.	80%

- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- iv. 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 deposits or amounts which are deemed to be deposits from public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder, except in respect of an advance received from the customer which has arisen on account of arrangement with the customer. As per the independent opinion

obtained by the Company, which states as per Rule 2(1)(c)(xii)(e) of the Acceptance of Deposits Rules, 2014 provides that where advance is received and services are provided for over a period of five years in accordance with a proper agreement in place and if that is as per industry practice will be not be considered as deemed deposits as per provisions of the above sections.

- vi. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:

The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

- (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service tax, cess and other statutory dues as applicable with the appropriate authorities. As explained to us, Duty of Custom is not applicable to the Company for the current year.

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service tax, cess and other statutory dues were in arrears as at March 31, 2023 for a period more than six months from the date they became payable. As explained to us, Duty of Custom is not applicable to the Company for the current year.

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

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

\*Amount is net of payments made under dispute

- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- ix. In respect of borrowings:
- (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company has not availed any loans or other borrowings from any lenders during the year.
- (b) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- (c) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company has not taken any term loan during the year, hence, paragraph 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not raised any funds on short term basis during the year, hence, paragraph 3(ix)(d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or Joint ventures.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, associates or joint ventures.
- x. In respect of IPO / FP0 and Private Placement / Preferential Allotment:
- (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. In respect of fraud and whistle blower complaints:
- (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT- 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there are no whistle blower complaints received by the Company during the year.
- xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not

- applicable to it. Accordingly, paragraph 3(xii) (a) to (c) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the transactions with the related parties are in compliance with provisions of sections 177 and 188 of Companies Act, 2013 where applicable and the details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. In respect of Internal audit system:
- (a) In our opinion and based on our examination, the Company has adequate internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the Internal reports for the company issued till date for the period under audit.
- xv. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, provisions of section 192 of the companies Act, 2013 and paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. In respect of registration with RBI and reporting for Core Investment Company:
- (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered during our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, Clause 3(xviii) of the order is not applicable.
- xix. According to the information and explanation given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. In respect of unspent amount towards CSR:
- a) In our opinion and according to the information and explanations given to us, there is no unspent amount under subsection (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx) (a) of the Order is not applicable.
- b) According to the information and explanations given to us, in respect of ongoing projects, the Company has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with Section 135(6) of the said Act.

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

**Parag Ved**  
Partner

Place: Mumbai  
Date: May 12, 2023

Membership No. 102432  
UDIN: 23102432BGUAKY5470

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF TIPS INDUSTRIES LIMITED FOR THE YEAR ENDED MARCH 31, 2023

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

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

#### Opinion

We have audited the internal financial controls with reference to financial statements of **Tips Industries Limited** ("the Company") as of March 31, 2023 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, 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### Management's and Board of Director's Responsibility for Internal Financial Controls

The Company's Management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal controls with references to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on

our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

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

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of



management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper Management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to

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

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

**Parag Ved**  
**Partner**

Place: Mumbai  
Date: May 12, 2023

Membership No. 102432  
UDIN: 23102432BGUAKY5470

# Balance Sheet

 as at March 31, 2023

(INR in Lakhs)

Particulars	Notes	As at	
		March 31, 2023	March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3	497.38	634.10
(b) Investment Property	4	14.06	16.84
(c) Financial Assets			
(i) Other financial assets	5	703.11	301.07
(ii) Loans	6	12.26	-
(d) Deferred Tax Assets	7	54.39	39.11
(e) Other non-current assets	8	1,527.68	802.76
<b>Total Non-current assets</b>		<b>2,808.88</b>	<b>1,793.88</b>
<b>Current assets</b>			
(a) Financial assets			
(i) Investments	9	1,312.47	544.16
(ii) Trade receivables	10	2,026.92	1,791.97
(iii) Cash and cash equivalents	11	1,141.34	2,207.41
(iv) Bank balances other than (iii) above	12	8,551.43	3,985.34
(v) Loans	13	263.38	324.83
(vi) Other financial assets	14	332.45	866.88
(b) Other Current Assets	15	2,735.62	2,742.45
(c) Current Tax Assets (Net)	16	97.07	420.86
<b>Total current assets</b>		<b>16,460.68</b>	<b>12,883.90</b>
<b>Total Assets</b>		<b>19,269.56</b>	<b>14,677.78</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	17	1,284.27	1,296.87
(b) Other equity	18	12,333.82	8,943.44
<b>Total Equity</b>		<b>13,618.09</b>	<b>10,240.31</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Lease Liabilities	19	312.03	361.35
(b) Employee Benefit Obligations	20	11.77	12.66
(c) Other Non-Current Liabilities	21	-	2,966.35
<b>Total non-current liabilities</b>		<b>323.80</b>	<b>3,340.36</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Lease Liabilities	22	71.73	33.91
(ii) Trade payables	23		
(a) Total outstanding dues of micro enterprises and small enterprises		1.21	2.60
(b) Total outstanding dues of creditors other than micro and small enterprises		1,602.61	415.45
(iii) Other financial liabilities	24	14.78	15.05
(b) Employee Benefit Obligations	25	1.25	2.19
(c) Other Current Liabilities	26	3,610.38	107.30
(d) Current tax liability (Net)	27	25.71	520.61
<b>Total current liabilities</b>		<b>5,327.67</b>	<b>1,097.11</b>
<b>Total Equity and Liabilities</b>		<b>19,269.56</b>	<b>14,677.78</b>

## Significant accounting policies

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

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

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

**Parag Ved**  
Partner  
Membership No. 102432

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

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

**Bijal Patel**  
Company Secretary  
CS Membership No. : 30140

**Sushant Dalmia**  
Chief Financial Officer

Place : Mumbai  
Date : May 12, 2023

Place : Mumbai  
Date : May 12, 2023

# Statement of Profit and Loss

 for the year ended March 31, 2023

(INR in Lakhs)

Particulars	Notes	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>I</b> Revenue from operations	28	18,678.12	13,558.64
<b>II</b> Other income	29	535.64	320.88
<b>Total Income (I+II)</b>		<b>19,213.76</b>	<b>13,879.52</b>
<b>III Expenses:</b>			
Employee Benefits Expense	30	733.37	625.84
Finance Costs	31	28.61	7.28
Depreciation and Amortization Expense	32	132.59	74.94
Other Expenses	33	7,754.29	4,309.75
<b>IV Total Expenses</b>		<b>8,648.86</b>	<b>5,017.81</b>
<b>V Profit before Tax</b>		<b>10,564.90</b>	<b>8,861.71</b>
<b>VI Tax Expenses:</b>			
(1) Current Tax		2,694.00	2,300.00
(2) Taxes in respect of earlier years		233.42	90.55
(3) Deferred Tax		(14.68)	15.61
<b>VII Profit / (Loss) for the year</b>		<b>7,652.16</b>	<b>6,455.56</b>
<b>VIII Other Comprehensive Income</b>			
Items that will not be reclassified to statement of Profit or Loss			
Remeasurement gain (loss) of post employment benefit obligations (net of taxes)		(1.80)	(10.79)
Other Comprehensive Income for the year, net of taxes		(1.80)	(10.79)
<b>IX Total Comprehensive income for the year</b>		<b>7,650.36</b>	<b>6,444.76</b>
<b>X Earnings per equity share of ₹ 10/- each [Refer note no. 34(16)(c)]</b>			
(1) Basic	34(16)	5.91	4.98
(2) Diluted	34(16)	5.91	4.98

## 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 : May 12, 2023

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

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

**Bijal Patel**  
Company Secretary  
CS Membership No. : 30140

Place : Mumbai  
Date : May 12, 2023

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

**Sushant Dalmia**  
Chief Financial Officer

# Statement of Cash Flow

 for the year ended March 31, 2023

(INR in Lakhs)

Particulars	As At March 31, 2023	As At March 31, 2022
<b>Cash flow from operating activities</b>		
Profit/(loss) before tax	10,564.90	8,861.71
<b>Adjustments</b>		
Depreciation and amortisation	132.59	74.94
Finance Cost	28.61	7.28
Profit on Sale of Investments	(6.99)	-
Fair value gain on Mutual Fund at FVTPL	(12.89)	(61.40)
Provision for/ (write back of) doubtful debts and advances	(2.11)	11.23
Bad Debts and Advances Written Off	45.99	-
(Profit)/Loss on sale of Property, Plant and Equipment	(0.45)	-
Non-cash expenses adjustment for Gratuity	(2.40)	(14.42)
Interest income	(440.19)	(159.70)
<b>Operating Profit before Working Capital changes</b>	<b>10,307.06</b>	<b>8,719.64</b>
<b>Working capital adjustments</b>		
(Increase)/ Decrease in trade and other receivables	(278.82)	(302.86)
(Increase) / Decrease in Other Financial Assets (Current)	534.43	(336.15)
(Increase) / Decrease in Other Loans (Current)	61.45	(12.72)
(Increase) / Decrease in Other Loans (Non Current)	(12.26)	-
(Increase) / Decrease in Other Current Assets	6.83	(1,500.01)
(Increase) / Decrease in Other Financial Assets (Non Current)	(287.74)	(278.44)
(Increase)/ Decrease in Other Non Current Assets	(724.92)	(487.66)
Increase/ (Decrease) in Employess Benefit Obligations (Current)	(0.94)	1.20
Increase/ (Decrease) in Employess Benefit Obligations (Non-Current)	(0.89)	12.32
Increase/ (Decrease) in Other Liabilities (Non-Current)	(2,966.35)	(631.83)
Increase/ (Decrease) in Other Liabilities (Current)	3,503.08	(62.69)
Increase/ (Decrease) in Trade payables	1,185.77	0.32
Increase/ (Decrease) in Financial Liabilities (Current)	(0.26)	0.16
<b>Cash generated from operations</b>	<b>11,326.44</b>	<b>5,121.28</b>
Direct Taxes Paid (Net of Refund)	(3,098.53)	(2,186.42)
<b>Net cash flows from operating activities</b>	<b>8,227.91</b>	<b>2,934.87</b>
<b>Cash flow from investing activities</b>		
Acquisition of Property, Plant and Equipments	(71.51)	(47.83)
Proceeds from sale of Property, Plant and Equipments	0.45	-
(Increase) / Decrease in Bank Deposits and Other Deposits (Current)	(4,566.09)	(3,765.05)
(Increase) / Decrease in Intercompany Deposits (Current)	-	(301.52)
Redemption of Mutual Fund	352.22	1,900.50
Investment in Mutual Fund	(700.00)	(450.00)
Investment in Debentures	(400.65)	(204.83)
Interest Received	440.19	159.70
<b>Net cash flows from investing activities</b>	<b>(4,945.39)</b>	<b>(2,709.03)</b>
<b>Cash flow from financing activities</b>		
Interest Paid on Lease Liabilities	(28.61)	(7.28)

# Statement of Cash Flow

 for the year ended March 31, 2023

(INR in Lakhs)

Particulars	As At March 31, 2023	As At March 31, 2022
Principle Payment of Lease Liability	(47.39)	(18.22)
Buyback of shares	(3,276.00)	-
Tax on Buyback of shares	(737.22)	-
Dividend paid (including tax on dividend)	(259.37)	(259.37)
<b>Net cash flows from financing activities</b>	<b>(4,348.59)</b>	<b>(284.87)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(1,066.07)</b>	<b>(59.03)</b>
Cash and cash equivalents at the beginning of the year	2,207.41	2,266.44
<b>Cash and cash equivalents at the end of the year</b>	<b>1,141.34</b>	<b>2,207.41</b>
<b>Reconciliation of Cash and Cash equivalents with the Balance Sheet</b>		
<b>Cash and Cash Equivalents as per Balance Sheet</b>		
In Current Account	1,138.25	2,203.33
In Fixed Deposit	-	1.09
Cash on Hand	3.09	2.99
<b>Cash and Cash equivalents as restated as at the year end</b>	<b>1,141.34</b>	<b>2,207.41</b>

**Notes**

(INR in Lakhs)

a] Debt reconciliation statement in accordance with Ind AS 7	As At March 31, 2023	As At March 31, 2022
<b>Opening balances</b>		
Long-term borrowing	-	-
Lease Liabilities	395.26	-
<b>Movements</b>		
Long-term borrowing	-	-
Lease Liabilities	(11.50)	395.26
<b>Closing balances</b>		
Long-term borrowing	-	-
Lease Liabilities	-	-
	<b>383.76</b>	<b>395.26</b>

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

**Parag Ved**  
Partner  
Membership No. 102432

Place : Mumbai  
Date : May 12, 2023

**TIPS INDUSTRIES LIMITED**  
CIN: L92120MH1996PLC099359

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

**Bijal Patel**  
Company Secretary  
CS Membership No. : 30140

Place : Mumbai  
Date : May 12, 2023

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

**Sushant Dalmia**  
Chief Financial Officer

# Statement of Changes in Equity

## A. EQUITY SHARE CAPITAL

As at March 31, 2023

(INR in Lakhs)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1,296.87	-	-	-	1,284.27

As at March 31, 2022

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

## B. OTHER EQUITY

(INR in Lakhs)

As at March 31, 2023	Reserves and Surplus				
	General Reserve	Securities Premium Reserve	Capital Redemption Reserve	Retained Earnings	Total
Balance as at April 01, 2022	416.25	-	433.72	8,093.47	8,943.45
Less : Transferred on account of Composite Scheme of Arrangement {Refer Note No 34(17)}	-	-	-	-	-
Buyback of Shares	(12.60)	-	12.60	(3,263.40)	(3,263.40)
Profit /(Loss) for the year	-	-	-	7,652.16	7,652.16
OCI for the year	-	-	-	(1.80)	(1.80)
Tax on Buyback of Shares	-	-	-	(737.22)	(737.22)
Payment of dividends	-	-	-	(259.37)	(259.37)
<b>Balance as at March 31, 2023</b>	<b>403.65</b>	<b>-</b>	<b>446.32</b>	<b>11,483.84</b>	<b>12,333.82</b>

(INR in Lakhs)

As at March 31, 2022	Reserves and Surplus				
	General Reserve	Securities Premium Reserve	Capital Redemption Reserve	Retained Earnings	Total
Balance as at April 01, 2021	416.25	43.72	433.72	7,935.21	8,828.90
Less : Transferred on account of Composite Scheme of Arrangement {Refer Note No 34(17)}	-	(43.72)	-	(6,027.12)	(6,070.84)
Profit /(Loss) for the year	-	-	-	6,455.55	6,455.55
OCI for the year	-	-	-	(10.79)	(10.79)
Payment of dividends	-	-	-	(259.37)	(259.37)
<b>Balance as at March 31, 2022</b>	<b>416.25</b>	<b>-</b>	<b>433.72</b>	<b>8,093.47</b>	<b>8,943.45</b>

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

**Parag Ved**  
**Partner**  
Membership No. 102432

Place : Mumbai  
Date : May 12, 2023

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

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

**Bijal Patel**  
**Company Secretary**  
CS Membership No. : 30140

Place : Mumbai  
Date : May 12, 2023

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

**Sushant Dalmia**  
**Chief Financial Officer**

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

## Summary of Significant Accounting Policies:

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

### a) Basis of Preparation of financial statements:

#### i) Compliance with Ind AS:

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under section 133 of the Companies Act, 2013, ("the act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 with effect from April 1, 2016. The financial statements were approved by the Company's board of directors on May 12, 2023.

These financial statements are presented in Indian rupees (INR), which is the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest lakh, unless otherwise indicated.

#### ii) Historical cost convention:

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

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

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

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

- 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.



# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

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

## b) Use of accounting estimates and judgments:

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

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

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

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

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

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

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

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

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

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

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

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

### Capital work in progress and Capital advances

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

### Derecognition

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

## d) Investment properties

Properties that are 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

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

maintenance costs are expensed out when incurred. Investment properties are depreciated using the straight-line method over their estimated useful life. Improvements to the leasehold premises are amortised over the period of lease.

## e) Financial Instruments

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

### i) Non-derivative financial assets:

#### Initial recognition and measurement

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

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

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

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

#### Subsequent measurement:

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

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

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

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

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

## 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, and other investments of the Company excluding investment in subsidiary. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the statement of profit and loss.

### Derecognition:

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

### Impairment of financial assets:

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

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

### Presentation:

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

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

## ii) Non-derivative financial liabilities

### Initial recognition and measurement

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

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

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

### Subsequent measurement:

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

### Derecognition:

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

## f) Fair Value

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

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

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

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

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

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

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

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

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

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

**h) Cash and cash equivalents:**

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

**i) 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.

**j) Revenue recognition:**

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

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

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.

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

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

- i) **Royalty from Music Rights:** Revenue from Music rights where the 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. Revenue from Music rights where the customer obtains “right to access” is recognized over the access period as per the terms of agreement/contracts.
  - ii) **Interest Income:** Interest income is accounted on accrual basis, at the contracted terms.
  - iii) **Others:** Revenue in respect of Insurance/Other claims is recognized only when it is reasonably certain that the ultimate collection is made.
- k) Employee Benefits:**

**i) Short-term obligations:**

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

**ii) Other long term employee benefit obligations:**

**Gratuity obligations:**

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

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

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

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

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

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

## Defined Contribution plans:

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

## iii) Bonus Plan:

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

## I) Taxes on Income:

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

### i) Current tax

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

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

### ii) Deferred tax:

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

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

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

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.



# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

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

## **Presentation of current and deferred tax:**

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

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

## **m) 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.

## **n) 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.

## **o) Investment and other financial assets:**

### **i) Classification:**

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

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

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

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

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

## ii) Measurement:

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

## p) Leases:

### As a Lessee:

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

### Right-of-use asset (ROU):

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

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

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

### Lease liability:

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

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

Lease liability is measured at amortised cost using the effective interest method. Lease liability is re-measured when there is a change in the lease term, a change in its assessment of whether it will exercise a purchase, extension or termination option or a revised in-substance

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

fixed lease payment, a change in the amounts expected to be payable under a residual value guarantee and a change in future lease payments arising from change in an index or rate.

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

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

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

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

## q) 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).

## r) 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 in INR Lakhs unless otherwise stated)

## 3. PROPERTY, PLANT AND EQUIPMENT (PPE)

Description of Assets	As at March 31, 2023		As at March 31, 2022	
Carrying Amount of				
Plant & Equipment		-		-
Vehicles		54.17		34.39
Furniture and Fixture		2.52		3.45
Office Equipment		84.63		76.13
Right to Use Assets		356.06		520.13
<b>Total</b>		<b>497.38</b>		<b>634.10</b>

Description of Assets	Plant & Equipment	Furniture & Fixture	Vehicles	Office Equipment	Right to Use (refer Note 34(4))	Total
<b>Gross Block Value</b>						
Balance as at April 01, 2021	45.67	52.69	774.21	238.99	-	1,111.56
Less : Transferred on account of Scheme of Arrangement {Refer Note No 34(17)}	(40.31)	-	-	-	-	(40.31)
Additions	-	-	8.14	39.69	547.40	595.23
Disposal	-	-	(376.74)	-	-	(376.74)
<b>Balance as at March 31, 2022</b>	<b>5.36</b>	<b>52.69</b>	<b>405.62</b>	<b>278.68</b>	<b>547.40</b>	<b>1,289.75</b>
Balance as at April 01, 2022	5.36	52.69	405.62	278.68	547.40	1,289.75
Additions	-	0.16	26.73	44.62	37.06	108.57
Adjustments/Disposals/Transfer	-	-	10.71	-	115.47	126.18
<b>Balance as at March 31, 2023</b>	<b>5.36</b>	<b>52.85</b>	<b>421.64</b>	<b>323.30</b>	<b>468.99</b>	<b>1,272.14</b>
<b>Accumulated Depreciation</b>						
Balance as at April 01, 2021	42.54	47.40	651.23	166.34	-	907.51
Less : Transferred on account of Composite Scheme of Arrangement {Refer Note No 34(17)}	(37.17)	-	-	-	-	(37.17)
Depreciation for the year	-	1.84	6.66	36.22	27.27	71.98
Disposal for the year	-	-	(286.65)	-	-	(286.65)
<b>Balance as at March 31, 2022</b>	<b>5.36</b>	<b>49.24</b>	<b>371.24</b>	<b>202.56</b>	<b>27.27</b>	<b>655.67</b>
Balance as at April 01, 2022	5.36	49.24	371.24	202.56	27.27	655.67
Depreciation for the year	-	1.09	6.94	36.11	102.91	147.05
Adjustments/Disposals/Transfer	-	-	10.71	-	17.25	27.96
<b>Balance as at March 31, 2023</b>	<b>5.36</b>	<b>50.33</b>	<b>367.47</b>	<b>238.67</b>	<b>112.93</b>	<b>774.76</b>
<b>Net Block Value</b>						
As at March 31, 2022	-	3.45	34.39	76.13	520.13	634.10
<b>As at March 31, 2023</b>	<b>-</b>	<b>2.52</b>	<b>54.17</b>	<b>84.63</b>	<b>356.06</b>	<b>497.38</b>

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

## 4 INVESTMENT PROPERTY

Particulars	As at March 31, 2023	As at March 31, 2022
<b>I Investment property (at cost less accumulated depreciation)</b>		
Opening	83.51	1,764.46
Add : Additions	-	-
Less : Transferred on account of Composite Scheme of Arrangement {Refer Note No 34(17)}	-	1,680.95
Closing	83.51	83.51
Less : Accumulated depreciation		
Opening	66.67	510.50
Add: Depreciation/Amotisation	2.78	2.96
Less : Transferred on account of Composite Scheme of Arrangement {Refer Note No 34(17)}	-	446.79
Closing	69.45	66.67
<b>Net block</b>	<b>14.06</b>	<b>16.84</b>
<b>II Information regarding income and expenditure of Investment property</b>		
(a) Rental income derived from investment properties	29.29	28.77
(b) Profit arising from investment properties before depreciation and indirect expenses		
Less – Depreciation	2.78	2.96
Less – Property Tax & Maintenance Charges	0.57	0.57
<b>Profit arising from investment properties before indirect expenses</b>	<b>25.94</b>	<b>25.24</b>
<b>III Fair Value</b>		
Investment Properties	440.62	396.92
<b>IV Estimation of fair value</b>		
The fair value of investment properties for current year (previous year – estimated by management as on March 2019) is based on valuation reports certified by a valuation firm.		
<b>V Title Deeds of the Immovable Properties as set out in the above table are in the name of the Company.</b>		

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

Particulars	As at March 31, 2023	As at March 31, 2022
Bank Deposits with more than 12 month maturity period *	430.17	14.19
Security Deposits -Others	272.94	286.88
<b>Total</b>	<b>703.11</b>	<b>301.07</b>

\* Fixed deposit of INR 430.17 Lakhs (Previous year INR 14.19 Lakhs) includes electricity deposit of INR 14.07 Lakhs (Previous year INR 14.07 Lakhs) & Bank Guarantee INR 14.89 Lakhs (Previous Year INR NIL)

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

## 6 LOANS (UNSECURED, CONSIDERED GOOD)

Particulars	As at March 31, 2023	As at March 31, 2022
Employee Loan	12.26	-
<b>Total</b>	<b>12.26</b>	<b>-</b>

## 7 DEFERRED TAX ASSETS (NET)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Deferred Tax Assets</b>		
Property, plant, equipment and investment property	39.40	11.56
Employees benefit Obligations	3.27	3.74
Provision for doubtful debts	4.37	4.90
Others	7.35	18.91
<b>Total</b>	<b>54.39</b>	<b>39.11</b>

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

Particulars	As at March 31, 2023	As at March 31, 2022
a] Advances Given for Digital Rights	1,481.55	756.63
b] Deposits with Government Authorities	46.13	46.13
<b>Total</b>	<b>1,527.68</b>	<b>802.76</b>

## 9 CURRENT INVESTMENTS

Particulars	No of Units / Debentures as at March 31, 2023	No of Units / Debentures as at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>(1) Mutual Funds</b>				
<b>Investment carried at fair value through Profit &amp; Loss</b>				
Baroda Overnight Fund	-	23,082.389	-	257.26
SBI Overnight Fund	-	2,370.860	-	82.06
ICICI Prudential Saving Fund - Growth	1,54,536.613	-	706.99	-
<b>(2) Debentures (Unquoted) (at Cost)</b>				
Vivriti Capital Private Limited	20	20	204.83	204.84
Vivriti Capital Private Limited	20	-	199.64	-
Belstar Micro Finance Limited	20	-	201.01	-
<b>Total</b>			<b>1,312.47</b>	<b>544.16</b>

Aggregate carrying value of quoted investments and market value thereof

-

Aggregate carrying value of unquoted investments

1,312.47

Aggregate provision for impairment in the value of investments

-

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

## 10 TRADE RECEIVABLES

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables		
Trade Receivables considered good Secured	-	-
Trade Receivables considered good Unsecured	2,026.92	1,791.97
Trade Receivables which have significant increase in credit risk	17.37	19.48
Less: Trade Receivables credit impaired	(17.37)	(19.48)
<b>Total</b>	<b>2,026.92</b>	<b>1,791.97</b>

For Ageing refer Note 34 15(a)

## 11 CASH & CASH EQUIVALENTS

Particulars	As at March 31, 2023	As at March 31, 2022
a) Cash on Hand	3.09	2.99
b) Balance with Banks in Current Accounts		
- Current Account	1,138.25	2,203.33
c) Bank Deposits with Maturity Less 3 months	-	1.09
<b>Total</b>	<b>1,141.34</b>	<b>2,207.41</b>

## 12 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2023	As at March 31, 2022
a) Bank Deposits with 3-12 months- Maturity @	8,545.43	3,979.07
b) Margin Money (Sales Tax Deposit)	0.22	0.22
c) Earmarked Balance with Banks (Unclaimed Dividend)	5.78	6.05
<b>Total</b>	<b>8,551.43</b>	<b>3,985.34</b>

@ These deposits are in the form of Fixed Deposit of INR 8545.43 Lakhs (Previous Year INR 3964.17 Lakhs) & Bank Guarantee INR NIL (Previous Year INR 14.89 Lakhs)

## 13 LOANS (UNSECURED, CONSIDERED GOOD)

Particulars	As at March 31, 2023	As at March 31, 2022
Employee Loan	11.09	23.31
Other Loans	252.29	301.52
<b>Total</b>	<b>263.38</b>	<b>324.83</b>

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

- repayable on demand; or
- without specifying any terms or period of repayment.

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

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

Particulars	As at	
	March 31, 2023	March 31, 2022
a] Security Deposit against Premises to Related Parties	250.00	250.00
b] Security Deposits -Others	73.78	5.00
c] Other Receivables #	8.67	611.88
<b>Total</b>	<b>332.45</b>	<b>866.88</b>

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

# these are receivables from Related Party.

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

Particulars	As at	
	March 31, 2023	March 31, 2022
a] Advances for Music Audio & Video Rights		
- Related Parties	1,381.29	-
- Others	591.18	1,929.76
b] Prepaid Expenses	1.40	0.75
c] Balances with Government Authorities *	509.01	774.76
d] Advance for expenses	252.73	37.18
<b>Total</b>	<b>2,735.62</b>	<b>2,742.45</b>

\* Out of which INR NIL (Previous Year : INR 311.25 Lakhs) credit of GST belong to erstwhile Films Division. INR 55.20 Lakhs (Previous Year : INR 50.40 Lakhs) is paid on account of dispute.

## 16 CURRENT TAX ASSETS (NET)

Particulars	As at	
	March 31, 2023	March 31, 2022
Advance payment of Income tax and Tax Deducted at Source (net of Provision for Taxation INR NIL (L/Y INR 2075.31 Lakhs)	97.07	420.86
<b>Total</b>	<b>97.07</b>	<b>420.86</b>

## 17 EQUITY SHARE CAPITAL {REFER NOTE NO 34(6)}

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	Amount	Number of Shares	Amount
	a] Authorised 2,00,00,000 Equity Shares of INR 10 each	2,00,00,000	2,000.00	2,00,00,000
b] Issued, Subscribed and fully paid-up	1,28,42,659	1,284.27	1,29,68,659	1,296.87
<b>Total</b>	<b>1,28,42,659</b>	<b>1,284.27</b>	<b>1,29,68,659</b>	<b>1,296.87</b>



# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

## 18 OTHER EQUITY

Particulars	As at March 31, 2023	As at March 31, 2022
1 General Reserves	403.65	416.25
2 Securities Premium Reserve	-	-
3 Capital Redemption Reserve	446.32	433.72
4 Retained Earnings	11,483.84	8,093.47
<b>Total</b>	<b>12,333.82</b>	<b>8,943.44</b>

### 1 General Reserves

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the Beginning of the year	416.25	416.25
Less: Transferred to Capital Redemption Reserve	12.60	-
<b>Balance at the end of the year</b>	<b>403.65</b>	<b>416.25</b>

**General reserve:** Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013 (the "Companies Act"), the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn. The amount credited to the reserve can be utilised by the company in accordance with the provisions of the Companies Act.

### 2 Securities Premium Reserve

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the Beginning of the year	-	43.72
Less : Transferred on account of Composite Scheme of Arrangement {Refer Note No 34(17)}	-	(43.72)
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>

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

### 3 Capital Redemption Reserve

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the Beginning of the year	433.72	433.72
Add: Transferred from General Reserves	12.60	-
<b>Balance at the end of the year</b>	<b>446.32</b>	<b>433.72</b>

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

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

## 4 Retained Earnings

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Balance at the Beginning of the year</b>	8,093.47	7,935.21
Less : Transferred on account of Scheme of Arrangement {Refer Note No 34(17)}	-	(6,027.12)
Net profit for the period	7,652.16	6,455.55
<b>Other comprehensive income for the year</b>		
Remeasurement gain (loss) of post employment benefit obligations (net of taxes)	(1.80)	(10.79)
Less:Buyback of Shares	(3,263.40)	-
Tax on buyback of Shares	(737.22)	-
Dividend Paid	(259.37)	(259.37)
<b>Balance at the end of the year</b>	<b>11,483.84</b>	<b>8,093.47</b>

## 19 LEASE LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Lease liabilities {Refer Note No 34(3)}	312.03	361.35
<b>Total</b>	<b>312.03</b>	<b>361.35</b>

## 20 EMPLOYEE BENEFIT OBLIGATIONS

Particulars	As at March 31, 2023	As at March 31, 2022
Gratuity {Refer Note No.34(13)}	11.77	12.66
<b>Total</b>	<b>11.77</b>	<b>12.66</b>

## 21 OTHER NON CURRENT LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Advance from Customers	-	2,966.35
<b>Total</b>	<b>-</b>	<b>2,966.35</b>

## 22 LEASE LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Lease liabilities {Refer Note No 34(3)}	71.73	33.91
<b>Total</b>	<b>71.73</b>	<b>33.91</b>

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

## 23 TRADE PAYABLES

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Total outstanding dues of micro and small enterprises {Refer Note No 34(8)}	1.21	2.60
(b) Total outstanding dues of Creditors other than micro and small enterprises	1,602.61	415.45
<b>Total</b>	<b>1,603.82</b>	<b>418.05</b>

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

## 24 OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Unclaimed Dividends **	5.78	6.05
(b) Security Deposit	9.00	9.00
<b>Total Other Financial Liabilities</b>	<b>14.78</b>	<b>15.05</b>

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

## 25 EMPLOYEE BENEFIT OBLIGATIONS

Particulars	As at March 31, 2023	As at March 31, 2022
Gratuity {Refer Note no 34(13)}	1.25	2.19
<b>Total</b>	<b>1.25</b>	<b>2.19</b>

## 26 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Advances from Customers	3,526.95	12.08
(b) Statutory Dues	83.43	95.22
<b>Total</b>	<b>3,610.38</b>	<b>107.30</b>

## 27 CURRENT TAX LIABILITY (NET)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Provision for Taxation</b>		
(net of Advance payment of Income tax and Tax Deducted at Source INR 4,975.77 Lakhs (L/Y INR 1779.38 Lakhs)	25.71	520.61
<b>Total</b>	<b>25.71</b>	<b>520.61</b>

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

## 28 REVENUES FROM OPERATIONS

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Sale of Services</b>		
Licence fees	18,678.12	13,558.64
<b>Total Revenue from Operations</b>	<b>18,678.12</b>	<b>13,558.64</b>

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

#### Revenue by Geography

#### License Fees (Audio/ Video)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Domestic	4,968.66	4,539.93
International	13,709.46	9,018.71
	<b>18,678.12</b>	<b>13,558.64</b>

#### Timing of Revenue Recognition

Services transferred at a point in time	443.52	114.94
Services transferred over time	18,234.60	13,443.70
<b>Total Revenue from Contracts with Customers</b>	<b>18,678.12</b>	<b>13,558.64</b>

### b) Contract Balances

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

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Receivables, which are included in 'trade and other receivables' Refer Note No 10	2,026.92	1,791.97
Advance received from Customers Refer Note No 21 & 26	<b>3,526.95</b>	<b>2,978.43</b>

## 29 OTHER INCOME

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Interest Income</b>		
On Fixed Deposits with banks	429.74	154.29
On Lease Liabilities	1.64	5.42
On Income Tax Refund	8.81	-
Rent Income	29.29	28.77
Profit on Sale of Assets	0.45	-
Insurance Claim Received	-	0.71
Foreign Exchange Gain (Net)	36.96	21.72
Fair value gain on Mutual Fund at FVTPL	19.88	61.40
Provision No Longer Required	8.25	-
Other Non-operating Income	0.62	48.57
<b>Total</b>	<b>535.64</b>	<b>320.88</b>

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

## 30 EMPLOYEE BENEFITS EXPENSES

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Salary, Wages & Bonus	670.72	587.01
Contribution to Provident and other Funds	10.40	17.94
Gratuity	17.07	10.74
Staff Welfare Expenses	35.18	10.16
<b>Total</b>	<b>733.37</b>	<b>625.84</b>

## 31 FINANCE COSTS

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Interest on Lease	28.61	7.28
<b>Total</b>	<b>28.61</b>	<b>7.28</b>

## 32 DEPRECIATION AND AMORTISATION EXPENSES

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
On account of Property, Plant and Equipment	44.15	44.66
On account of Investment Property	88.44	30.28
<b>Total</b>	<b>132.59</b>	<b>74.94</b>

## 33 OTHER EXPENSES

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Electricity Expenses	13.46	4.85
Rent	55.68	58.25
Repairs & Maintenance	14.96	18.36
Insurance	9.54	73.86
Rates and Taxes	9.27	18.47
Legal and Professional	689.35	494.90
Corporate Social Responsibility	106.95	52.25
In-house Music Production/Acquisition Cost	4,850.77	2,372.03
Advertisement Expenses	997.01	836.36
Travelling and Conveyance	27.94	28.20
Auditors Remuneration (Refer below Note i)		
- Statutory Audit	12.50	13.50
- Out of pocket expenses	0.36	0.04
Donation	9.45	16.28
Bad Debts and Advances Written Off	45.99	-
Provisions for Doubtful Debts	6.14	11.23
Royalty Paid	393.74	63.65
Miscellaneous Expenses	511.18	247.52
<b>Total</b>	<b>7,754.29</b>	<b>4,309.75</b>

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

## i) Details of Auditors Remuneration

Particulars	Year Ended	Year Ended
	March 31, 2023	March 31, 2022
Audit Fees	12.50	13.50
Certificates - shown under Legal & Professional	3.00	2.50
Out of pocket expenses	0.36	0.04
<b>Total</b>	<b>15.86</b>	<b>16.04</b>

## 34 NOTES FORMING PART OF FINANCIAL STATEMENTS

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

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

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Penalty under FEMA Act*	90.00	90.00
Service Tax matter	192.02	192.02
Income Tax liability for Assessment year 2020-21	17.57	17.57
Income Tax demand for Assessment year 2018-19 **	21.95	21.95
<b>Total</b>	<b>321.54</b>	<b>321.54</b>

\* The Company is hopeful of favorable decisions for the appeal pending before the Hon'ble Supreme Court. The Hon'ble Supreme Court has granted stay until disposal of petition.

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

- b] There has been a Supreme Court Judgement dated 28 Feb 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF act. There are interpretative aspects related to the judgement including the effective date of application. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any.
- c] The Code on Social Security, 2020 ("Code") relating to employees benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/ interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

#### B] Subsequent Event

Pursuant to Board and Shareholder's approval, the equity shares of the Company were split/sub-divided such that each equity share having face value of INR 10/- (Rupees Ten only) fully paid-up, was sub-divided into ten (10) equity shares having face value of INR

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

1/- (Rupee One only) each, fully paid-up with effect from April 21, 2023 (Record Date). Accordingly, the equity shares under the Authorised, Issued, Subscribed and Paid-Up Share Capital shall be adjusted to give effect to sub-division of shares.

## 2] Tax Expenses

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

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Current Tax</b>		
Current Tax on Profit for the Year	2,694.00	2,300.00
Taxes in respect of earlier years	233.42	90.55
<b>Total Current Tax</b>	<b>2,927.42</b>	<b>2,390.55</b>
Deferred Tax	(14.68)	15.61
<b>Total</b>	<b>2,912.74</b>	<b>2,406.16</b>

### B. Amounts recognised in other comprehensive income

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurements of defined benefit liability (asset)		
Before tax	(2.40)	(14.42)
Tax (expenses)/ benefit	0.60	3.63
<b>Net of taxes</b>	<b>(1.80)</b>	<b>(10.79)</b>

### C. Reconciliation of effective tax rate

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Profit Before Tax</b>	10,564.90	8,861.71
Tax using the Company's domestic tax rate of 25.17 % (PY 25.17%)	2,659.19	2,230.49
<b>Tax effect of :</b>		
Non Deductible Expense	(26.92)	(13.15)
Others	280.47	188.82
<b>Total</b>	<b>2,912.74</b>	<b>2,406.16</b>

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

## D. Movement in deferred tax balances

Particulars	March 31, 2023					
	Net balance April 1, 2022	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	11.56	(27.84)	-	39.40	39.40	-
Employee benefits	3.74	1.07	(0.60)	3.27	3.27	-
Provision for Doubtful Debts	4.90	0.53	-	4.37	4.37	-
Others	18.91	11.56	-	7.35	7.35	-
<b>Net Deferred tax assets/ (liabilities)</b>	<b>39.11</b>	<b>(14.68)</b>	<b>(0.60)</b>	<b>54.39</b>	<b>54.39</b>	<b>-</b>

## Movement in deferred tax balances

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



# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

## 3] Company as a lessee

Following are the changes in the carrying value of right-of- use assets for the year ended March 31, 2023:

Particulars	Leasehold premises
Balance as at April 1, 2022	520.13
Additions	37.06
Deletion	-
Depreciation	102.91
Adjustment / Disposal / Transfer	(98.22)
<b>Balance as at March 31, 2023</b>	<b>356.06</b>

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

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

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

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

Particulars	As at March 31, 2023	As at March 31, 2022
Current lease liabilities	71.73	33.91
Non-current lease liabilities	312.03	361.35
<b>Total</b>	<b>383.76</b>	<b>395.26</b>

The following is the movement in lease liabilities during the year ended March 31, 2023:

Particulars	Leasehold premises
<b>Balance as at April 1, 2022</b>	395.26
Additions	35.89
Finance Cost accrued during the year	28.61
Deletion	-
Payment of lease Liabilities	76.00
<b>Balance as at March 31, 2023</b>	<b>383.76</b>

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

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

Maturity analysis of Undiscounted Contractual Future lease Outflow are as follows

Period	March 31, 2023	March 31, 2022
Within One year	96.95	70.80
One to Five years	346.88	88.89
More than Five Years	-	317.04

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

The Company has incurred expenses relating to short term leases and leases of low value assets for certain accommodation. Terms of such lease include option for renewal on mutually agreed terms. There are no restrictions imposed by lease arrangements and there are no purchase options or sub leases or contingent rents. Operating lease rentals for the year recognised in Statement of Profit and Loss amounts to INR 55.68 Lakhs (2021-22 - INR 58.25).

The total cash outflow for leases is INR 131.68 Lakhs (2021-22 - INR 83.75) for the year, including cash outflow for short term leases and leases of low value assets.

#### 4] Company as a Lessor

Rent income includes payments of INR 29.29 Lakhs (2021-22 - INR 28.77 Lakhs) for the year relating to agreements entered into by the Company. There are no restrictions imposed by lease arrangements and there are no contingent rents recognised as income for the period. These lease arrangements inter alia include escalation clause/option for renewal.

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

## 5] Corporate Social Responsibility

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

Sr. No	Particulars	As at March 31, 2023	As at March 31, 2022
a	Amount required to be spent by the company during the year	106.92	52.27
b	Amount of expenditure incurred	103.70	20.76
c	Shortfall at the end of the year	3.22	31.51
d	Total of previous years shortfall	31.51	NIL
e	Reason for shortfall	Pertains to ongoing projects*	Pertains to ongoing projects#
f	Nature of CSR activities	Animal Welfare, promoting Health care, Girl Education and Medical endeavours needs, Rural development	Animal Welfare, promoting Health care, Girl Education and Medical endeavours needs, Rural development
g	Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	NIL	NIL
h	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	3.22	31.51

\* During the Financial year 2022-23, the Company has unspent amount of CSR obligation of INR 3.22 lakhs to be spend on CSR activities. The Company has transferred INR 3.25 lakhs into the Unspent CSR Account, which will be spent within 3 years subsequent to the reporting FY as per the provisions of the Companies Act, 2013 read with rules made thereunder.

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

## 6] Share Capital

**a] Rights, preferences and restrictions attached to Equity shares :** The company has only one class of equity shares having a par value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

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

Name	March 31, 2023		March 31, 2022	
	No. of shares	% of holding	No. of shares	% of holding
Kumar S Taurani	26,04,964	20.28	26,29,800	20.28
Ramesh S Taurani	25,99,500	20.24	26,24,283	20.24
Renu K Taurani	10,16,438	7.91	22,26,128	17.17
Varsha R Taurani	7,24,731	5.64	22,31,641	17.21

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

Name	March 31, 2023			March 31, 2022		
	No. of shares	% of holding	% change during the year	No. of shares	% of holding	% change during the year
Kumar S Taurani	26,04,964	20.28	-	26,29,800	20.28	-
Ramesh S Taurani	25,99,500	20.24	-	26,24,283	20.24	-
Renu K Taurani	10,16,438	7.91	(9.26)	22,26,128	17.17	-
Varsha R Taurani	7,24,731	5.64	(11.57)	22,31,641	17.21	-
Shyam M Lakhani	11,500	0.09	-	11,500	0.09	-

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

Particulars	March 31, 2023		March 31, 2022	
	Number	Amount	Number	Amount
Share outstanding at the beginning of the year	1,29,68,659	1,296.87	1,29,68,659	1,296.87
Buyback of 1,26,000 shares of INR 10/- per share	(1,26,000)	(12.60)	-	-
Shares outstanding at the end of the year	1,28,42,659	1,284.27	1,29,68,659	1,296.87

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

During the Financial Year 2022-23, the Company had bought back 1,26,000 Equity Shares of INR 10/- each through tender offer route at a price of INR 2,600/- and in the FY 2020-21 Company had bought back 13,50,000 Equity Shares of INR 10/- each through tender offer route at a price of INR 140/-.

## 7] Borrowings :

### Nature of Securities and Terms of Repayment

#### Overdraft Facilities

Overdraft Facility of Nil (Previous Year Nil) from two Banks are secured on first paripassu charge by way of hypothecation of Current and Future Audio Library (IPR) of the Company and also charge by way of mortgage of office premises owned by the Company situated at Mumbai and residential premises owned by the promoters. Further, personal guarantee of both the executive directors has been provided. The overdraft

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

facility is repayable in 7 yearly equal installments at interest rate @ 11.20% p.a. Last installment dues were in August, 2021 and April, 2025 respectively, but repaid the same in August 3, 2020.

## 8] Dues to micro and small suppliers

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from October 2, 2006, as amended on June 01, 2020, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, there are no outstanding dues to the Micro and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006.

Particulars	March 31, 2023	March 31, 2022
1 Principal amount remaining unpaid to any supplier as at the year end	1.21	2.60
2 Interest due thereon	-	-
3 Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
4 Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED	-	-
5 Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-

## 9] Related Party Disclosure

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

<b>a) Subsidiaries where control exits</b>	NIL
<b>b) Joint Ventures</b>	NIL
<b>c) Key Management Personnel</b>	Mr. Kumar S Taurani -Chairman & Managing Director
	Mr. Ramesh S Taurani - Executive Director
	Mr. Girish K Taurani -Executive Director
	Mr. Sunil Chellani - Chief Financial Officer (Upto 14/12/2022)
	Mr. Sushant Dalmia - Chief Financial Officer (From 15/12/2022)
	Ms. Bijal Patel - Company Secretary
	<b>Non Executive Independent Director</b>
	Mrs. Tara Subramaniam
	Mr. Amitabh Mundhra
	Mr. Shashikant Vyas

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

<b>d) Relatives of Key Management Personnel</b>	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
<b>e) Enterprise owned or significantly influenced by Key Management Personnel or their relatives, where transactions have taken place</b>	Proprietary Concern Yogisattava owned by Ms.Raveena Taurani Tips Films Limited wef April 01, 2021

Particulars	March 31, 2023				March 31, 2022		
	Key Management Personnel	Relatives of Key Management Personnel	Enterprise owned or significantly influenced by Key Management Personnel or their relatives	Total	Key Management Personnel	Relatives of Key Management Personnel	Total
Rent Paid	-	42.00	-	42.00	-	42.00	42.00
Legal & Profession Fees Paid	25.35	-	-	25.35	32.40	-	32.40
Director Remuneration Paid	235.50	-	-	235.50	225.75	-	225.75
Salary Paid	33.64	42.00	-	75.64	10.00	41.25	51.25
Sitting Fees paid to Non Executive Independent Director	23.00	-	-	23.00	11.75	-	11.75
Reimbursement of Expenses Payable / (Receivable)	10.19	-	(33.26)	(23.07)	0.18	-	0.18
Advance paid	45.49	-	-	45.49	20.36	-	20.36
Advance paid to Resulting Company (Net)	-	-	-	-	-	611.38	611.38
Transferred to Resulting Company towards ITC	-	-	-	-	-	311.35	311.35
Advance against Audio Video Rights	-	-	500.00	500.00	-	-	-
Balances Outstanding at the year				-			
Receivable from Resulting Company	-	-	-	-	-	923.23	923.23
Other receivables	-	-	1,389.97	1,389.97	-	-	-
Receivable Deposits	-	250.00	-	250.00	-	250.00	250.00

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

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

## 10] Segment Reporting

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

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

### A] Accounting classification and fair values

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

March 31, 2023	Carrying Amount				Fair Value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>								
<b>Non Current</b>								
Other Financial Assets	-	-	703.11	<b>703.11</b>	-	-	-	-
Loans			12.26	<b>12.26</b>				
<b>Current Assets</b>								
Investment	706.99	-	605.49	<b>1,312.48</b>	706.99	-	-	<b>706.99</b>
Trade Receivables	-	-	2,026.92	<b>2,026.92</b>	-	-	-	-
Cash & Cash Equivalents	-	-	1,141.34	<b>1,141.34</b>	-	-	-	-
Bank Balances other than above	-	-	8,551.43	<b>8,551.43</b>	-	-	-	-
Loans	-	-	263.38	<b>263.38</b>	-	-	-	-
Other Financial Assets	-	-	332.45	<b>332.45</b>	-	-	-	-
<b>Financial Liabilities</b>								
<b>Non Current Liability</b>								
Lease Liabilities	-	-	312.03	<b>312.03</b>	-	-	-	-
<b>Current Liability</b>								
Lease Liabilities	-	-	71.73	<b>71.73</b>	-	-	-	-
Trade Payable	-	-	1,603.82	<b>1,603.82</b>	-	-	-	-
Other Financial Liabilities	-	-	14.78	<b>14.78</b>	-	-	-	-

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

March 31, 2022	Carrying Amount			Fair Value					
	Particulars	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>									
<b>Non Current</b>									
Other Financial Assets	-	-	301.07	<b>301.07</b>	-	-	-	-	-
<b>Current Assets</b>									
Investment	339.32	-	204.84	<b>544.16</b>	339.32	-	-	-	<b>339.32</b>
Trade Receivables	-	-	1,791.97	<b>1,791.97</b>	-	-	-	-	-
Cash & Cash Equivalents	-	-	2,207.41	<b>2,207.41</b>	-	-	-	-	-
Bank Balances other than above	-	-	3,985.34	<b>3,985.34</b>	-	-	-	-	-
Loans	-	-	324.83	<b>324.83</b>	-	-	-	-	-
Other Financial Assets	-	-	866.88	<b>866.88</b>	-	-	-	-	-
<b>Financial Liabilities</b>									
<b>Non Current Liability</b>									
Lease Liabilities	-	-	361.35	<b>361.35</b>	-	-	-	-	-
<b>Current Liability</b>									
Lease Liabilities	-	-	33.91	<b>33.91</b>	-	-	-	-	-
Trade Payable	-	-	418.05	<b>418.05</b>	-	-	-	-	-
Other Financial Liabilities	-	-	15.05	<b>15.05</b>	-	-	-	-	-

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

## Financial instruments – Fair values and risk management

- i] The carrying value of trade receivables, cash and cash equivalents, other bank balances, loans, trade payables and other financial assets and liabilities are considered to be the same as their fair values due to their short term nature. The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in valuation technique. The hierarchy gives highest priority to quoted prices in active market for identical assets or liabilities (Level 1 measurement) and lowest priority to unobservable inputs (Level 3 measurement).
- ii] Valuation technique used to determine fair value Specific valuation technique used to value financial instruments include: The mutual funds are valued using closing NAV available in the market.



# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

## **B] Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- \* Credit Risk ;
- \* Liquidity Risk ; and
- \* Market Risk

### **i] Risk Management objectives**

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

### **ii] Credit risk**

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

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

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

The Company held cash and cash equivalents and other bank balances of INR 9,692.77 Lakhs as on March 31, 2023 (March 31, 2022 : INR 6,192.75 Lakhs). The cash and cash equivalents are held with bank counterparties with good credit ratings.

#### **c] Loans and Advances :**

The Company held loans and other financial assets of INR 1,311.21 Lakhs as on March 31, 2023 (March 31, 2022 : INR 1,492.78 Lakhs). The loans and other financial assets are in nature of rent deposit paid to landlords, bank deposits and others and are fully recoverable.

#### **d] Trade receivables :**

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

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

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

## Impairment

**At March 31, 2023, the ageing of trade receivables was as follows**

Particulars	Carrying amount	
	March 31, 2023	March 31, 2022
Neither past due nor impaired	1,173.47	1,264.05
Past due 1 - 90 days	825.93	469.61
Past due 91 - 180 days	-	5.97
Past due 181 - 365 days	2.15	38.66
Past due 366 days	42.73	33.16
	<b>2,044.28</b>	<b>1,811.45</b>

**Management believes that the unimpaired amount which are past due are collectible in full**

Particulars	March 31, 2023	March 31, 2022
Opening Balances	19.48	8.25
Add: Provision made during the year (net)	(2.11)	11.23
<b>Closing Balance</b>	<b>17.37</b>	<b>19.48</b>

### iii] Liquidity risk

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

As of March 31, 2023 and March 31, 2022 the Company had unutilized credit limits from banks is Nil (fully repaid), Nil (fully repaid) respectively.

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

## 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

March 31, 2023	Contractual Cash Flows						
	Carrying Amount	Total	Less than 6 months	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
<b>Financial Liabilities</b>							
Lease Liabilities	383.76	383.76	33.34	38.39	92.77	219.26	-
Trade Payables	1,603.82	1,603.82	1,603.82	-	-	-	-
Other Financial Liabilities	14.78	14.78	14.78	-	-	-	-

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

## 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.

## Financial instruments – Fair values and risk management

### a] Currency Risk

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

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

The currency profile of financial assets and financial liabilities as at March 31, 2023 and March 31, 2022 are as below :

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

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

Particulars	March 31, 2023		March 31, 2022	
	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
<b>Currency</b>				
USD	1,174.05	-	1,265.53	-
Euro	-	1.55	1.26	0.54
GBP	16.02	-	12.54	-
<b>Total</b>	<b>1,190.07</b>	<b>1.55</b>	<b>1,279.33</b>	<b>0.54</b>

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

Particulars	March 31, 2023		March 31, 2022	
	Assets	Liabilities	Assets	Liabilities
<b>Currency</b>				
USD	-	1,174.05	-	1,265.52
Euro	-	(1.55)	-	0.72
GBP	-	16.02	-	12.54
<b>Total</b>		<b>1,188.52</b>		<b>1,278.78</b>

iii) **Sensitivity analysis**

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

Particulars	March 31, 2023		March 31, 2022	
	Profit or Loss		Profit or Loss	
	Strengthening	Weakening	Strengthening	Weakening
USD - 10 % Movement	117.40	(117.40)	126.55	(126.55)
Euro - 10 % Movement	(0.15)	0.15	0.07	(0.07)
GBP - 10 % Movement	1.60	(1.60)	1.25	(1.25)

# Notes to the Financial Statements

(Amount 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:

Particulars	March 31, 2023	March 31, 2022
Borrowings		
Fixed Rate Borrowings	-	-
Variable Rate Borrowings	-	-

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

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

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

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

INR	Profit or (loss)	
	100 bp increase	100 bp decrease
<b>March 31, 2023</b>		
Variable-rate instruments	-	-
<b>Cash flow sensitivity (net)</b>	-	-
<b>March 31, 2022</b>		
Variable-rate instruments	-	-
<b>Cash flow sensitivity (net)</b>	-	-

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

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

## c] Price Risk

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

## 12] Capital Management

### a] Risk Management

The Company's capital management objectives are:

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

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

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

### b] Dividend on equity shares

Particulars	March 31, 2023	March 31, 2022
<b>Dividend declared and paid during the year</b>		
Final Dividend for the year ended March 31, 2022 of INR 2.00 (March 31, 2021 - INR 2.00) per fully paid share (along with Dividend distribution tax)	259.37	259.37
<b>Proposed Dividend not recognised at the end of the reporting period</b>		
In addition to the above dividend, since year end the directors have recommended the payment of final Dividend for the year ended March 31, 2023 of INR 0.50 /- per equity shares of face value of INR 1/- each (Post Split) (March 31, 2022 - INR 2/- per equity shares of face value of INR 10/- each (along with Dividend distribution tax). The proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting. Hence no liability has been recognised in books	642.13	259.37

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

## 13] Employee Benefits:

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

### i] Post Employment Defined Contribution Plans :

The contributions to the Provident Fund and Family Pension fund of certain employees are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution. The Company recognized INR 10.37 Lacs for year ended March 31, 2023 (INR 9.56 Lacs for year ended March 31, 2022) 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, 2023. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

## Employee Benefits:

### Gratuity

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

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

Particulars	March 31, 2023	March 31, 2022
Present value of obligation at the beginning of the year	105.95	120.91
Less : Transferred on account of Composite Scheme of Arrangement {Refer Note No 34(17)}	-	(25.59)
Present value of obligation at the beginning of the year	105.95	95.32
Current service cost	16.16	11.01
Interest cost	7.87	6.36
<u>Remeasurements (gains) / losses</u>		
Actuarial (gain)/ loss arising from changes in financial assumptions	2.09	(8.63)
Actuarial (gain)/ loss arising from changes in experience adjustments	(0.71)	22.35
Benefits paid	(1.23)	(20.46)
<b>Present value of obligation at the end of the year</b>	<b>130.12</b>	<b>105.95</b>

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

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

Particulars	March 31, 2023	March 31, 2022
Fair value of plan assets at the beginning of the year	91.10	94.00
Adjustment of Opening Fair Value of plan assets	0.26	-
Interest Income	6.97	6.63
Remeasurements gains / (losses)		
Return on plan assets (excluding amount included in net interest cost)	3.62	(0.70)
Contributions by employer	16.39	11.63
Benefits paid	(1.23)	(20.46)
Fair value of plan assets at the end of the year	<b>117.11</b>	<b>91.10</b>
<b>c) Reconciliation of the present value of the defined benefit obligation and the fair value of plan assets:</b>		
Present value of obligation at the end of the year	130.12	105.95
Fair value of plan assets at the end of the year	117.11	91.10
Liabilities recognised in the balance sheet	13.01	14.84
<b>d) Actual Return of Plan Assets</b>	<b>10.59</b>	<b>5.93</b>
<b>e) Re-measurements losses/(gains) recognised in the Other Comprehensive Income</b>		
Return on plan assets (excluding amount included in net interest cost)	(3.62)	0.70
Effect of changes in financial assumptions	(2.09)	8.63
Effect of changes in experience adjustments	0.71	(22.35)
Total re-measurement included in Other Comprehensive Income	<b>(4.99)</b>	<b>(13.02)</b>
<b>f) Expense recognised in Statement of Profit or Loss:</b>		
Current service cost	16.16	11.01
Net interest cost	0.91	(0.28)
<b>Total expense recognised in Statement of Profit and Loss (refer note No 30)</b>	<b>17.07</b>	<b>10.73</b>
<b>g) Category of plan assets:</b>		
Fund with Life Insurance Corporation of India	100	100
<b>h) Maturity profile of defined benefit obligation:</b>		
Within 1 year	1.25	2.19
1 - 2 years	1.39	1.15
2 - 3 years	1.59	1.29
3 - 4 years	13.42	1.46
4 - 5 years	1.79	11.99
5 - 10 years	51.87	47.07



# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

Particular	March 31, 2023		March 31, 2022	
<b>i] Principal actuarial assumptions:</b>				
Discount rate	7.22%		6.70%	
Salary growth rate	10%		10%	
Mortality Rate during employment	IALM (2012-14) Ult.		IALM (2012-14) Ult.	
<b>j] Sensitive Analysis</b>	Discount Rate		Discount Rate	
PVO	PVO DR + 1%	PVO DR - 1%	PVO DR + 1%	PVO DR - 1%
	116.21	146.52	94.54	119.41
	Salary Escalation Rate		Salary Escalation Rate	
	PVO ER + 1%	PVO ER - 1%	PVO ER + 1%	PVO ER - 1%
	145.82	116.50	118.86	94.77

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

### iii] Leave Obligation

The Company provides leave to employees. The employees at the end of the financial year can carry forward their balance leave to the subsequent financial year and it gets lapsed if not availed in that subsequent financial year. The Company Rules does not provide encashment of Leave at any time during the tenure of employment and also on retirement or termination. The Company records a provision for leave obligation at the end of the financial year. The total provision recorded by the Company towards this obligation was INR 6.08 lakhs and INR 6.81 lakhs as at March 31, 2023 and March 31, 2022.

### Employee Benefits:

#### iv] Risk Exposure

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

##### Discount rate risk

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

##### Salary growth risks

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

##### Demographic risk

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

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

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

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA issued the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

- 1) Ind AS 1 - Presentation of Financial Statements The amendments require companies to disclose the material accounting policies rather than significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements.
- 2) Ind AS 12 - Income Taxes The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.
- 3) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty" Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

The Company is assessing the impact of these changes and will accordingly incorporate the same in the financial statements for the year ending March 31, 2024.

## 15) Details of Ageing

### 15(a) Trade Receivables ageing schedule as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	UNBILLED	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	1,173.47	825.93	-	1.94	14.73	10.84	2,026.91
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	0.21	6.31	10.85	17.37
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>1,173.47</b>	<b>825.93</b>	<b>-</b>	<b>2.15</b>	<b>21.04</b>	<b>21.69</b>	<b>2,044.28</b>
Less: Allowance for expected credit loss							(17.37)
<b>Total</b>							<b>2,026.91</b>

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

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

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

## 15 (b) Trade payables as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment				
	Less than year 1	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	1.21	-	-	-	1.21
(ii) Others	1,458.11	82.20	30.89	31.41	1,602.61
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>1,459.32</b>	<b>82.20</b>	<b>30.89</b>	<b>31.41</b>	<b>1,603.82</b>

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

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

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

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

S. No	Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance	Reasons
1	Current Ratios	Current assets	Current liabilities	3.09	11.74	(73.69%)	Mainly due to increase in Advance from customers and creditors.
2	Debt Equity Ratio	Borrowing (current + non current)	Total Equity	-	-	0.00%	
3	Debt Service Coverage Ratio	PAT + Depreciation and Amortization Expense (excluding lease amortisation expense) + Interest cost on Borrowings + (Profit)/ Loss on sale of Fixed assets)	(Interest cost on Borrowings + Principal repayments made during the period for Long Term Borrowings)	-	-	0.00%	
4	Return on Equity	Net profit after taxes	Average Total equity	64%	63%	1.19%	
5	Inventory Turnover Ratio	Sales of Product	Average inventory	-	-	0.00%	
6	Trade receivables turnover ratio	Gross Revenue from Operations	Average accounts receivable	9.78	8.22	19.01%	
7	Trade payables turnover ratio	Purchases of Goods	Average trade payables	-	-	0.00%	
8	Net capital turnover ratio	Net sales	Working capital	1.68	1.15	45.85%	Due to Increase in Revenue from Operations
9	Net profit ratio	Profit after Tax	Revenue from Operation	41%	48%	(13.95%)	
10	Return on capital employed (ROCE)	Earning before interest and taxes	(Net worth + Total Debts + Deferred Tax Liabilities)	77.79%	86.61%	(10.18%)	
11	Return on investment	Income generated from Invested funds	Average Investment	5.84%	6.25%	(6.52%)	

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

## NOTE-15 (d) Additional regulatory information required by Schedule III

- 1 The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- 2 The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.  
The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 3 The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- 4 The Company has not traded or invested in Crypto currency or Virtual Currency during the current or previous year.
- 5 The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- 6 The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.
- 7 The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year.
- 8 The Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017

## 9 Relationship with Struck off Companies

Companies transactions with companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended March 31, 2023 and March 31, 2022 are given below:

Name of the struck off company	Balance outstanding as at		Relationship with the Struck off company
	March 31, 2023*	March 31, 2022*	
<b>Shares held by struck off company**</b>			
Chothani Fibres Private Limited	-	-	Equity shareholder
Vaishak Shares Limited	-	-	Equity shareholder
Shanti Credit And Holding Private Limited	-	-	Equity shareholder

\*0.00 denotes amounts less than INR 1.00 lacs

\*\*In the financial years ended March 31, 2023 and March 31, 2022, the Company did not have any transaction with above equity shareholders, being the companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956. Our Company has not allotted any Equity share to the said companies. The shareholding data is as per the record of beneficiary position downloaded by the Registrar and Transfer Agent of the Company from the database maintained by the depositories and reported to us for the purpose of this disclosure.

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

- 10 The Company does not have any bank borrowings during the current and previous year.
- 11 The Company had entered into a scheme pursuant to the Composite Scheme of Arrangement (the 'Scheme'), duly sanctioned by the National Company Law Tribunal (NCLT), Mumbai Bench vide Order dated March 3, 2022, with effect from the Appointed Date i.e., April 1, 2021, the Film Production and Distribution business of the Company ('the demerged undertaking'), stands transferred into the "Tips Films Limited", ('the resulting company' or 'TFL'). of arrangement which has an accounting impact in FY 2021-22. For a detail refer Note No 34(17)

## 16] Earnings per share (EPS)

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

Particulars	March 31, 2023	March 31, 2022
<b>a] Profit attributable to Equity holders of company</b>		
Profit/(Loss) attributable to equity shareholders		
Continuing Operation	7,652.16	6,455.56
Profit attributable to equity holders of the Company for basic earnings	7,652.16	6,455.56
Profit attributable to equity holders of the Company adjusted for the effect of dilution	7,652.16	6,455.56
<b>Particulars</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
<b>b] Weighted average number of ordinary shares</b>		
Issued ordinary shares at April 1	128.43	129.69
Weighted average number of shares at March 31 for basic and Diluted EPS	1,295.52	1,296.87
<b>Particulars</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
<b>c] Basic and Diluted earnings per share</b>		
Basic earnings per share	5.91	4.98
Diluted earnings per share	5.91	4.98

\* Also refer note 34 (1)(B) on split/sub-division of equity shares of the Company subsequent to the year end. The Earnings per share (EPS) numbers of the year and previous year presented above have been restated to have impact of the split/ sub-division of equity shares of the Company.

## 17] Composite Scheme of Arrangement

### a) Description

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

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

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

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

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

Particulars	As at April 01, 2021
Assets	
Non-Current Assets	
Property, plant and equipment	3.14
Investment Property	1,234.16
Financial Assets	
Other Financial Assets	9.90
<b>Total Non-current assets</b>	<b>1,247.20</b>
Current assets	
Financial Assets	
Investments	75.64
Trade receivables	6.72
Cash and cash equivalent	844.27
Bank Balances other than Cash and Cash Equivalents	17.47
Other financial assets	256.30
Other current assets	4,158.36
<b>Total Current assets</b>	<b>5,358.76</b>
<b>Total Assets (A)</b>	<b>6,605.96</b>
Liabilities	
Non-current liabilities	
Deferred tax liabilities (net)	286.63
Other non-current liabilities	25.31
<b>Total Non-current liabilities</b>	<b>311.94</b>
Current liabilities	
Financial Liabilities	
Trade payables	198.92
Other financial liabilities	15.00
Other current liabilities	9.26
Total Current liabilities	223.18
<b>Total Liabilities (B)</b>	<b>535.12</b>
<b>Net assets transferred (A-B)</b>	<b>6,070.84</b>

# Notes to the Financial Statements

(Amount in INR Lakhs unless otherwise stated)

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

Particulars	Amount
Securities Premium Account	43.72
Retained earnings	6,027.12
<b>Total</b>	<b>6,070.84</b>

## 18] Previous year's figures have been regrouped/reclassified wherever necessary.

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

**Parag Ved**  
**Partner**

Membership No. 102432

Place : Mumbai  
Date : May 12, 2023

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

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

**Bijal Patel**  
**Company Secretary**  
CS Membership No. : 30140

Place : Mumbai  
Date : May 12, 2023

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

**Sushant Dalmia**  
**Chief Financial Officer**







**The Must Have HITS**

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

CIN: L92120MH1996PLC099359 | Contact No.: +91 22 6643 1188

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