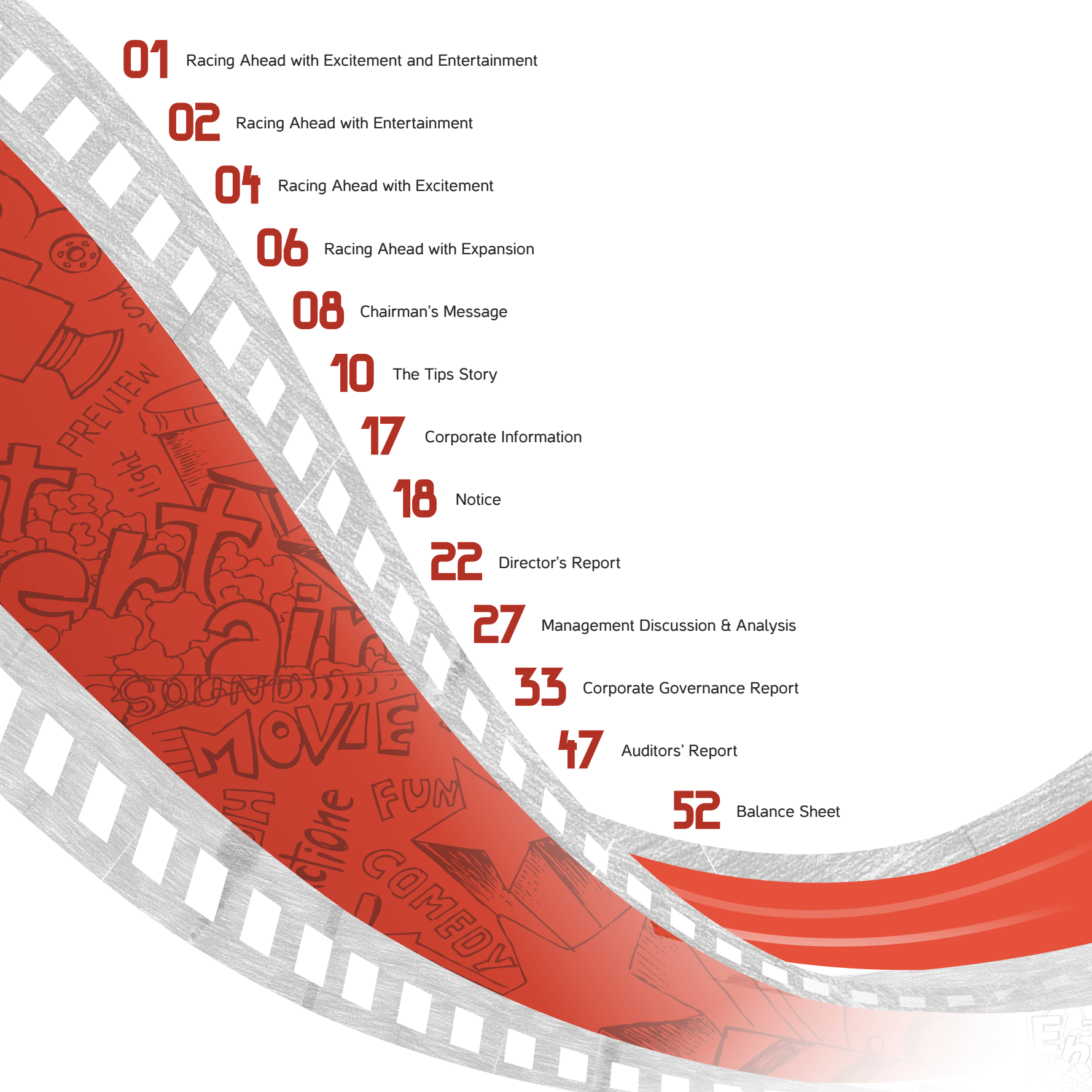


TIPS INDUSTRIES LIMITED
Annual Reoprt 2012-13

RACING Ahead

**With Excitement
and Entertainment**





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The world of media and entertainment is a RACE – race to get the best script, race to get best talent, race to complete and release films. It is a RACE where slow and steady usually end up as also-rans. It is a race where winners start ahead, stay ahead and race ahead till the finish.

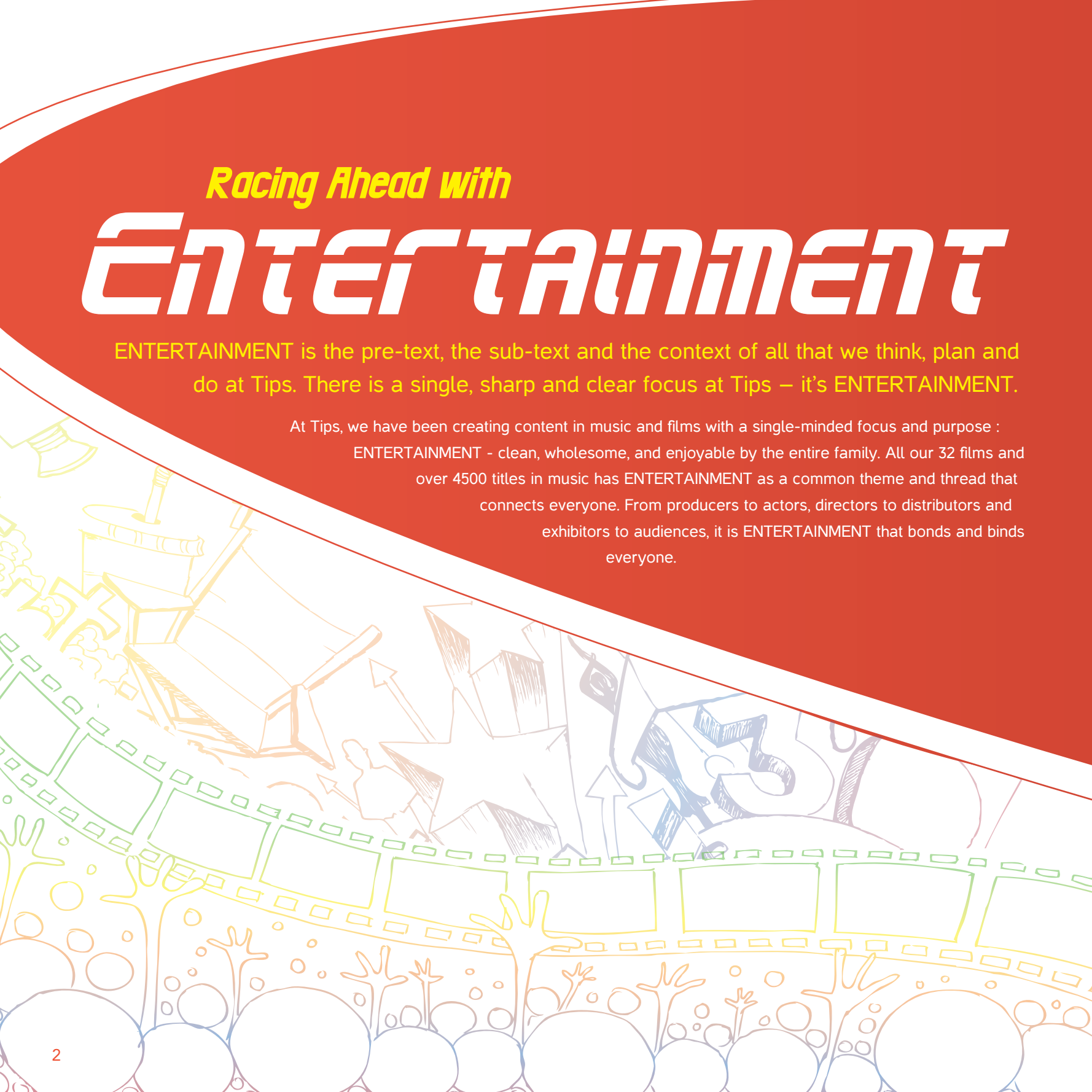
At Tips,
we do not just
run the **RACE**,
we **RACE2** win.

As we win one race after another, we continue our searing pace with a unique mix of ENTERTAINMENT and EXCITEMENT in our films and music, which has endeared us to our audiences with an emotional connect that is powering our enigmatic EXPANSION and exhilarating growth.

At Tips, we are in the fast lane...

RACING AHEAD

With Excitement
and Entertainment

A stylized, hand-drawn illustration in the background. It features a film strip winding across the bottom, with various scenes depicted in the frames: a film set with a camera on a dolly, a person running, and a large crowd of people. The illustration is rendered in a simple, sketchy style with a color palette of red, yellow, green, and blue.

Racing Ahead with **ENTERTAINMENT**

ENTERTAINMENT is the pre-text, the sub-text and the context of all that we think, plan and do at Tips. There is a single, sharp and clear focus at Tips – it's ENTERTAINMENT.

At Tips, we have been creating content in music and films with a single-minded focus and purpose :

ENTERTAINMENT - clean, wholesome, and enjoyable by the entire family. All our 32 films and over 4500 titles in music has ENTERTAINMENT as a common theme and thread that connects everyone. From producers to actors, directors to distributors and exhibitors to audiences, it is ENTERTAINMENT that bonds and binds everyone.

Films

2012-13 has been a year of ENTERTAINMENT for the media industry. After several years of lacklustre growth, the year saw audiences flocking to theatres on the back of some very entertaining content. In 2012, as many as 9 films crossed the magical Rs. 100 crores mark at box-office compared to just 5 films in 2011 and only 2 films in 2010.

Race2 was released in January 2013, and became the first blockbuster movie of the year 2013, with collection of more than Rs. 100 crores. An action thriller, Race2 had some of the biggest names in Bollywood like Saif Ali Khan, Anil Kapoor, Deepika Padukone, John Abraham, Amisha Patel and Jaqueline Fernandez. Race2 set the trend and tone for the entire film industry with its super performance at the box-office so early in the year and provided the momentum to keep the upbeat trend of 2012 going. Race2 remains one of the biggest hits of the year 2013.

Tips also produced Jayantabhai Ki Luv Story during the year. It was a comparatively smaller-budget ROM-COM starring Vivek Oberoi with Neha Sharma in an interesting plot. The film met with moderate success at the box-office.

Music

In 2012, the music space also had its fair share of entertainment. The music space is fast undergoing a transformation, driven by technological changes. Personalisation enabled by digitisation is changing both the music delivery patterns as well as consumption patterns of music all over the world, and the Indian consumer is no different.

With Phase 3, FM radio will now become available across 300 more cities, undoubtedly resulting in exponential growth in reach and revenues.

At the heart of all this growth and expansion in the music space is going to be CONTENT. With over 4500 albums and 25,000 tracks, Tips has one of the largest repositories of music content in the industry.

The content is rich and diverse, covering all genres. The content quality of music at Tips is ever-green, in popularity as well as in demand. The Tips music division contributes a confirmed and constant revenue to the Company. During the year, our revenues from music amounted to Rs. 30.38 crores.

At Tips, we were one of the first in the industry to understand and leverage the power of digitisation in the music industry. Today, we have more than 15,000 tracks available across the digital platforms in all possible formats, making ENTERTAINMENT available 24/7, anywhere, anytime, anyplace.

Racing Ahead with **EXCITEMENT**

EXCITEMENT in the Indian media and entertainment space is what drives us at Tips today. Be it the films or music, be it digitisation or Phase 3 rollout of FM radio, the scope and potential of growth is creating unbound EXCITEMENT.

Consider this :

1
9 films crossed the Rs. 100 crore mark in gross box-office revenues in 2012

2
Of this, 1 film almost touched the magical figure of Rs. 200 crore

3
23 per cent growth in theatrical revenues and 152 new screens added in 2012

4
Phase 1 of digitisation of cable completed and Phase 2 underway to cover 38 cities

5
4G internet launched, India has the 2nd largest mobile user base and the 3rd largest internet population in the world

Why is all this causing so much EXCITEMENT?

Because it represents a huge opportunity for growth. At Tips, we are ideally positioned to leverage this opportunity. And this is the reason for EXCITEMENT at Tips.

Ramaiya Vastavaiya

Introducing Girish Kumar in lead and directed by the famed director Prabhudheva, Ramaiya Vastavaiya is a light romantic film, perfect for viewing with the entire family. The film also stars Shruti Haasan and Sonu Sood. The film has music by Sachin-Jigar with playback singers like Mohit Chauhan, Atif Aslam, Mika Singh and Shreya Ghoshal. The music of Ramaiya Vastavaiya is already on the top of all music charts and striking a chord with the young generation.

Ramaiya Vastavaiya has been released in the month of July with impressive box office collection driven by powerful performance by Girish Kumar, who is all set to emerge as one of the new stars on the horizon of the Hindi film world.

Phata Poster Nikla Hero

Phata Poster Nikla Hero is the second film produced by Tips in 2013. It is scheduled for release in September 2013. This romantic comedy is out and out a family entertainer. The film stars Shahid Kapoor and Illeana D'Cruz as the lead pair. Salman Khan is teaming up to do an interesting cameo in film.

This is widely predicted to be one of the biggest hits of the year 2013.

Music

Tips continues to possess one of the most valuable and varied libraries for musical content in India. Music is where we began with; music is where we are strongest. And we continue to build on this strength.

Music of films like Ramaiya Vastavaiya and Phata Poster Nikla Hero, both produced by Tips, added handsomely to the already enviable library of the Company.

While we continue to build our music library, we are also ensuring that our music delivery platform is in sync with the evolving digital platform. We have more than 15,000 tracks already digitised. With our constant efforts in digitising our content, our digital revenues have gone up by 40 per cent.

Tips is also leading the race in social media presence. Tips Music and Tips Films Facebook pages have a combined strength of 3 million fans. We have partnered with leading e-commerce platforms. Tips Music is visible across all digital platforms like Saavn, Dhingana, Flipkart, iTunes and Amazon. Hungama, 9X Jalwa, Meragana and Others.

Racing Ahead With **EXPANSION**

EXPANSION is what defines and differentiates us from others. While for most, status quo is a comfortable situation, at Tips, we believe in daring, doing and delivering – taking on new challenges and turning them into opportunities for EXPANSION.

From starting as biggest dealers of LP records in 1975, it is with a spirit of dream and dare that Tips has driven EXPANSION and is today amongst the top film and music companies in India. The EXPANSION continues at Tips :

Films

In the film space, we released two Hindi films in 2012-13 – Jayantabhai Ki Luv Story and Race2. In 2013-14, we have plans to release three Hindi films. We have already released Ramaiya Vastavaiya in July and are all set to release our second film - Phata Poster Nikla Hero in the month of September. Our third film of the year is on the floor and titled IT'S ENTERTAINMENT. Starring the biggest names in the industry, shooting for this big-budget film is under way. It stars a fresh lead pair of Akshay Kumar and Tamannaah. The film is directed by Sajid-Farhad and includes stars like Mithun Chakraborty, Sonu Sood, Johnny Lever and Krushna Abhishek. It is scheduled for release in March 2014.

Tips has ambitious plans for EXPANSION in the near future, with a target to release four films per year by the year 2014 and six films every year by 2016.

Regional films, especially Punjabi films, are another area where Tips has expanded and today is a dominating player in Punjabi films. The dominance of Tips is evident from the fact that Tips has a hat-trick of hit Punjabi films under its belt. These three successive hit films have been so successful, that they are also the TOP 3 all time Punjabi Films.

Punjabi films constitute an important and integral part of the EXPANSION at Tips, and we are expecting to launch a few more Punjabi Films later during the year.

Music

Music continues to remain a key driver of EXPANSION and growth at Tips. We hold one of the largest collection music collections in the industry, with a width across genres and a depth that covers languages, preferences and ages. Our music business continues to contribute steadily to our revenue streams. It is today worth Rs. 30 crores annually, with potential to do much more as we continue to unlock the value of our music collection. Compared to the film business of the Company, the music business of the Company is virtually risk-free with captive revenues in form of royalties. Digitisation is opening up newer consumption platforms in the form of smart-phones and tablets. Aided with an increasing penetration of the internet, reducing costs of both devices and downloads wider reach of the radio, the music space is attracting newer audiences, resulting in a natural EXPANSION of the music space.

In 2008, the share of music revenues in physical format and digital format was 66 per cent and 26 per cent respectively.

In 2012, music revenues in physical format were 22 per cent and digital format 57 per cent.

By 2017, the share of musical revenues in physical format is estimated to come down to just 6 per cent, and 72 per cent of musical revenues will come from digital format.

India already has 176 million internet users and 150 million radio listeners. With the rollout of 4G internet speeds and Phase 3 of FM radio to almost 300 new cities, music consumption is all set to EXPLODE.

At Tips, we are already in EXPANSION mode for our music business.

Chairman's **Message**

An Interview with
**Mr. Kumar S. Taurani, Chairman
of Tips Industries Limited**



Q Congratulations on RACE2 becoming the first movie this year to cross the Rs. 100 crore benchmark at box office. Can you share some more details on this?

Thank you. Yes, RACE2 indeed has been a blockbuster hit in all senses of the term. The film was made with a lot of passion and the results are for all to see. It was been extremely well-received by audiences all over, including overseas. Commercially too, the film has been extremely successful. The total box-office collections are more than Rs. 100 crores. We had pre-sold the film rights to UTV, but as has been our long-term policy, we have retained rights for music of the film.

Q How has the year been for the music business?

The music business continues to remain a steady revenue stream for the Company. This year, the music business contributed Rs. 30.38 crores to the overall revenues of the Company. At Tips, we have one of the richest repertoires of music collection with over 4500 titles.

Our collection has both depth and variety : it covers all genres and most languages. It is evergreen in the sense that it is popular with all age-groups. Moreover, insofar as the music delivery platforms are concerned, Tips has always been at the forefront of adapting and adopting new technology. When the audio cassette revolution started, we were the first to embrace it ; likewise for CDs and DVDs. Today, as the world becomes mobile and digital, we have one of the largest digitised music libraries with over 15,000 tracks. Our music is also available on platforms like iTunes, Amazon, Saavn and other popular online spaces.

Q Can you shed some light on the financial performance of the Company this year?

We have had a successful 2012-13, riding on the success of RACE2 as well as our music revenues. Our total revenues for the year was Rs. 139.25 crores compared to Rs. 77.13 crores in the previous year. EBIDTA for the year was Rs. 21.11 crores against an EBIDTA of Rs. 17.60 crores for 2011-12. Profit After Tax was Rs. 11.68 crores compared to Rs. 8.80 crores for the last year. Earning per Share for the year was Rs. 7.39 vis-a-vis Rs. 5.52 for 2011-12.

Q 2012 has been a very good year for the industry with an unprecedented 9 films crossing the Rs. 100 crore mark. What is your outlook of the industry?

Yes, 2012 has indeed been an exceptional year for the industry. I have always believed that the primary purpose of films and music has to be entertainment. If the content is entertaining, audiences will always appreciate this and will come to theatres to watch the films. This is exactly what has happened in 2012 –the high entertainment quotient of movies has pulled the audiences back to the theatres.

The power of digitisation continues to driving growth in the music and TV space. With Phase 1 rollout of cable digitisation completed and Phase 2 rollout under way in 28 cities, I believe this will have a tremendous impact. New licenses for radio under Phase 3 will extend the reach of radio to another 294 cities. We are on the verge of 4G internet speeds being introduced – all this will keep adding newer audiences across geographies and age-groups. I am very excited about the next few years!

Q How many new films are scheduled for release this year? Can you share some details about these films?

We are releasing three Hindi films in the year 2013-14. The first film released by Tips in the year 2013-14 is Ramaiya Vastavaiya. It introduces Girish Kumar and is directed by Prabhudheva. A fun-filled, light romantic entertainer, it is an ideal movie for the family to enjoy together. The second movie Tips is planning to release is Raj Kumar Santoshi's Phata Poster Nikla Hero, starring Shahid Kapoor and Illena D'Cruz. Salman Khan is teaming up to do a interesting cameo in film. The film is in the final stages of production and is scheduled for release in September 2013.

Q What are the new projects you are working on currently? Also, what do we expect from Tips in Punjabi movies?

We are very excited with our next big-budget Hindi movie currently on the floor. Shooting has just started for the multi-starrer - It's Entertainment. As the name suggests, it is complete entertainment movie with a new lead pair of Akshay Kumar and Tamannaah with Mithun Chakraborty, Johnny Lever and others. It is scheduled for release in March 2014.

On the Punjabi film front, we are looking at some interesting scripts, and we by the latter half of the year, we are expecting to finalise some of these.

Q What does the future hold for Tips? Where do you see Tips going from here?

At Tips, we have always challenged ourselves to go higher and further. Today, we are very excited at the way the future is unfolding, and are confident that with our experience, expertise and esteem in the industry, we will continue with our expansion plans. We are on track to produce 4 movies annually by 2014, and 6 movies annually by 2016. In the music business, we continue to leverage the digitisation advantage and keep unlocking more value from our collection through newer delivery and consumption platforms.

Q Finally, what message would you like to convey to your stakeholders?

I would like to express my sincere gratitude to all our stakeholders – the film fraternity, our suppliers and distributors, and our bankers and financiers. To our employees and our investors, I would like to extend my thanks and appreciation for their faith and trust in Tips. We are now in the fast lane of expansion and growth, and we are RACING AHEAD with Entertainment and Excitement.

The Tips Story

A History of ENTERTAINMENT

- ▶ Started by the Taurani brothers, Kumar S. Taurani and Ramesh S. Taurani in 1975
- ▶ Became the biggest dealers for HMV, Music India and CBS in 1975
- ▶ Created the TIPS label in 1980
- ▶ Started acquiring film music rights in 1988
- ▶ First manufacturing facility for audio cassettes at Palgarh in Maharashtra in 1990
- ▶ Second manufacturing facility for blank and pre-recorded audio cassettes at Silvassa in 1997
- ▶ Tips becomes a public limited company in 2000
- ▶ Tips has one of the best music collections with over 4500 titles
- ▶ 10 titles have crossed Rs. 10 million in sales, 15 titles have crossed Rs. 5 million in sales and 20 titles have crossed Rs. 1 million sales
- ▶ Since 1989, Tips has won more Platinum and Gold discs than any other record company in India

Top 5
Films



Ramaivaiya Vastavaiya



Race 1 and 2



Ajab Prem Ki
Ghazab Kahani



Soldier



The Legend of Bhagat Singh



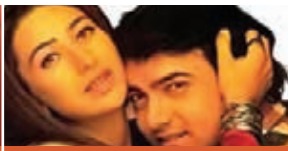
Ramaivaiya Vastavaiya



Race 1 and 2



Khalnayak



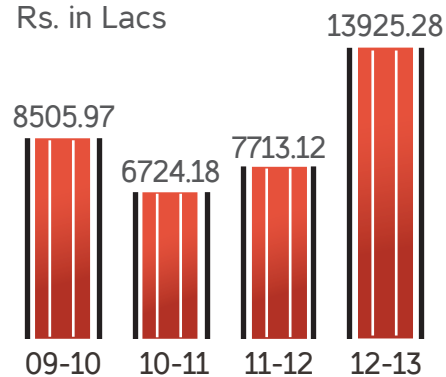
Raja Hindustani



Ajab Prem Ki Ghazab Kahani

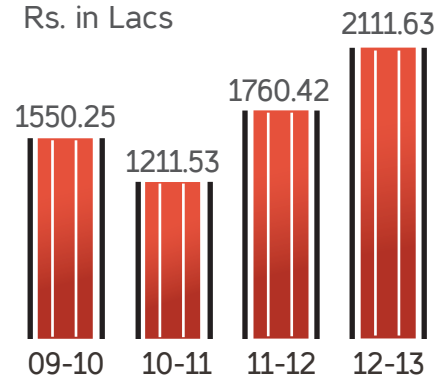
Key Financial Indicators

Rs. in Lacs



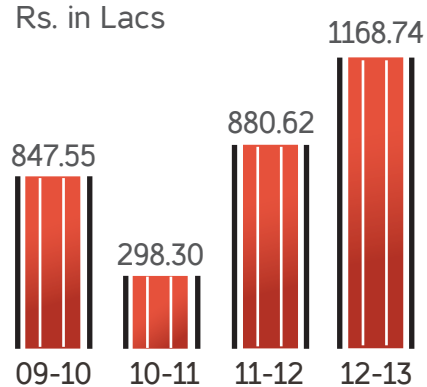
Net Revenues

Rs. in Lacs



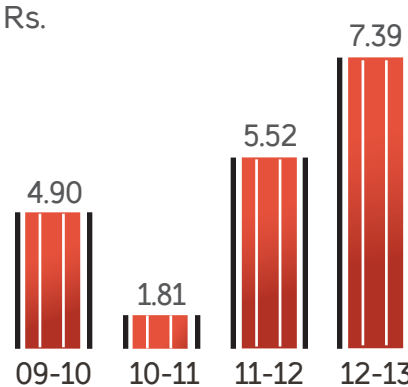
EBITDA

Rs. in Lacs



Profit After Tax

Rs.



Earnings per Share

Jeene Laga Hun



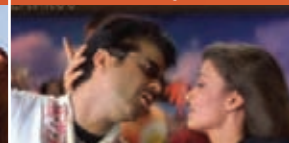
Lat Lag Gayi



Pehli Nazar

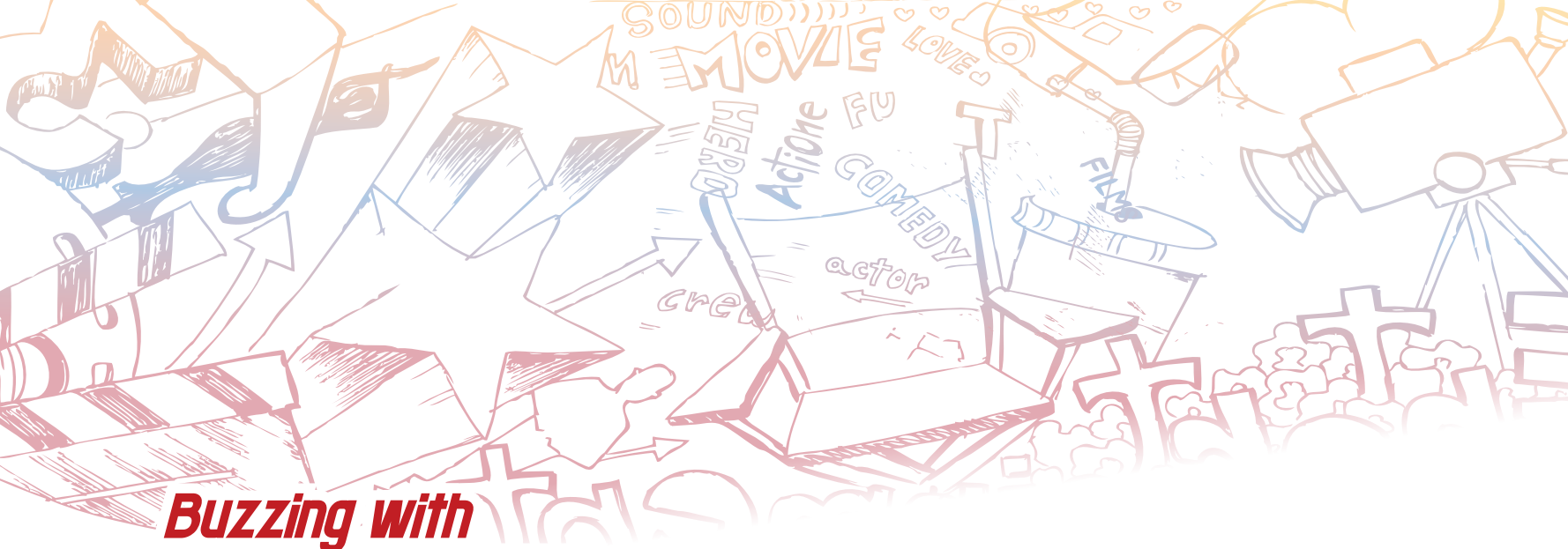


Ishq Bina Kya Jeena



Choli Ke Peeche





Buzzing with
EXCITEMENT

Released - July 2013



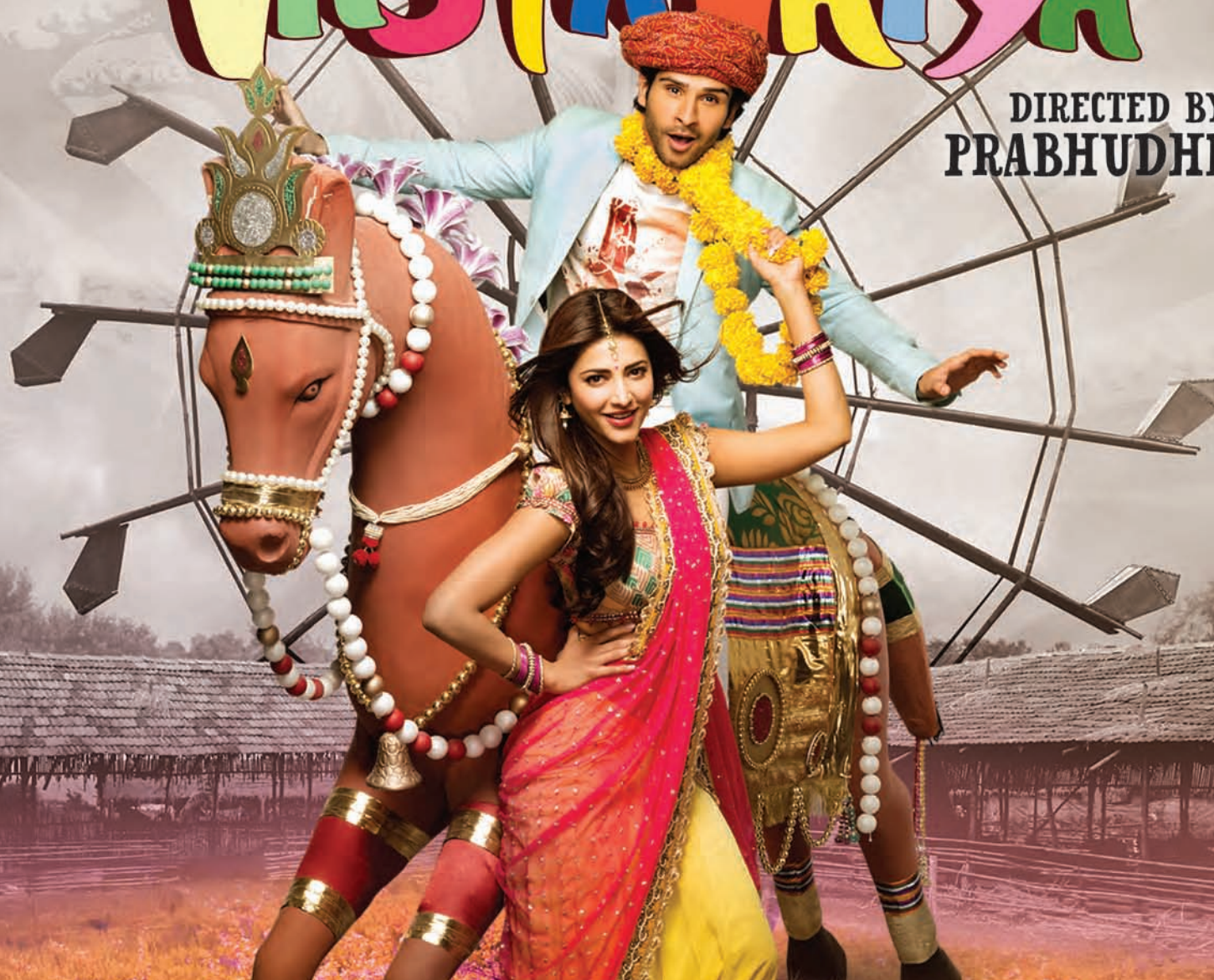
TIPS INDUSTRIES LTD
PRESENTS

KUMAR TAURANI'S



RAMAIYA VASTAVAIYA

DIRECTED BY
PRABHUDHEVA



Geared for
Expansion

to be Released - September 2013

TIPS INDUSTRIES LTD.
PRESENTS



It's **Entertainment**

TO BE RELEASED - 2014



Corporate Information

Board of Directors

Mr. Kumar S. Taurani	Chairman & Managing Director
Mr. Ramesh S. Taurani	Managing Director
Mr. Amitabh Mundhra	Independent Director
Ms. Radhika Pereira	Independent Director
Ms. Sunita Menon	Independent Director
Mr. Vijay Agarwal	Independent Director

Company Secretary

Ms. Bijal R. Patel

Bankers

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

HDFC Bank Limited
2nd Floor, Maneckji Wadia Bldg.,
Nanik Motwani Marg, Fort,
Mumbai - 400 001

Central Bank of India
Chandermukhi, Ground floor,
Nariman Point,
Mumbai 400 021

Registered Office

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

Accounts & Secretarial Dept.

202, Glacis Tower,
Linking Road, Khar (West),
Mumbai 400 052

Senior Management

Mr. Shyam Lakhani	Sr. Vice President – Administration
Ms. Varsha Taurani	Vice President – Administration
Mr. Ishwar Advani	Vice President – Operations
Mr. I. T. Gursahani	Vice President – Legal & Corporate Affairs
Mr. Raju Hingorani	Distribution Head – Films
Mr. Sahas Malhotra	Sr. Vice President – Music
Mr. Jay Shewakramani	Executive Producer

Statutory Auditors

M/s. B.K. Khare & Co.
Chartered Accountants
706/708, Sharda Chambers,
New Marine Lines,
Mumbai 400 020

Internal Auditors

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

Registrar & Share Transfer Agent

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West)
Mumbai 400 078

Notice of the Annual General Meeting

Notice is hereby given that the Seventeenth Annual General Meeting of Tips Industries Limited will be held on Thursday, 29th August, 2013 at 4.00 p.m. at the Jubilee Room, Hotel Sun-N-Sand, Juhu, Mumbai - 400 049 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Profit and Loss Account for the year ended 31st March, 2013 together with the Reports of the Directors and Auditors thereon.
2. To declare dividend for the financial year ended 31st March, 2013.
3. To re-appoint Ms. Sunita Menon as a Director of the Company, who retires by rotation and, being eligible, offers herself for re-appointment.
4. To re-appoint M/s. B. K. Khare & Co., Chartered Accountant, as the Statutory Auditor of the Company and to fix their remuneration for the financial year 2013-2014.

Special Business:

5. **To consider and, if thought fit, pass with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT Mr. Vijay Agarwal, who was appointed as an Additional Director in the meeting of Board of Directors of the Company held on 31st October, 2012 and who holds office till the date of this Annual General Meeting, and in respect of whom a notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr. Vijay Agarwal as a candidate for the office of the Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

6. **To consider and, if thought fit, pass with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT in supersession of the resolution passed by the shareholders at the Thirteenth Annual General Meeting of the Company held on 29th August, 2009 and pursuant to provisions of Section 293(1)(d) of the Companies Act, 1956 and other applicable provisions including any amendment, modification, variation or re-enactment thereof for the time being in force, if any, of the Companies Act, 1956, the consent of the members be and is hereby accorded to the Board of Directors of the Company to borrow such sum or sums of money from time to time as may be required for the purpose of the business of the Company and the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from the company's bankers in the ordinary course of business), in excess of, the aggregate of paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount up to which monies to be borrowed by the Board of Directors (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) shall not at any time exceed the limit of Rs. 3,000,000,000/- (Rupees Three Hundred Crore only) over and above the aggregate of the paid up capital and free reserves of the Company.”

By Order of the Board of Directors

Place: Mumbai

Date: 23rd May, 2013

Bijal R. Patel

Company Secretary

Registered Office:

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

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON A POLL ONLY, INSTEAD OF HIMSELF/HERSELF AND A PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting.
 2. The Explanatory Statement, pursuant to Section 173 of the Companies Act, 1956 relating to the special business as set out at Item No. 5 and 6 above, is annexed hereto.
 3. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
 4. The Register of Members and Transfer Books will be closed from 22nd August, 2013 to 29th August, 2013 (both days inclusive)
 5. Dividend, if approved by the Members at the Annual General Meeting will be paid on or before 28th September, 2013 to the Members whose names appear on the Register of Members and Register of Beneficial Owners as on 21st August, 2013 as per details furnished by the R&T and the Depositories for this purpose.
 6. The members can avail of the facility of nomination. In terms of Section 109A of the Companies Act, 1956, members are entitled to make nominations in respect of shares held by them in physical form. Members desirous of making nominations are requested to file their nomination in respect of their shareholdings in prescribed Form 2B (in duplicate), which is available with the Secretarial Department at the Registered Office of the Company and with R & T Agent.
 7. Members are requested to:
 - a. Intimate changes, if any, in their registered addresses to the Company or the Registrar at an early date.
 - b. Quote folio numbers/DP ID & Client ID in all their correspondence.
 - c. Bring their copy of the Annual Report to the Annual General Meeting.
 - d. Bring the Attendance slip sent herewith, duly filled in, for attending the meeting (Mandatory).
 8. In order to avail the facility of Electronic Clearing Service (ECS), Members holding shares in physical form are requested to provide bank account details to the Company or the Registrar & Share Transfer Agent, before book closure. Members holding shares in dematerialised mode are requested to instruct their respective Depository Participants regarding bank accounts in which they wish to receive the dividends. The Company / Registrar & Share Transfer Agent will not act on any direct request received from Members holding shares in dematerialised form for change / deletion of such bank details.
 9. The Company has designated an exclusive email ID viz. response@tips.in to enable the investors to post their grievances, if any, and monitor its redressal.
 10. 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. Replies will be provided at the meeting in respect of such queries received.
 11. Ministry of Corporate Affairs (MCA) vide Circular Nos. 17/2011 and 18/2011 dated 21st April, 2011 and 29th April, 2011 respectively have clarified that a company would be deemed to have complied with provisions of sections 53 and 219(1) of the Companies Act, 1956, if documents like notices, annual reports etc. are sent in electronic form to its members.
- Accordingly, the said documents of the Company for the financial year ended 31st March, 2013 will be sent in electronic form to those Members who have registered their email address with their DP and made available to the Company by the Depositories.
- Members holding shares in physical form are requested to submit their email address to the R & T Agents, duly quoting their Folio number. Members holding shares in electronic form and who have not registered their email address with their DP are requested to

do so at the earliest, so as to enable the Company to send the said documents in electronic form, thereby supporting the initiative of the MCA.

Please note that the said documents will be uploaded on the website of the Company viz. www.tips.in and made available for inspection at the Registered Office of the Company during the business hours. However, in case a Member wishes to receive a physical copy of the said documents, shareholders are requested to send an e-mail to response@tips.in, duly quoting his DP ID and Client ID or the Folio number, as the case may be or write to the Company at its registered office or its Registrars & Transfer

Agents – Link Intime India Private Limited at C-13 Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400 078.

By Order of the Board of Directors

Place: Mumbai

Date: 23rd May, 2013

Registered Office:

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

Bijal R. Patel

Company Secretary

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item No. 5:

Mr. Vijay Agarwal was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 31st October, 2012 pursuant to Section 260 of the Companies Act, 1956

Mr. Vijay Agarwal holds office of Director upto the date of the ensuing Annual General Meeting. The Company has received notice in writing from a member alongwith a deposit of Rs. 500/- proposing the candidature of Mr. Vijay Agarwal for the office of Director under the provisions of Section 257 of the Companies Act, 1956.

The Directors recommend the Resolution set out at Item 5. of the accompanying Notice for the approval of the Members.

None of the Directors, except Mr. Vijay Agarwal is concerned or interested in this resolution.

The Profile of Mr. Vijay Agarwal is given in the Corporate Governance Report.

The Company has planned to expand the business operation by launch of various films projects in near future for that it shall have to infuse more funds into the long run.

However, considering future plans and the current borrowing powers of the Board of Directors will not be sufficient for planned activities, therefore the Company proposed to increase the borrowing Limit to Rs. 3,000,000,000 (Rupees Three hundred Crores Only), apart from temporary loans obtained from the company's bankers in the ordinary course of business, over and above the aggregate of the Company's Paid Up Capital and Free Reserves as per terms of Section 293 (1) (d) of the Act.

It is therefore, proposed to seek approval of the shareholders for increase in Borrowing Powers.

None of the Directors of the Company are in any way concerned or interested in the said resolution.

By Order of the Board of Directors

Place: Mumbai
Date: 23rd May, 2013

Bijal R. Patel
Company Secretary

Item No. 6

In Thirteenth Annual General Meeting of the Company held on 29th August, 2009, approval of shareholders of the Company was obtained to authorized the Board of Directors, pursuant to Section 293 (1) (d) of the Companies Act, 1956, to borrow sums of money from time to time for the business purpose and that sums shall not exceeding Rs. 1,000,000,000 (Rupees One Hundred Crores only) over and above the aggregate of the paid up capital and free reserves of the Company at any time.

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

Directors' Report

To,
The Members,
Tips Industries Limited

Your Directors hereby present their Seventeenth Annual Report along with the Audited Accounts of the Company for the financial year ended 31st March, 2013.

Highlights of Financial Results:

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

Particulars	(Rs. in 'Lacs')	
	2012-13	2011-12
Income	13925.28	7713.12
Profit/(Loss) before Depreciation, Interest, Provision for Contingencies and Taxation	2111.63	1760.42
Less: Depreciation and Interest	649.86	695.20
Profit/(Loss) before Provision for Taxation, Extraordinary and Prior Period year items	1461.77	1065.22
Less: Provision for Taxation		
Current Tax	287.89	154.67
Wealth Tax	5.15	2.52
Excess / Short Provisions	0.00	23.27
Profit/(Loss) after Provision for Taxation but before Extraordinary and Prior Period year items	1168.74	884.76
Less: Prior Period Expenses	0.00	4.14
Profit/(Loss) after Taxation	1168.74	880.62
Add: Balance Brought Forward	3431.21	2987.54
Profit/(Loss) after Taxation available for Appropriation	4599.95	3868.16
Dividend	322.53	319.17
Dividend Tax	54.81	51.77
General Reserves	493.50	376.50
Share Capital	1535.86	1595.87
Reserves & Surplus	7249.82	6861.56

Dividend:

Your Directors recommend dividend of @ 21% (at twenty one per cent) i.e. Rs. 2.10/- (Two rupees and ten paise only) per share on 1,53,58,640 fully paid-up Equity Shares of Rs. 10/- each of the Company for the year ended 31st March, 2013. The proposed dividend, if approved, at the Annual General Meeting, will absorb a sum of Rs. 322.53 lacs (Previous Year being Rs. 319.17 lacs) and Dividend Tax of Rs. 54.81 lacs

(Previous Year being Rs. 51.77 lacs). The Dividend Tax is provided at the rate applicable on the day on which the accounts were approved by the Board of Directors.

Transfer to Reserves

An amount of Rs. 117 Lacs is transferred to General Reserves in the Balance Sheet.

Review of Operations:

(a) Turnover:

There has been an upward revision in the turnover of the Company during the year under review as compared to previous year. The figures for 2012-13 in comparison with the previous year 2011-12 are as under:

Particulars	(Rs. in Lacs)	
	FY 2012-13	FY 2011-12
Royalty Receipt (Net)	3037.73	3483.27
Film Production & Distribution	10476.84	3621.62
Audio Product Sales	4.89	24.30
Advertisement Income	259.54	0.00
Other		
Artiste Management Fees	0.00	68.00
Audio Rights Receipt	0.00	5.00
Scrap Sales	8.26	29.85
Total Turnover	13787.26	7232.03

(b) Business Spheres:

Your Company operates dynamically in two spheres

- Film Production & Distribution
- Music

➤ Film Production and Distribution:

“Race 2”

This year, Tips came up with the much awaited sequel of Race, the blockbuster of 2008, multi-starrer action thriller film “**Race 2**” directed by Abbas-Mustan starring Saif Ali Khan, John Abraham, Anil Kapoor, Deepika Padukone, Jaqueline Fernandez and Ameesha Patel.

Race 2 was released on 25 January 2013, and opened with huge response at the box office. The movie was commercially successful of the year.

“Jayantabhai ki Luv Story”

On 15th February this year, day after Valentine's Day, Tips released its second home production “Jayantabhai Ki Luv Story”, directed by Vinnil Markan with unique story of romance of a street-thug, Vivek Oberoi, who surprisingly falls in love with Neha Sharma.

➤ Music:

Tips has been striving in exploitation of digital music market in India and across the globe. It has been contracting with various websites and licensing its extensive repertoire for exploitation through streaming and download service. Also, Mobile services like caller ring back tones, full track downloads, videos of the songs, dialogues, wallpapers, etc continues to be a significant component in the revenues of the Company. Television has also been an added source of revenue through licensing of song videos to channels for broadcast.

Buyback

During the year, the Company has bought back 6,00,060 equity shares from the open market using the nationwide electronic trading facilities of the Bombay Stock Exchange Limited (‘BSE’) and National Stock Exchange of India Limited (‘NSE’) from the existing registered shareholders/beneficial owners. The buyback offer was open from 23rd August, 2012 to 8th March, 2013. The total fund utilized in the Buy-back is Rs. 4,61,04,688/- (excluding brokerage, transactional charges and taxes). The highest price at which the Equity Shares were bought back was Rs. 88.00 per Equity Share while the lowest price was Rs. 55.50 per Equity Share. The Equity Shares were bought back at an average price of Rs. 76.83 per Equity Shares.

Share Capital	Pre Buyback	Post Buyback
Authorised Capital	Rs. 20,00,00,000/- (2,00,00,000 Equity Shares of Rs. 10/- each)	Rs. 20,00,00,000/- (2,00,00,000 Equity Shares of Rs. 10/- each)
Paid Up Capital	Rs. 15,95,87,000/- (1,59,58,700 Equity Shares of Rs. 10/- each fully paid-up)	Rs. 15,35,86,400/- (1,53,58,640 Equity Shares of Rs. 10/- each fully paid-up)

Acquisitions by the Promoters:

➤ Before commencement of Buy-back Offer

Before Buyback, the promoters have acquired 4,85,234 equity shares of the Company from open market which raises promoter holding to 1,07,12,762 shares representing 67.13 % of the paid up capital of the Company.

➤ After Closure of Buy-back Offer

The total voting rights of Promoters have increased to 69.75% of the paid up capital of the Company is due to the buy-back offer. There is no change in the total number of shares held by the promoters and promoter group.

Details of the acquisitions are given in the Corporate Governance Report which forms a part of this Annual Report.

Future Outlook

Indian Cinema is on the threshold of completing 100 glorious years of entertaining audiences in India and Overseas. India is the world's largest producer of films and has potential to be one of the world's leading markets. With the passage of time there has been a continuous technological advancement in Indian cinema. In the 20th Century, Indian cinema took huge strides towards growth and, today, at the turn of the 21st Century Indian cinema stands at par with Hollywood cinema.

The Indian cinema consists of millions of overseas viewers for which films are made available both through mediums such as DVDs and by screening of films in their country of residence wherever commercially feasible, which contribute substantially to the overall revenue to cinema. One cannot think of Bollywood movies without music. Music in Indian cinema is another substantial revenue generator where fate of any Bollywood movie is rest on music of the Film.

The South Indian film industry defines the four film cultures of South India as a single entity. Although developed independently for a long period of time, gross exchange of film performers and technicians as well as globalisation helped to shape this new identity. Henceforth the scope of expansion of the Company in the industry is alluring by exploring diversified areas of production and Music.

"Ramaiya Vastavaiya" is an upcoming film of the Company directed by Prabhudheva, The film introduces Girish Kumar son of renowned

producer Kumar Taurani, opposite Shruti Hassan. The movie will hit the Silver Screen on 19th July, 2013.

The Company is in process of production of its film titled "Phata Poster Nikla Hero", directed by Rajkumar Santoshi and starring Shahid Kapoor and Ileana D'Cruz in lead roles.

Other film presently titled "It's Entertainment" starring Akshay Kumar Tamanna Bhatia, Paresh Rawal, Johny Lever, Sonu Sood, Krushna Abhishek, and others, to be directed by Sajid- Farhad is yet to commence.

On music front, availability of quality music has enhanced the end user experience. Company has 1 million hit on social networking site, looking at figures, Company has been expanding its scope for distribution of music through Internet.

The world has entered into age of mobile phones where availability of everything and anything is just a click away from anywhere which provides Companies to be with end user 24*7. The Company aims at exploiting of its music through mobile medium.

Directors

The Board consists of Executive and Non- Executive Director including independent director who have wide and varied experience in different disciplines of corporate functioning.

- Mr. Vijay Agarwal was appointed as Additional (*Non-Executive Independent*) Director of the Company with effect from 31st October, 2012. As per the provisions of section 260 of the Companies Act, 1956, he will hold office upto the date of the ensuing Annual General Meeting of the Company. The Company has received notice under section 257 of the Companies Act, 1956, together with requisite deposit proposing appointment of Mr. Vijay Agarwal as Director of the Company.
- Pursuant to the provisions of Sections 255 and 256 of the Companies Act, 1956 and in terms of the Articles of Association of the Company, Ms. Sunita Menon, Directors of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment.

Public Deposits

During the year, under review, the Company had accepted deposits

from public within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under and that none of matured deposits have been unpaid to the depositor(s) during the this year. The outstanding deposits as on 31st March 2013 was Rs.2,066 lacs as against Rs.276 lacs on 31st March, 2012.

Auditors:

M/s. B. K. Khare & Co., Chartered Accountants, holds office upto the conclusion of the ensuing Annual General Meeting and is eligible for re-appointment. They have furnished the necessary certificate as required under Section 224 (1B) of the Companies Act, 1956. The Board recommends their re-appointment.

Internal Control System:

The Company has appointed M/s. Maheshwari & Co. – Chartered Accountants as its Internal Auditors to check the internal controls and functioning of the activities and recommend ways of improvement. The Internal Audit is carried out quarterly basis, the report is placed in the Audit Committee Meeting and the Board Meeting for their consideration and direction. Their scope of work is as decided by the Audit Committee and the Board of Directors.

Particulars of Employees

Particulars of employees required in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended are mentioned in the table below:

Sr. No	Name	Current Designation	Gross Remuneration p.a. (Rupees)	Qualification	Date of Joining	Experi-ence	Age	Previous Employment
1.	Kumar Taurani	Chairman & Managing Director	Rs. 90,00,000 (from 1st April, 2012 to 31st May, 2012)	B.Com	08/05/96	33	55 Years	N.A.
2.	Ramesh Taurani	Managing Director	& Rs. 1,50,00,000 (from 1st June, 2012 to 31st March, 2013)	B.Com	27/09/05	32	53 Years	N.A
3.	Sahas Malhotra	V.P- Music	Rs.75,00,000	Economics (Hons)	08/10/10	19	38 Years	Sony Music Entertainment India

Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your directors based on the representation received from the management state that:

1. In the preparation of the accounts, the applicable accounting standards have been followed and there are no material departures
2. Accounting policies selected were applied consistently. Reasonable and prudent judgment and estimates were made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 and of the profit of the Company for that period.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
4. The annual accounts of the Company have been prepared on a going concern basis.

Subsidiary Companies

The Company does not have any subsidiary Company within the meaning of section 4 of the Companies Act, 1956. Thus the Company is not required to furnish a statement pursuant to the provisions of Section 212 of the Companies Act, 1956.

Audit Committee

The Company has constituted an Audit Committee in accordance with Clause 49 of the Listing Agreement read with section 292A of the Companies Act, 1956. Adequate disclosures in respect of the composition of the Audit Committee, its functions and the Chairmanship have been made in the Corporate Governance Report which forms an essential part of this report.

The Audit Committee functions in terms of the role and powers delegated by the Board of Directors keeping in view the provisions of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

Conservation of Energy

Our operations are not energy intensive. However significant measures have been taken to reduce the energy consumption by purchasing latest technology energy efficient equipments.

Technology Absorption, Adoption and Innovation

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

Foreign Exchange Earnings & Outgoings

During the year ended 31st March, 2013, the Company has incurred/ received foreign exchange towards the following:

Particulars	(Rs. In Lacs)	
	2012-13	2011-12
Outgoings:		
(A) Traveling Expenses	0.64	59.92
(B) Payments to Artistes	NIL	50.05
(C) Film Production Expenses	1690.51	49.80
Earnings:		
(A) F.O.B. value of Exports	NIL	1.43
(B) Royalty (net)	388.44	257.34

Management Discussion and Analysis

A Management discussion and Analysis as required under the Clause 49 of the Listing Agreement is annexed and forming part of the Report.

Corporate Governance

Pursuant to Clause 49 of the Listing Agreement, a Report on Corporate Governance is annexed hereto and forms part of the Annual Report. As required by the Listing Agreement, a certificate from M/s. B. K. Khare & Co, Chartered Accountants, and Statutory Auditors of the Company, regarding compliance of conditions of corporate governance stipulated by the Stock Exchanges is annexed to this Report. The Company also submits to the Stock Exchanges quarterly corporate governance report as required by Clause 49 of the Listing Agreement.

Auditors' Report

In the opinion of the Directors, the notes to accounts are self-explanatory and adequately explain the matters, which are dealt within the Auditors' Report.

Appreciation

Your Directors takes this opportunity to express their sincere appreciation for the incredible support and co-operation by the employees of the Company which they recognize as one of the prime factors in growth of the Company. Secondly, the Directors give their warm gratitude to the shareholders for their faith in the Company. Lastly, the Directors are grateful for the overwhelming co-operation received from the bankers, lenders, customers and associates of the Company. The Directors strongly believe the Company has been able to reach its current level because of the constant support and best wishes of all these people.

For and on behalf of the Board of Directors

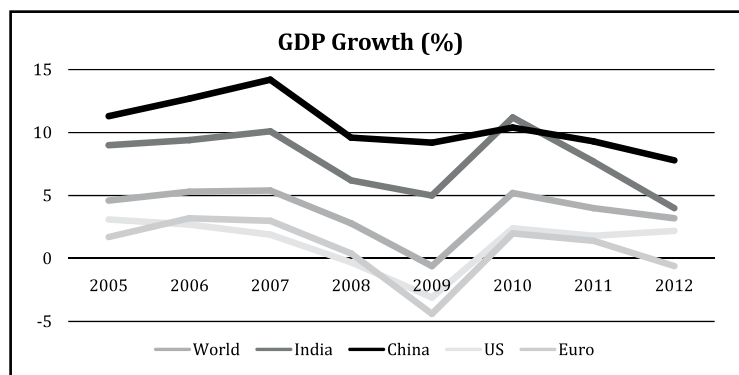
Place: Mumbai
Date: 23rd May, 2013

Kumar S. Taurani
Chairman & Managing Director

MANAGEMENT DISCUSSION & ANALYSIS

Economic Overview (Global)

The global economic recovery continued to find growth elusive in the year 2012-13. The world's GDP growth slowed down to 3.2 per cent compared to 4.0 per cent in the previous year, according to International Monetary Fund report. In the Eurozone, debt-repayment crisis in Greece in the middle of 2012 and more recently in Cyprus in March 2013 dominated headlines. The surprising bright spot was North America, where there was a better than expected growth even though high fiscal deficit continues to remain a worry.



(Source: IMF)

Industry Overview (Global)

The rapid penetration of media & entertainment (M&E) around the world could be credited a major evolution in the industry—digitisation. Digitisation has changed the face of global media in recent years, and is set to be the new norm for media consumption. The trend is expedited by smart soaring mobile device sales such as e-readers, tablets and smartphones.

Film

The film industry remained a lucrative one with global box offices for all films taking in US\$34.7 billion in 2012, up 6 per cent from 2011, according to the Motion Picture Association of America (MPAA). The growth was led by the Chinese market, which is starting to acknowledge films as a source of leisure and entertainment. The rush of Chinese audiences to cinemas allowed a stellar growth performance of 30.2 per cent in cinema footfalls in the country. At the same time, with a

strong blockbuster schedule including “The Avengers”, “The Dark Knight Rises” and “The Hunger Games”, the US market marked record revenues of \$10.84 billion, a 6.6 per cent increase from the previous year [MPAA]. Digitisation was another significant impetus that allowed distributors to cut down on costs as well as gave exhibitors the ability to price discriminately according to the movies’ screening format. The strong performances showed by the emerging markets and the US market buffered against the softer European market, which was severely impacted by the Euro debt crisis.

Music

The global trade value of the music industry grew by 0.3 per cent, which was the best year-on-year performance registered since 1998 [IFPI]. Increased use of the Internet and related technology led digital revenues to grow 9 per cent from the previous year, accounting for 34 per cent of the industry’s revenues for 2012 at an estimated US\$5.6 billion [IFPI]. Entrepreneurs and companies increasingly recognise the potential in the global digital music market, subscription services, streaming services and download stores expanded rapidly into more than 100 markets in just two years from a mere 23 in 2011 [IFPI]. However, the traditional physical format still managed to buck its general declining trend in certain Asian markets of Japan and South Korea. Income from performance rights continued to increase with a 9.3 per cent growth in 2012, to account for 6 per cent of the industry’s revenues [IFPI].

Industry Overview (India)

2012 has been a challenging year for the Indian M&E industry, with the consequences of the global economic slowdown weighing on advertising budgets. This was significant, as advertising revenues usually make up near 40 per cent of the industry’s earnings. As a result, overall growth in the particular segment was pulled down to 9 per cent at Rs. 32,740 crore [FICCI-KPMG].

However, the overall industry still managed to register a healthy 12.6 per cent growth from 2011 to Rs. 82,100 crore [FICCI-KPMG]. The year also marked several ground-breaking changes within the industry. While key sectors struggled with problems and challenges such as

sub-optimal scale, fragmented audiences, distribution leakages, and need for industry co-ordination, opportunities arising from digitisation, continued growth of regional media, and the rapidly increasing new media businesses provided the impetus for growth. One interesting trend to note in India is that traditional media continued to dominate the industry, with consumers spending the most on television. These sectors have become more competitive and vibrant over the years, posting increases in TV audiences, cinema footfalls, radio listenership and print circulation, despite being considered sunset sectors in the developed markets.

Overall Industry Size (INR billion)	2008	2009	2010	2011	2012	Growth in 2012 over 2011	2013P	2014P	2015P	2016P	2017P	CAGR (2012 to 2017)
Television	241.0	257.0	297.0	329.0	370.1	12.5%	419.9	501.4	607.4	725.0	847.6	18.0%
Print	172.0	175.2	192.9	208.8	224.1	7.3%	241.1	261.4	285.6	311.2	340.2	8.7%
Films	104.4	89.3	83.3	92.9	112.4	21.0%	122.4	138.3	153.6	171.7	193.3	11.5%
Radio	8.4	8.3	10.0	11.5	12.7	10.4%	14.0	15.4	18.7	22.7	27.4	16.6%
Music	7.4	7.8	8.6	9.0	10.6	18.1%	11.6	13.1	15.3	18.3	22.5	16.2%
OOH	16.1	13.7	16.5	17.8	18.2	2.4%	19.3	21.1	23.0	25.0	27.3	8.4%
Animation and VFX	17.5	20.1	23.6	31.0	35.3	13.9%	40.6	46.9	54.2	63.1	73.5	15.8%
Gaming	7.0	8.0	10.0	13.0	15.3	17.7%	20.1	23.8	30.9	36.2	42.1	22.4%
Digital Advertising	6.0	8.0	10.0	15.4	21.7	40.9%	28.3	37.1	48.9	65.1	87.2	32.1%
Total	579.8	587.4	651.9	728.4	820.5	12.6%	917.4	1058.5	1237.5	1438.4	1661.1	15.2%

(Source: FICCI-KPMG)

Music

The Indian music market saw an 18 per cent increase in 2012 vis-à-vis a 4.7 per cent growth in 2011 due to strong content and digitisation [FICCI-KPMG]. 2012 marked the first time the recorded music market saw digital sales overtake physical sales, making up 57 per cent of the the Rs. 10,600 core industry [FICCI-KPMG]. This evolution was primarily due to the surge in young consumers and expanding middle class accessing music through mobile channels such as their mobile phones. The Indian mobile phone market is currently the second largest in the world after China with over 900 million connections [TRAI], and mobile operators have taken advantage of the huge market potential

by offering a wide range of music services, including ringtones, downloads and mobile radio streaming services. Similarly, with the penetration of the Internet, streaming services such as Ghana, Saavn and international music download stores e.g. iTunes have entered the market to offer consumers opportunities to download their favourite tunes without having to visit a physical store.

Local music continued to dominate both physical and digital sales, with Bollywood film soundtracks being hugely popular. However, as consumers' tastes change to accept a wider variety of music, regional and international music are taking up increasingly bigger shares in the music market.

Segment (INR billion)	2008	2009	2010	2011	2012	2013P	2014P	2015P	2016P	2017P	CAGR (2012 to 2017)
Digital	1.9	2.6	4.2	5.2	6.0	7.0	8.3	10.1	12.6	16.1	21.7%
Physical	4.9	4.5	3.2	2.6	2.3	2.0	1.7	1.5	1.4	1.3	-10.5%
Radio & TV	0.4	0.5	0.7	0.6	1.4	1.6	1.8	2.0	2.3	2.7	13.7%
Public Performance	0.2	0.2	0.5	0.6	0.9	1.1	1.3	1.6	2.0	2.4	22.0%
Total	7.4	7.8	8.6	9.0	10.6	11.6	13.1	15.3	18.3	22.5	16.2%

(Source: FICCI-KPMG)

Film

The film industry made a powerful comeback with a 21 per cent growth in 2012, vis-à-vis 11 per cent in 2011 [FICCI-KPMG]. With the shift towards digitisation and consumer support for quality film content, domestic theatrical revenues made up 76 per cent of the industry's Rs. 11,240 crore value, signifying a growth of 23.8 per cent [FICCI-KPMG]. It is expected to increase at a more moderate CAGR of 10.8 per cent till 2017 [FICCI-KPMG].

The box-office successes were represented by a wide diversity of genres and regional languages, created at varying budgets. Bollywood saw huge success as nine films struck the 100-crore benchmark [FICCI-KPMG]. This was a marked improvement, as only five films managed to do so in 2011. Non-Hindi movies such as Tamil thriller "Thuppakki" and Tollywood hit "Challenge 2" also managed to hit the coveted benchmark, while low-budget movies with unique storylines such as "Vicky Donor" and "Kahaani" became hugely popular with audiences. The industry is also seeing increasing interest and investments in regional films, as studios such as Reliance Big Pictures and Eros International briskly foray into regional film production.

The overseas theatrical segment saw a 9 per cent rise with Indian films [FICCI-KPMG]. Major contributing countries such as the UK, the US, Middle East and Pakistan have large overseas Indian communities, but even so, Indian films similarly have been catching the attention of non-Indian audiences across the world.

Segment (INR billion)	2008	2009	2010	2011	2012	2011-12 (YoY growth)	2013P	2014P	2015P	2016P	2017P	CAGR (2012 to 2017)
Domestic Theatrical	80.2	68.5	62.0	68.8	85.1	23.8%	92.4	104.7	115.3	127.6	142.2	10.8%
Overseas theatrical	9.8	6.8	6.6	6.9	7.6	9.0%	8.3	9.0	9.8	10.8	11.9	9.4%
Home Video	3.8	4.3	2.3	2.0	1.7	-15.0%	1.4	1.2	1.1	1.0	0.9	-12.0%
Cable & Satellite Rights	7.1	6.3	8.3	10.5	12.6	20.0%	14.1	16.2	19.1	22.8	27.3	16.8%
Ancillary Revenue Streams	3.5	3.5	4.1	4.7	5.4	15.2%	6.2	7.2	8.3	9.6	11.1	15.5%
Total	104.4	89.3	83.3	92.9	112.4	21%	122.4	138.3	153.6	171.7	193.3	11.5%

(Source: FICCI-KPMG)

Business Overview

TIPS is one of India's largest entertainment companies with presence in music, film production and distribution and artist management. In line with the global shift to digitisation, TIPS has taken proactive steps to take advantage of the growth potential that the revolutionary trend brings.

Music/video production

Due to deep understanding of consumers' preferences and releasing an extensive 25,000 songs, the Company has achieved the biggest number of gold and platinum discs to credit since 1981. With the wave of digitisation, TIPS has been exploring new avenues for further exploitation of its music repertoire. With the Internet playing an influential role in music consumption trends, the Company has been expanding through licensing its song library to various websites for digital streaming and download.

TIPS has made its presence on iTunes globally, across the markets of the United Kingdom, Canada, Australia, Germany, New Zealand, USA, Belgium, Netherlands. In addition, the Company continues to exploit mobile services, which forms a significant component in revenues. With the growing dominance of the mobile as an entertainment device, features such as caller ring back tones, downloads of music and videos are projected to increase in popularity and usage.

Film Production & Distribution

TIPS released "Race2" in January 2013. The sequel of the hit movie "Race" starring Saif Ali Khan, Anil Kapoor, Deepika Padukone, John Abraham, Amisha Patel and Jaqueline Fernandez, - had a solid opening day, netting Rs. 14.25 crore. At the end of two weeks, domestic box office revenues amounted to Rs. 90 crore, becoming the first blockbuster of 2013. The film also performed well in

overseas markets, grossing around \$6.5 million and becoming the highest revenue-generating Bollywood film in Pakistan. Another film, "Jayantabhai Ki Luv Story" was released in February.

TIPS, with its repertoire of successful films, aims to continue its streak by launching quality films with appealing content. The Company aims to launch six films per year by 2016-17.

Opportunities

Rise of New Media

New media, riding on the ongoing digitisation movement, is opening up new opportunities in the M&E industry. A surge of subscription services, online download stores and streaming websites are entering the market, offering consumers alternative ways for consuming their entertainment content. The abundance of options allows content providers to reach out to larger audiences, both domestic and international. This is further facilitated by consumers' fascination with smart mobile devices, which offer increasingly sophisticated features to multi-task and consume content on the go.

Flourishing Indian Film Industry

The Indian film industry showed a stellar performance in 2012, as more films joined the elite 100-crore club. This brought back audiences in large numbers to the multiplexes and theatres resulting in higher theatrical revenues. A larger variety of films saw success and popularity at the box office, ranging from the usual Bollywood hits to regional movies and non-mainstream films.

In particular, the regional film industries are showing phenomenal growth. With cinema exhibitors rushing to set up multiplexes in Tier II and III cities, producers and studios similarly are exploring opportunities to create non-Hindi films. The market potential is huge, as the South Indian film industry, including the Telugu and Tamil industries currently dominates Indian film revenues. Similarly, the Punjabi film industry is seeing renewed public and industry interest, with bigger stars and budgets for their films [FICCI-KPMG].

Increased Interest from Overseas Audiences

The Indian diaspora is the second largest in the world at over 25 million [Ministry of Overseas Indian Affairs]. Besides, more non-Indians are also patronising Indian films, adding to its massive domestic and native audiences. For example, "Jab Tak Hai Jaan" made it into the top ten weekend releases in the USA [Film Journal International], while "3 Idiots" has become the highest-grossing Bollywood movie overseas at Rs. 121 crore [Box Office India]. In China, particularly, the film collected Rs.11 crore from audiences in just fourteen days, despite the lack of a significant Indian community in the country [Box Office India]. These achievements proved that audiences worldwide are becoming more sophisticated. Quality and interesting content is paramount, not the country and language of origin.

Indian cinema has had a significant influence in the Western musical film genre through films such as "Moulin Rouge" and "Slumdog Millionaire", while Indian filmmakers are increasingly incorporating a global reach into their productions. The popularity of Indian films in the overseas markets would also help boost related sectors such as Indian music and TV programmes.

Counter-piracy efforts

Significant steps have been taken in 2012 to curtail piracy and support the legitimate digital and creative industries. The Kolkata High Court has placed 387 injunctions to restrain Internet Service Providers (ISPs) from providing access to some 104 illegal music-downloading websites. This would potentially improve the music industry by recovering a significant portion of lost revenues. The Andhra Pradesh Film Chamber of Commerce (APFCC) has also joined forces with the Motion Picture Distributors Association, India (MPDA) to curb film piracy. The alliance held a joint operation in June 2012, revealing that organised criminal syndicates are costing the film industry Rs. 250 million in lost revenues annually.

Under-penetration of screens

India is currently one of the most under-screened countries in the world, with only 8 screens serving every million of the population. The market is severely untapped, as fellow emerging countries such as Brazil and China have more (10 and 13 respectively), while developed countries such as the USA have about 15 times more at 117 screens per million [FICCI-KPMG].

Further, screens are not distributed equally among all regions and cities. Metropolitan regions such as Delhi and Mumbai have already seen a saturation of screens, with few or no new screens added in the fiscal year. Rather, cinema exhibitors are rapidly expanding into Tier II and III cities to reach millions of people [FICCI-KPMG].

Threats

Piracy

Despite several efforts undertaken, piracy still remains a huge threat to the industry. It is estimated to deviate up to 40 per cent of the industry's potential revenues, at about US\$4 billion annually [FICCI-KPMG]. According to the Indian Music Industry (IMI), about 54 per cent of Internet users access unlicensed services every month, causing the recording industry to lose a huge market worth Rs. 4,650

crore in digital music revenues. The lack of resolution to the problem has led to shutdowns of online music download services, as well as deterred new entrants.

There has also been a significant increase in camcording incidents in theatres. The MPDA had recorded 53 cases in the first nine months of 2012, which was a 77 per cent increase from the 30 incidents recorded in 2011. The resultant loss due to video piracy in 2012 was US\$1.1 billion [MPDA, FICCI-KPMG]. The piracy problem negates the need for cinemas, which cause both exhibitors and film producers to lose out on box-office revenues.

Risks & Concerns

Economic Risk

The performance of the M&E industry is subjected to changes in economic conditions. Since watching movies for leisure may be considered a form of discretionary spending, consumers would be more likely to cut down on such expenditure when an economic downturn occurs. Further, if the problems of high inflation rates and weak rupee were to persist, the Indian consumer's spending power would continue to be crippled, once again adversely impacting the industry.

However, there will always remain a healthy demand for movies with a high content of quality entertainment. TIPS has always been making films with a high quotient of entertainment enjoyable by the entire family, and as such believes that as long as these films connect with the masses, they will continue to patronise films made by TIPS.

Cost risk

Production and marketing costs continue to spiral up, making film production and distribution highly risky. While having top stars in the film is almost a guarantee of its success, the high fees demanded by these stars result in extremely high production budgets.

TIPS has adequate experience and expertise in making films and music that strike the correct balance between star power and the overall content of the film. TIPS has a robust budget control in place to keep expenses in check. Moreover, with the music rights being retained by the Company, and as such, the cost risk is highly mitigated and reduced.

Shrinking Theatrical Window

The shrinking theatrical window for a film release is making it

increasingly difficult for films to break even, since the period for a film to gain and ride on word-of-mouth popularity is shortened. Therefore, TIPS emphasises on the importance of marketing and promotion. The Company undertakes integrated marketing campaigns for its films, involving producers to the exhibitors, to gain audiences' interests and attention and monetise the film within the limited period.

Outlook

The IMF expects the Indian economy to recover in 2013. The middle class population is expected to reach 550 million, forming 40 per cent of the population by 2025 [McKinsey]. Correspondingly, income per capita would be growing at a rapid CAGR of 10 per cent [EIU], allowing for a larger appetite for consumption. Steady investment inflows from both domestic and foreign investors would round off the main growth drivers of the country.

With these favourable demographic and economic changes, the Indian M&E industry is set to become one of the world's largest markets for creative content. The industry is projected to grow at a CAGR of 15.2 per cent to reach Rs. 166,100 crore by 2017 [FICCI-KPMG], while the global M&E industry would grow at a mere CAGR of 5.7 per cent till 2016 [PwC]. Spearheading the growth would be the BRICS (Brazil, Russia, India, China and South Africa), as well as emerging markets such as Indonesia, Mexico, Pakistan and the MENA region with their double-digit growth figures. The mature markets, on the other hand, would see a slightly muted average of 3.9 per cent [PwC].

The Indian Government has allocated Rs. 2 crore in the 12th Five-Year Plan towards an anti-piracy initiative in the audio-visual sector. Also, the ongoing Phase 3 licensing for the radio sector and 4G rollout of internet would extend coverage to all cities as well as reduce costs of downloading and lead to significant growth in radio listenership as well as Internet users. These initiatives are bound to increase music consumption and video viewership across the population. The growth potential in consumer spending on M&E is significant as the annual spend on M&E for an average Indian consumer is merely US\$ 6.60 in 2011, as compared to US\$ 22 for the Chinese and US\$ 65 for the average Brazilian [PwC].

India also boasts of the biggest film industry of the world—Bollywood—in terms of number of films released. With increased interest from non-Indian audiences and in the smaller regional film industries, the Indian film industry is expected to continue growing to be worth Rs. 19,330

crore by 2017, with the average Indian visiting the cinemas more often than the current average of 1.7 times per year [FICCI-KPMG]. Further, all media sectors are showing positive growth. Even sunset sectors such as TV and print are poised to buck the global trend of declining viewership and readership in India. The main drivers of penetration would be by the increasingly educated and urbanised young population looking for more avenues for leisure and entertainment, as well as the widespread of smart mobile devices.

TIPS has wisely diversified into the film industry to capitalise on the synergies with its existing music production operations. The Company did not limit itself to Hindi films and had forayed into the Punjabi film industry. All three Punjabi films produced were box-office successes, and TIPS has proven itself to be a forerunner in taking advantage of the potential in regional film markets. TIPS also has an exciting schedule planned for 2013 and beyond. The upcoming romance film "Ramaiya Vastavaiya" is due for release on 19 July, and the star-studded "Phata Poster Nikla Hero" with Shahid Kapoor and Ilena D'Cruz is slated for September. The writer duo Sajid-Farhad would debut their first directorial effort with "Its Entertainment", with Akshay Kumar and Telugu star Tamannah Bhatia signing on as leads. The film is on the floor since June, and is scheduled for release in early 2014.

By disposing of its obsolete cassette machinery in 2012, the Company further proves its dedication to stay at the forefront of industry trends. TIPS' forerunner in shift to digitisation would provide beneficial, as the growth in online and mobile music consumption is expected to boost music revenues to over Rs. 20 billion by 2017 [FICCI-KPMG]. Digital music revenues would then make up a significant 72 per cent portion of the pie [FICCI-KPMG]. With constant technology improvements and deeper exploration into the film and music sectors, TIPS would be able to solidify its forerunner position in the M&E industry. The Company's extensive experience within the industry would help establish strong relationships and market presence, allowing it to minimize costs and maximise income.

Financial Performance

Net Revenues for the year 2012-13 increased to Rs. 13,925.28 lacs compared to Rs. 7,713.12 lacs for the previous year, indicating an increase of 80.5 per cent.

EBIDTA for the year also increased to Rs. 2,111.63 lacs against Rs. 1,760.42 lacs compared to last year, which is 19.9 per cent higher.

Profit after Tax was Rs. 1,168.74 lacs compared to Rs. 880.62 lacs for the previous year, showing an increase of 32.7 per cent.

Earnings per Share for the year was Rs. 7.39 compared to Rs. 5.52 for 2011-12.

Internal Controls & Adequacy

TIPS recognises the importance of internal controls and their adequacy. The Company has taken commensurate steps to ensure that the systems in place are appropriate for the scale and size of the business. There are clear and well-defined processes which are strictly followed, and any deviance is immediately flagged off to the senior management for suitable corrective action. The senior officers of the Company regularly view the risks and controls to ensure that the budget is strictly adhered to and resources are used effectively.

Human resources

TIPS firmly believes in and has consistently practiced progressive HR values. The Company inculcates the values of transparency, professionalism and accountability in its operations to generate long-term benefits for its shareholders, customers, employees and society alike. At TIPS, there is consistent emphasis on each individual's sense of responsibility, while simultaneously as part of a team. This results in our people's ability to work in perfect harmony despite coming from different disciplines.

As of 31 March 2013, the number of employees on our payroll was 62.

Cautionary Statement

Statements in the Management Discussion and Analysis Report describing the Company's projections, estimates and expectations may be interpreted as "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply, price conditions in the domestic and international markets in which the Company operates, changes in Government regulations, tax laws and other statutes. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent development, information or events.

Corporate Governance Report

Corporate Philosophy:

The Company's philosophy on Corporate Governance is to conduct its business in a manner, which is ethical and transparent with all the stakeholders in the Company, including shareholders, lenders, creditors and employees. Timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the company is an essential part of Corporate Governance.

The concept of Corporate Governance is gaining momentum because of the changing business environment. The paradigm of Corporate Governance is in tune with the changing times, in keeping with the demand of greater accountability of companies towards shareholders. The Corporate Governance practices have positive influence on Company performance. Benefits from good governance practices are as follows:

- Fulfilling long-term strategic goals of owners;
- Taking care of the interests of employees;
- A consideration for the environment and local community;
- Maintaining excellent relations with customers and suppliers;
- Proper compliance with all the applicable legal and regulatory requirements

Board of Directors:

The Board of Directors plays a pivotal role in the Corporate Governance. The Board provides instruction and guidance to the Company's management. The skill and expertise of the Executive Directors, the Non-Executive Directors bring an external and wider perspective in Board deliberations and decisions. Company believes that an active, expert and well informed team of Directors is necessary to ensure highest standards of Corporate Governance. The Board of the Company comprises of experts from diverse fields and professions.

➤ Composition of Board:

The Composition of the Board meets with the requirement of

Corporate Governance code prescribed in Clause 49 of the Listing Agreement. The Board of Directors of the Company has an optimum combination of Executive and Non- Executive Directors so as to have a balanced structure. The Board currently has Six Directors, of whom two are Executive Directors. The Chairman of the Board is an Executive Director. At present, more than half of the strength of the Board of Directors comprises of Independent Directors.

The Independent Directors are playing a very vital role in ensuring transparency in the operations of the Company, thereby facilitating the best interests of the stakeholders. Further none of the Independent Directors are related to any other director on the Board in terms of the definition of "Relative" given under the Companies Act, 1956.

The composition of Board of Directors as on 31st March, 2013 is as follows:

Category	Composition of the Board		Minimum requirement of as per clause 49
	No. of Directors	% of No. of Directors	
Executive Directors	2	33.33	-
Non-Executive Independent Directors	4	66.67	50%
Total Directors	6	100	-

➤ Board Meetings:

The Board of Directors of the Company meets frequently at regular intervals in order to discuss any important agenda of Business. The Board of Directors of the Company met 5 (Five) times during the financial year i.e. from 1st April, 2012 to 31st March, 2013 on 18th May, 2012, 25th July, 2012, 31st October, 2012, 7th February, 2013, 8th March, 2013 and the gap between any two Meetings did not exceed four months.

➤ **Details of Attendance at the Board and Annual General Meeting and other Directorships held by the Directors are given below:**

Name	Category	Board Meetings during the Year		Attendance at last AGM held on July 27, 2012	No. of Directorships in other public Companies		No. of outside Committee Positions	
		Held	Attended		Chairman	Member	Chairman	Member
Mr. Kumar Taurani	Promoter & Executive	5	5	Yes	Nil	Nil	Nil	Nil
Mr. Ramesh Taurani	Promoter & Executive	5	4	Yes	Nil	1	Nil	Nil
Mr. Amitabh Mundhra	Non-Executive Independent	5	3	Yes	Nil	10	Nil	Nil
Ms. Radhika Pereira	Non-Executive Independent	5	5	Yes	Nil	2	Nil	Nil
Ms. Sunita Menon	Non- Executive Independent	5	1	No	Nil	Nil	Nil	Nil
Mr. Vijay Agarwal*	Non- Executive Independent	5	2	N.A	Nil	3	Nil	3

* Mr. Vijay Agarwal has been inducted on the Board of the Company on 31st October, 2012 as an Additional Director (Non- Executive Independent Director).

Notes:

- None of the Directors of the Company are members of more than ten committees and Chairman in more than five committees across all the Companies in which they are Directors. (This includes directorships in Public Limited Companies and subsidiaries of Public Limited Companies and excludes directorships in Private Limited Companies, Overseas Companies and Companies u/s 25 of the Companies Act, 1956).
- As required by Clause 49 of the Listing Agreement, the disclosure includes memberships / chairmanship of Audit Committee and Share Transfer & Investor Grievance Committee in Indian public Companies (listed and unlisted).
- There are no inter-se relationships between our Board members.

➤ **Details of shares held by Directors of the Company as on March 31, 2013:**

Name of the Directors	No. of Shares
Mr. Kumar Taurani	28,81,915
Mr. Ramesh Taurani	28,75,911
Mr. Amitabh Mundhra	NIL
Ms. Radhika Pereira	NIL
Ms. Sunita Menon	NIL
Mr. Vijay Agarwal	NIL

➤ **Board Procedure:**

The Board of Directors of the Company has prescribed appropriate

Systems and Procedures for the purpose of conducting the Meetings of Board of Directors of the Company, which is summarized below:

- The Meetings are convened by giving proper Notice to the Stock Exchanges as may be required and to the members of the Board.
- Agenda papers containing all necessary information are made available to the Board in advance to enable the Board to discharge its responsibilities effectively and take informed decisions.
- Confirmation of Minutes of meetings of the Board, Audit Committee, Shareholders Grievance & Share Transfer Committee and other Committees of the board.
- Reviewing the Related Party Transactions.
- Reviewing and approving quarterly/half yearly and annual results of the company along with the Limited Review Reports.
- Reviewing and approving the financial statements along with the Audit Report.
- Reviewing and approving the various contents of the Annual Report.
- Review the Risk Management and Minimization procedures.
- The Chairman generally explains to the Board Members about the developments that have taken place in the Company.
- The Board if required, considering the necessity or urgency of the issue will take up any other item of business, which is not part of agenda.
- The Minutes of the Meetings are recorded and are entered in the Minutes Book and these Minutes will be approved in next Board Meeting and the same will be signed by the Chairman.
- The Company Secretary of the Company ensures compliance of the all applicable Provisions of Companies Act and Rules and Regulations of Stock Exchanges, SEBI or any other Statutory Authority as per the requirements.

➤ **Code of conduct:**

In accordance with the Clause 49 of the Listing Agreement and SEBI (Prohibition of Insider Trading) Regulations, 1992 the Board has adopted code of conduct for all Board members, senior

management and designated employees of the Company. The code is also made available on the website of the company.

The Company has received affirmation of compliance with the Code of Conduct from all the Board members and Senior Management personnel. The Annual Report of the Company contains a declaration to this effect signed by the Chairman & Managing Director.

COMMITTEES OF THE BOARD

The Committees appointed by the Board to focus on specific affairs of the Company and make informed decisions within the limits of the authority delegated. Each of the Committees has terms of reference, under which authority is delegated to them by the Board.

There are four such Committees in the Company namely, the Audit Committee, the Shareholders Grievance and Share Transfer Committee, the Remuneration Committee and Buyback Committee. The Chairman of each Committee reports to the Board on its deliberations, and minutes of all Committee meetings are circulated to all Directors.

I. **Audit Committee:**

Audit Committee has become one of the main Pillars of the corporate governance system. The aim of the Audit Committee is to enhance confidence and integrity in organizational processes and procedures.

➤ **Composition of Audit Committee:**

The Company has constituted an Audit Committee in accordance with Clause 49 of the Listing Agreement with the Stock Exchanges read with Section 292A of the Companies Act, 1956 the Company has set up an Audit Committee. The Audit Committee consists of following directors;

Sr. No.	Name of the Director	Category	Designation
1	Mr. Amitabh Mundhra	Independent Director	Chairperson
2	Ms. Radhika Pereira	Independent Director	Member
3	Ms. Sunita Menon	Independent Director	Member
4	Mr. Vijay Agarwal	Independent Director	Member

➤ **Number of Audit Committee Meetings held during the year:**

The Audit Committee Meetings were held four times during the year viz., 18th May, 2012, 25th July, 2012, 31st October, 2012, 7th February, 2013.

➤ **Attendance of the Members at the Meetings are as follows:**

Sr.No.	Name of the Director	Number of Meetings	
		Held	Attended
1	Mr. Amitabh Mundhra	4	3
2	Ms. Radhika Pereira	4	4
3	Ms. Sunita Menon	4	1
4	Mr. Vijay Agarwal (Appointed on 31st October, 2012)	4	1

➤ **The following major functions are performed by them:**

- To review the quarterly/half-yearly and annual financial results of the Company along with the Limited Review Report before submission to the Board.
- To review the Annual Financial Statements along with the Audit Report, Directors Report, and Directors Responsibility Statement before the Board's review.
- To review the internal control systems and adequacy of internal control systems.
- To review the Internal Audit Report quarterly given by the Internal Auditors and consider their recommendations in order to strengthen the internal control systems.
- To recommend the appointment, re-appointment and removal of statutory auditors' / Internal Auditors and fixation of their remuneration.
- To review the related party transactions i.e., transactions of the Company with promoters or the directors of the Company.
- To review the Company's financial and risk management policies.

II. Shareholders Grievance and Share Transfer Committee:

The purpose of forming Shareholders Grievance and Share Transfer Committee is to monitoring the redressal of Shareholder/ Investor complaints relating to shares, non-receipt of Annual Reports, issue of duplicate certificates and all other matters in respect of investor complaints /grievances.

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

Ms. Bhoomi Thakker, Company Secretary was designated as the Compliance Officer of the Company, till 31st October, 2012. Thereafter, Ms. Bijal Patel was appointed as Compliance Officer.

➤ **Composition of the Committee:**

The Company has constituted a Shareholders Grievance and Share Transfer Committee which comprises of the following members:

Sr.No.	Particulars	Designation
1	Ms. Radhika Pereira	Chairman
2	Mr. Kumar Taurani	Member
3	Mr. Ramesh Taurani	Member

➤ **Number of Shareholders Grievance and Share Transfer Committee Meetings held during the year:**

The Shareholders Grievance and Share Transfer Committee were held four times during the year viz., 18th May, 2012, 25th July, 2012, 31st October, 2012, 7th February, 2013.

➤ **Attendance of the Members at the Meetings are as follows:**

Sr.No.	Name of the Director	Number of Meetings Attended	
		Held	Attended
1	Ms. Radhika Pereira	4	4
2	Mr. Kumar Taurani	4	4
3	Mr. Ramesh Taurani	4	3

- The details of Complaints received, redressed/ pending during the financial year 2012-13 is given below:

Pending at the beginning of the year	Received during the year	Redressed / Replied during the year	Pending at the year
NIL	9	9	NIL

- **Compliance officer**

Name: Bijal R. Patel

Designation: Company Secretary

Address: 202, Glacis Towers, Linking Road, Khar (W), Mumbai – 400 052

Tel No.: 022-61271668

E-mail I.D: response@tips.in

III. Remuneration Committee:

The Company has constitute Remuneration committee to determine on behalf of the Board and/or behalf of shareholders, the Company's policy on specific remuneration packages for Executive Directors, including pension rights and any compensation payment.

Also, determine and review the remuneration of the relatives of directors appointed on a place of profit in the Company.

- **Composition**

The Remuneration Committee comprises of Three Independent Directors:

Sr.No.	Name of the Director	Category
1	Ms. Radhika Pereira	Chairman
2	Mr. Amitabh Mundhra	Member
3	Ms. Sunita Menon	Member

- **Number of Remuneration Committee Meetings held during the year under review:**

During the year, the Committee met once on 18th May, 2012.

- **Attendance of the Members at the Meeting :**

Name of the Director	Number of Meetings	
	Held	Attendance
Ms. Radhika Pereira	1	1
Mr. Amitabh Mundhra	1	Nil
Ms. Sunita Menon	1	1

- **Details of Remuneration paid to the Directors for the year ended 31st March, 2013**

• Executive Directors:

Details of the remuneration paid to the Executive Directors for the financial year ended March 31, 2013 are as follows:

Terms of Agreement	Mr. Kumar S. Taurani	Mr. Ramesh S. Taurani
Date of Re-Appointment	1st June, 2012	1st June, 2012
Period of Agreement	3 years	3 years
Valid Upto	31st May, 2015	31st May, 2015
Salary & other allowances	Rs. 7,50,000 p.m. * (1st April, 2012 to 31st May, 2012) Rs. 12,50,000/- p.m.# (1st June, 2012 to till 31st March, 2013)	Rs. 7,50,000 p.m. ** (1st April, 2012 to 31st May, 2012) Rs. 12,50,000/- p.m.# (1st June, 2012 to till 31st March, 2013)
Perquisites	-	-
Notice Period	30 days	30 days

Notes:

* Mr. Kumar S. Taurani was re-appointed as the Chairman & Managing Director of the Company for the period of 5 (Five) years w.e.f. 1st April, 2008 to 31st March, 2013 at a gross remuneration of Rs. 90,00,000/- p.a. (i.e. 7,50,000/- p.m.) and approval from the shareholders for the same was obtained in the Annual General Meeting held on 26th September, 2008 and approval from Central Government vide letter dated 11th May, 2011 was obtained to pay

aforesaid remuneration to Mr. Kumar Taurani upto 31st March, 2012. Further Application has been made to Central Government vide our letter dated 29th October, 2012 to pay the aforesaid remuneration for the further period of 2 Months from April 1, 2012 to 31st May, 2012. Approval for the same is awaited.

** Mr. Ramesh S. Taurani was re-appointed as the Managing Director of the Company for the period of 5 (Five) years w.e.f 1st April, 2008 to 31st March, 2013 at a gross remuneration of Rs. 90,00,000/- p. a. (i.e. 7,50,000/- p.m.) and approval from the shareholders for the same was obtained in the Annual General Meeting held on 26th September, 2008. Application to Central Government was made to obtain approval for payment of aforesaid remuneration to Mr. Ramesh Taurani and approval dated 1st January, 2012 was received to pay the aforesaid remuneration upto 31st March, 2013.

#Mr. Kumar S. Taurani and Mr. Ramesh Taurani were re-appointed as Managing Director of the Company for the period of 3 (Three) years w.e.f. 1st June, 2012 to 31st May, 2015 at a gross remuneration of Rs. 1,50,00,000/- (Rupees One Crore Fifty Lacs) p.a. (i.e.12,50,000/- p.m.) and approval from the shareholders for the same was obtained in the Annual General Meeting held on 27th July, 2012 and application to pay the aforesaid remuneration for the period from i.e. 1st June, 2012 to 31st May, 2015 was made to Central Government vide our letter dated 4th October, 2012. Approval for the same is awaited.

• **Non-Executive Independent Directors:**

Sitting fees for attendance at each meeting of Board, Audit and Shareholders Grievance & Share Transfer Committee is paid to the Non-Executive Independent Directors. No remuneration other than sitting fees is paid to them. The total sitting fees paid to the Non-Executive Independent Directors are as stated below:

Name	Salary (Rs. p.a)	Sitting Fees (Rs. p.a)	Total (Rs. p.a.)
Mr. Amitabh Mundhra	Nil	60,000	60,000
Ms. Radhika Pereira	Nil	91,000	91,000
Ms. Sunita Menon	Nil	11,000	11,000
Mr. Vijay Agarwal	Nil	40,000	40,000

IV. Buy- Back Committee:

The Buy Back Committee and the Board of Directors of the Company at their meeting held on Wednesday, July 25, 2012 had approved the proposal to Buy-back its equity shares at a price not exceeding Rs. 90/- per share ("Maximum Buy-back Price") and not exceeding the aggregate amount of Rs. 800 Lacs i.e. less than 10% of the Paid-up Capital and Free Reserves of the Company as on March 31, 2012, through 'Open market' purchases through the BSE and the NSE using their nationwide electronic terminals.

➤ **Composition of Buyback Committee**

Sr.No.	Name	Designation
1	Mr. Kumar Taurani	Chairman & Managing Director
2	Mr. Amitabh Mundhra	Non-Executive Independent Director
3	Mr. I. T. Gursahani	Vice President –Legal and Corporate Affairs

A Meeting of Buy- Back Committee was held on July 25, 2012 The Minutes of the same was placed before the Board of Directors in its meeting held on October 31, 2012.

➤ **Closure of Buyback Offer:**

The Board of Directors of the Company at their meeting held on March 8, 2013 has decided to close the Buy-back offer with effect from the closing of the trading hours of March 8, 2013, the date earlier than the last date for the Buy-back i.e. July 24, 2013.

During the period from August 23, 2012 to March 8, 2013, the Company has bought back 6,00,060 equity shares of Rs. 10/- each as against the minimum buyback quantity of 4,00,000 equity shares and maximum buyback quantity of 16,00,000 equity shares.

General Body Meetings:

Location, date, and time of last Three AGMs held.

1. Financial Year 2011-12:

Date : 27th July, 2012

Time : 4.00 p.m

Location : The Jubilee Room, Hotel Sun-N-Sand,
Juhu, Mumbai- 400049

Special Resolutions : Re-appointment of Mr. Kumar Taurani and Mr. Ramesh Taurani, as the Managing Directors of the Company for the period of three years commencing from June 1, 2012 at a revised minimum remuneration of Rs. 12,50,000/- p.m. respectively.

2. Financial Year 2010-11:

Date : 29th July, 2011

Time : 4.00 p.m

Location : The Jubilee Room, Hotel Sun-N-Sand,
Juhu, Mumbai- 400049

Special Resolutions : NIL

3. Financial Year 2009-10:

Date : 5th August, 2010

Time : 4.00 p.m

Location : The Jubilee Room, Hotel Sun-N-Sand,
Juhu, Mumbai- 400049

Special Resolutions : NIL

Disclosures:

1. Basis of related party transaction

The Company places all the details before the Audit Committee periodically. There are no material transactions with Directors or the Management or their relatives having potential conflict with the interest of the Company at large. Further all the related party transactions have been disclosed in Notes to Accounts of the financial statements.

2. Disclosure of non-compliance of the Company

The Company has complied with all requirements of the Listing Agreement with the Stock Exchanges (BSE & NSE). No penalties were imposed against the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to the capital markets during the last three years.

As required by SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company has adopted a code for prevention of insider trading by any personnel of the Company.

3. Mandatory Requirements:

The Company has complied with all the mandatory requirements as

prescribed in Annexure I C to Clause 49 of the Listing Agreement.

4. Non – Mandatory Requirements:

- ✓ The Board has constituted a Remuneration Committee of Directors, details of which form part of this report.
- ✓ The quarterly financial results of the Company are extensively published in leading financial newspapers and uploaded on the Company's website.
- ✓ The boards of directors are well versed with the business of the Company and are also updated on current information required to discharge their fiduciary responsibilities.

As regards the other non-mandatory requirements, the board has taken cognizance of the same and may consider adopting them as and when deemed appropriate.

Share Acquisitions by Promoters:

Details of numbers of shares acquired by promoters during the financial year 2012-13 are as follows:

Name of the Promoter	Share holding as on 31st March, 2012	No. of shares acquired during the year	Share holding as on 31st March, 2013
Kumar Taurani	2639297	242618	2881915
Ramesh Taurani	2633295	242616	2875911
Renu Taurani	2468718	Nil	2468718
Varsha Taurani	2474718	Nil	2474718
Shyam Lakhani	7000	Nil	7000
Kavita Lakhani	4500	Nil	4500
Total	10227528	485234	10712762

All the necessary disclosures as per the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992 and Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 were duly made to the stock exchanges. Timely disclosures were also given by the Promoters to the Company and the promoters had obtained necessary pre-clearances as and when required under the Code of Conduct of Tips Industries Limited.

Means of communication:

Quarterly, half yearly and annual results are generally published in Asian Age/Business Standard/Financial Chronicle and Mumbai Lakshadeep. It is also published in prominent daily newspapers viz., The Economic Times and Maharashtra Times. The Financial Results are made available on the corporate website of the Company: www.tips.in. The Company has not made any presentation to Institutional Investors or to the analysts.

CEO/CFO Certification:

As required under Clause 49 of the Listing Agreement, the CEO/CFO certificate has been annexed to the Annual Report.

Auditors' Certificate on Corporate Governance:

The Auditors' certificate with respect to compliance with Clause 49 of the Listing Agreement relating to Corporate Governance has been annexed as a part of the Annual Report and will be sent to the Stock Exchanges at the time of filing of the Annual Report.

Reconciliation of Share Capital Audit:

In accordance with Regulation 55A of the SEBI (Depositories and Participants) Regulations, 1996, Reconciliation of Share Capital of the Company is carried out on a quarterly basis by Mr. Shirish Shetye, a practicing Company Secretary, to reconcile the total admitted capital with NSDL and CDSL and total issued and listed capital.

Half yearly certificates (Clause 47 (c)):

The Company has obtained and filed with the stock exchanges, the half yearly certificates received from Mr. Shirish Shetye, a practicing Company Secretary for due compliance with shares transfer formalities as required under Clause 47 (c) of the listing Agreement.

Certification of Financial Reporting and Internal Controls:

In accordance with Clause 49 V of the listing agreements, a certificate confirming the correctness of the financial statements, adequacy of internal control measures and matters to be reported to the Audit Committee was taken on record at the board meeting convened for approval of the audited financial results of the Company for the year under review.

General Shareholders Information:**Annual General Meeting:**

Date	29th August, 2013
Day	Thursday
Time	4.00 p.m.
Venue	Jubilee Room, Hotel Sun-N-Sand, Juhu, Mumbai - 400 049

Financial Year:

Financial Year	1st April, 2012 to 31st March, 2013
Date of Book Closure	22nd August, 2013 to 29th August, 2013 (both days inclusive)
Dividend Payment Date	On or before 28th September, 2013

Listing on Stock Exchanges:

The Company's shares are listed on Bombay Stock Exchange (BSE) and The National Stock Exchange of India Ltd. (NSE). The Stock Exchange Codes assigned to your Company by the respective Stock Exchanges are as under:

Bombay Stock Exchange Limited P. J. Towers, Dalal Steet, Fort, Mumbai – 400 001	National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 050.
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The Company has paid the Listing Fees to the above Stock Exchanges for the financial year 2013-14.

Stock Code:

Stock Exchange	Code
BSE	532375
NSE	TIPSINDLTD

ISIN NO of the Company: INE716B01011

Corporate Identification No: L92120MH1996PLC099359

Registrars and Share Transfer agents:

Link Intime India Pvt. Ltd

Address : C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West), Mumbai 400078
Tel: 022-25963838 • Fax: 022-25946969
Email ID: rnt.helpdesk@linkintime.co.in

Stock Market Data:

The monthly high and low closing prices and the volume of shares traded on the Stock Exchange, Mumbai (BSE) and the National Stock Exchange (NSE) are as under:

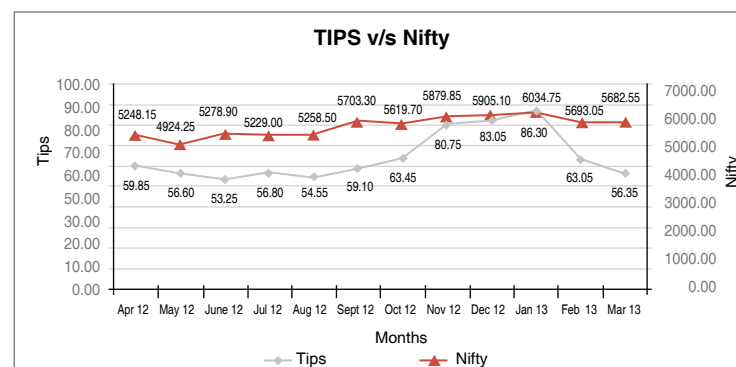
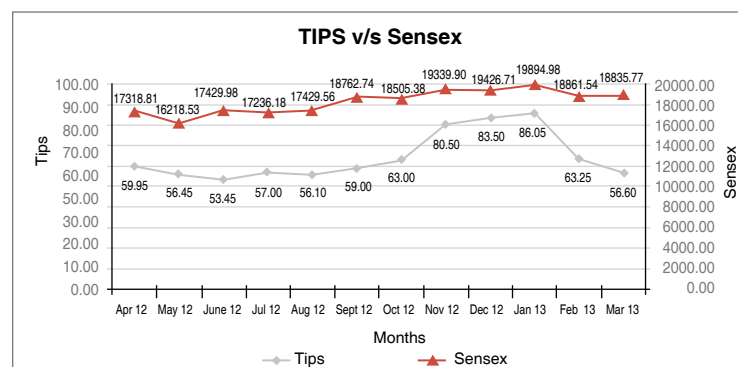
Month	Share Prices on the BSE (Rs.)		Volume of Shares traded	Share Prices on the NSE (Rs.)		Volume of Shares traded
	Highest	Lowest		Highest	Lowest	
Apr - 12	62.50	47.05	141322	62.80	53.15	165525
May- 12	69.50	55.50	206798	69.70	55.50	288478
Jun - 12	59.30	50.40	152493	59.90	50.40	177618
Jul - 12	69.80	53.30	111476	67.30	53.00	151103
Aug - 12	61.80	50.40	36996	61.00	52.65	54741
Sep - 12	59.95	53.50	81651	61.50	52.20	89407
Oct - 12	70.20	57.50	124486	70.40	58.05	158157
Nov - 12	83.00	62.70	113765	83.00	62.15	152500
Dec - 12	88.85	76.75	171347	88.95	75.55	183506
Jan - 13	90.80	75.00	212175	90.40	74.55	253025
Feb - 13	88.60	61.60	99357	89.00	61.55	106254
Mar - 13	72.55	56.00	47944	73.00	55.05	66190

Performance of share price of the Company in comparison to the sensex:

Months	Closing Share Price	
	Tips	Sensex
Apr -12	59.95	17318.81
May- 12	56.45	16218.53
Jun - 12	53.45	17429.98
Jul - 12	57.00	17236.18
Aug -12	56.10	17429.56
Sep - 12	59.00	18762.74
Oct - 12	63.00	18505.38
Nov -12	80.50	19339.90
Dec - 12	83.50	19426.71
Jan - 13	86.05	19894.98
Feb - 13	63.25	18861.54
Mar -13	56.60	18835.77

Performance of share price of the Company in comparison to the Nifty:

Months	Closing Share Price	
	Tips	Nifty
Apr -12	59.85	5248.15
May- 12	56.60	4924.25
Jun - 12	53.25	5278.90
Jul - 12	56.80	5229.00
Aug -12	54.55	5258.50
Sep - 12	59.10	5703.30
Oct - 12	63.45	5619.70
Nov -12	80.75	5879.85
Dec - 12	83.05	5905.10
Jan - 13	86.30	6034.75
Feb - 13	63.05	5693.05
Mar -13	56.35	5682.55

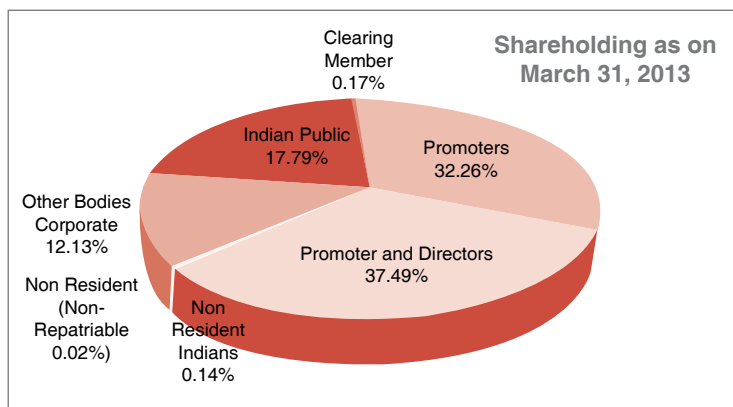


Distribution of Shareholding as on 31st March, 2013:

Number of Equity Shareholdings	Number of Shareholders	Percentage (%) of shareholders	Number of Shares	Percentage (%) of shareholding
1 - 500	5019	87.55	640785	4.17
501 -1000	351	6.12	287801	1.87
1001 –2000	144	2.51	218671	1.42
2001 –3000	63	1.10	162869	1.06
3001 – 4000	35	0.61	124841	0.81
4001 – 5000	27	0.47	128265	0.84
5001 – 10000	51	0.89	383173	2.49
10001-above	43	0.75	13412235	87.33
Total	5733	100.00	15358640	100.00

Shareholding Pattern as on 31st March, 2013:

Category	Number of equity shares held	Percentage of holding
Promoters	4954936	32.26
Promoter & Directors	5757826	37.49
Non Resident Indians	21675	0.14
Non Resident (Non-Repatriable)	3417	0.02
Other Bodies Corporate	1862691	12.13
Indian Public	2731926	17.79
Clearing Member	26169	0.17
Total	15358640	100.00


Top Ten Shareholders as on 31st March, 2013:

Sr. No.	Shareholder's name	No. of shares held	% of paid up capital
1	Kumar S. Taurani	2881915	18.76
2	Ramesh S. Taurani	2875911	18.73
3	Varsha R. Taurani	2474718	16.11
4	Renu K. Taurani	2468718	16.07
5	Shastha Advisors Private Limited	795517	5.18
6	Sunidhi Capital Pvt Ltd	600000	3.91
7	Prithviraj Saremal Kothari	207299	1.35
8	Kiran J. Gokalgandhi	133714	0.87
9	Inga Management And Investment Private Limited	112097	0.73
10	Devidas Jotumal Thawani	99531	0.65

Dematerialization of Shares:

The International Securities Identification Number (ISIN) allotted to the Company is INE716B01011. The Equity Shares of the Company are compulsorily traded in dematerialised form as mandated by the Securities and Exchange Board of India (SEBI). The Company has connectivity with National Securities Depository Limited (NSDL) as well as the Central Depository Services (India) Limited (CDSL) for Demat facility. As on March 31, 2013, 1,53,36,128 shares representing 99.85% of the Company's paid-up share capital (including 69.75% held by the Promoters) were held in dematerialized form.

Physical and Demat Shares as on 31st March, 2013

Particulars	Shares	%
No. of Shares held by CDSL	2331701	15.18
No. of Shares held by NSDL	13004427	84.67
Physical Shares	22512	0.15
Total	15358640	100.00

Address for Correspondence: Tips Industries Limited

Registered Office:
601, Durga Chambers,
6th Floor, Linking Road,
Khar (W), Mumbai-400 052
Tel: 022-66431188
Fax: 022-66431189
Email: response@tips.in

Accounts & Secretarial Dept:
202, Glacis Towers,
Linking Road, Khar (W),
Mumbai-400 052
Tel: 022-61271668

Green Initiative

Ministry of Corporate Affairs has taken a 'Green initiative in Corporate Governance' by allowing paperless compliances by the Companies and has issued circulars stating that send various notices and documents, including Annual Report, to its shareholders through electronic mode.

To support this Green initiative of the Government in full measures, the Company hereby requests its Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses. Those holding shares in demat form can register their e-mail address with their concerned DPs/ Company/Registrars & Share Transfer Agents. Shareholders who hold shares in physical form are requested to register their e-mail addresses with Company/Registrars & Share Transfer Agents, by sending a letter, duly signed by the first/ sole holder quoting details of Folio No.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 23rd May, 2013

Kumar S. Taurani
Chairman and Managing Director

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES

Name of Director	: Ms. Sunita Menon
Date of Birth	: 2nd February, 1965
Date of appointment	: 27th September, 2005
Qualification	: B.A (Psychology and Sociology)
Expertise	: Ms. Sunita Menon is renowned tarot reader. She is also Clairvoyant, counselor, guide, philosopher and mentor. In the last 10 years she has had an illustrious list of clientele which includes various top notch personalities from the country. She is an Independent Director of Tips Industries Limited as well as member of the Audit Committee and Remuneration Committee.
Directorships in other Public Companies as on 31st March, 2013	: NIL
Memberships of Committees in Public Companies	: NIL
Chairmanships of Committees in Public Companies	: NIL

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES

Name of Director	: Mr. Vijay Agarwal
Date of Birth	: 29th June, 1957
Date of appointment	: 31st October, 2012
Qualification	: Chartered Accountant.
Expertise	: He has expertise in the field of finance and taxation. Currently, he is a Practicing in Agarwal Vijay & Associates. He is an Independent Director of Tips Industries Limited and due to his vast experience in finance he is also member of Audit Committee of the Company.
Directorships in other Public Companies as on 31st March, 2013	: 1. Themis Medicare Limited 2. Gujarat Themis Biosyn Limited 3. Compuage Infocom Limited
Memberships of Committees in Public Companies	: 1. Themis Medicare Limited - Audit Committee 2. Gujarat Themis Biosyn Limited - Audit Committee 3. Compuage Infocom Limited - Audit Committee
Chairmanships of Committees in Public Companies	: NIL

CEO and CFO Certification

[Pursuant to Clause 49(V) of the Listing Agreement]

We, Kumar S. Taurani, Chairman and Managing Director of Tips Industries Limited and I. T. Gursahani, V.P. – Legal & Corporate Affairs 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 31st March, 2013 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 in internal control over financial reporting during the year;
 - (ii) significant changes 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

Place: Mumbai

Date: 23rd May, 2013

Ishwar T. Gursahani

V.P. – Legal & Corporate Affairs

Place: Mumbai

Date: 23rd May, 2013

Declaration from the Chairman and Managing Director

[Pursuant to Clause 49(I)(D)(ii) of the Listing Agreement]

To

All the Members,

I, Kumar S. Taurani, Chairman and Managing Director of the Company hereby affirm that the Members of the Board and the Senior Management personnel have complied with the Tips Industries Code of Conduct for the financial year ended on March 31, 2013.

Place: Mumbai

Date: 23rd May, 2013

Kumar S. Taurani

Chairman & Managing Director

Certificate from Auditors Regarding Compliance of Conditions of Corporate Governance

The Members of Tips Industries Limited

1. We have examined the compliance of the conditions of Corporate Governance by Tips Industries Limited for the year ended on 31st March 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.
2. The Compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an auditor nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance

as stipulated in Clause 49 of the above-mentioned Listing Agreement.

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

For B. K. Khare and Co.

Chartered Accountants

Firm Registration No. 105102W

Devdatta Mainkar

Partner

Membership Number 109795

Mumbai 23rd May, 2013

INDEPENDENT AUDITOR'S REPORT

To the Members of Tips Industries Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Tips Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures

that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
 - (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and;
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that:
 - a. we have 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 appears from our examination of those books;

- c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For B. K. Khare & Co.

Chartered Accountants

Firm's Registration Number 105102W

Devdatta Mainkar

Partner

Membership Number 109795

Mumbai 23rd May, 2013

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph (7) of our report of even date on the accounts of Tips Industries Limited for the year ended 31st March 2013

(i) FIXED ASSETS

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has carried out physical verification of fixed assets in accordance with the verification programme. According to information and explanation given to us and in our opinion, discrepancies noticed on such verification were not material and have been appropriately dealt with in the books of accounts of the Company.
- (c) During the year, the Company has not disposed off substantial part of fixed assets.

(ii) INVENTORY

- (a) As explained to us, inventories were physically verified during the year by the Management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were generally reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. Having regard to the size of the operations of the Company, the discrepancies noticed on verification between physical stocks and book records were not material and have been properly dealt with in the books of account.

(iii) LOANS AND ADVANCES GRANTED /TAKEN FROM CERTAIN ENTITIES:

- (a) The Company has not granted any loans, secured or

unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, paragraphs 4(iii)(b), (c) and (d) of the order are not applicable.

- (e) According to the information and explanations given to us, during the year ended March 31, 2013 Company has taken unsecured loan from one party covered in the register maintained under section 301 of the act, aggregating to Rs 300 lacs. The maximum amount of loan outstanding during the year was Rs. 310 lacs and balance outstanding at the end of the year is Rs. 260 lacs.
- (f) According to the information and explanations given to us, in our opinion, the rate of interest and other terms and conditions of unsecured loans taken from parties listed in the register maintained under section 301 of the Companies Act, 1956 were not prejudicial to the interest of the Company. The repayment of principal and interest is regular.

(iv) INTERNAL CONTROL SYSTEM

In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed asset and with regard to the sale of goods and services. During the course of our audit, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the internal control system.

(v) CONTRACTS OR ARRANGEMENT REFERRED TO IN THIS SECTION 301 OF THE COMPANIES ACT, 1956:

- (a) Based on audit procedures applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to

be entered in the register maintained under section 301 of the Companies act, 1956 have been so entered.

- (b) In our opinion and according to the information and explanation given to us, in respect of transactions which have been made in pursuance of contracts or arrangement entered in the register maintained under Section 301 and exceeding the value of Rs.5,00,000 in respect of any party during the period, we are not in the position to compare the prices with the prevailing market prices or prices charged to other parties as there have been no other such purchases or sales of exact type of goods, materials or sales of services and hence we have relied on managements representation as to reasonableness of such prices.

(vi) ACCEPTANCE OF DEPOSITS:

The Company had accepted deposits from the public and in our opinion and according to the information and explanations given to us, the directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA and the relevant provisions of the Companies Act, 1956 and rules framed thereunder, where applicable, have been complied with. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

(vii) INTERNAL AUDIT SYSTEM:

In our opinion, Company has adequate internal audit system commensurate with the size and the nature of its business.

(viii) COST RECORDS:

The Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.

(ix) STATUTORY DUES:

- (a) According to the records of the Company and information and explanations given to us, Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund,

Employees State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues applicable to it.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs duty, Excise duty and Cess are in arrears, as on 31st March 2013 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Custom duty, Excise duty and Cess which have not been deposited on account of dispute.

(x) ACCUMULATED LOSSES:

Company has no accumulated losses as at 31st March 2013 and it has not incurred cash losses in the financial year ended on that date or in the immediately preceding financial year.

(xi) DUES TO FINANCIAL INSTITUTIONS, BANKS AND DEBENTURE HOLDERS:

According to the information and explanations given to us and based on the documents and records produced before us, Company has not defaulted in repayment of dues to any Financial Institutions and Banks.

(xii) SECURITY FOR LOANS & ADVANCES GRANTED:

According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) SPECIAL STATUTE:

The provisions of any special statute applicable to chit fund/ nidhi/mutual benefit fund/society are not applicable to the Company.

(xiv) DEALINGS/TRADING IN SHARES, SECURITIES, DEBENTURES AND OTHER INVESTMENTS:

In our opinion, the Company does not deal or trade in shares, securities, debentures and other investments.

(xv) GUARANTEES GIVEN:

According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xvi) TERM LOANS:

According to information and explanation given to us, term loans obtained were applied for the purpose for which the loans were obtained.

(xvii) UTILISATION OF FUNDS:

According to the information and explanations given to us, on an overall examination of the Balance Sheet and the Cash Flow of the Company, we report that the Company has not utilized funds raised on short-term basis for long-term investment.

(xviii) PREFERENTIAL ALLOTMENT OF SHARES:

During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.

(xix) SECURITY FOR DEBENTURES ISSUED:

Company has not issued any debentures during the year.

(xx) PUBLIC ISSUE OF EQUITY SHARES:

During the year Company has not raised any money by way of public issue.

(xxi) FRAUDS NOTICED:

During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Place: Mumbai
Date: 23rd May 2013

Devdatta Mainkar
Partner
Membership No. 109795

Balance Sheet As At March 31, 2013

(Amount in Lacs)

Particulars	Note No.	As at March 31, 2013	As at March 31, 2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share capital	2	1,536	1,596
(b) Reserves and surplus	3	7,250	6,862
		8,786	8,457
(2) Share application money pending allotment		-	-
(3) Non-current liabilities			
(a) Long-term borrowings	4	1,629	2,054
(b) Long-term provisions		-	-
		1,629	2,054
(4) Current liabilities			
(a) Short-term borrowings	5	7,683	1,389
(b) Trade payables	6	2,009	1,026
(c) Other current liabilities	7	1,056	4,649
(d) Short-term provisions	8	393	373
		11,140	7,437
TOTAL		21,555	17,948
II. ASSETS			
(1) Non-current Assets			
(a) Fixed Assets	9		
(i) Tangible assets		3,116	2,919
		3,116	2,919
(b) Non-current investments	10	1	1
(c) Long-term loans and advances	11	1,458	1,606
		4,574	4,525
(2) Current Assets			
(a) Inventories	12	11,617	6,517
(b) Trade receivables	13	866	2,511
(c) Cash and Bank Balances	14	994	2,232
(d) Short-term loans and advances	15	3,498	2,154
(e) Other Current assets	16	7	8
		16,981	13,422
TOTAL		21,555	17,948
Significant Accounting Policies	1		
Notes to Financial Statements	2-33		

In terms of our report of even date
For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Devdatta Mainkar
Partner
Membership No. 109795

Place: Mumbai
Date: 23rd May 2013

For and on behalf of the Board of Directors of
TIPS INDUSTRIES LIMITED

Kumar S. Taurani
Chairman & Managing Director

Amitabh Mundhra
Director

Bijal Patel
Company Secretary

Place: Mumbai
Date: 23rd May 2013

Statement of Profit and Loss For the Year Ended March 31, 2013

(Amount in Lacs)

Particulars		Note No.	Year ended March 31, 2013	Year ended March 31, 2012
I.	Revenue from operations	17	13,787	7,232
II.	Other income	18	138	481
III.	Total Revenue (I + II)		13,925	7,713
IV.	Expenses:			
	Cost of materials consumed	19	4	82
	Changes in inventories of finished goods, work-in-progress	20	3	38
	Cost of Production / Distribution of Expenses	21	8,286	2,455
	Employee benefits expense	22	695	445
	Finance costs	23	484	537
	Depreciation and amortization expense		166	158
	Other expenses	24	2,827	2,933
	Wealth Tax		5	3
	Total Expenses		12,469	6,650
V.	Profit before Tax & Prior Period Expenses		1,457	1,063
VI.	Prior Period Expenses		-	4
VII.	Profit Before Tax		1,457	1,059
VI.	Tax Expenses:			
	(1) Current Tax		288	155
	(2) (Excess) / Short Provision			23
VII.	Profit / (Loss) for the year		1,169	881
VIII.	Earnings per equity share:			
	(1) Basic	30(b)	7.39	5.52
	(2) Diluted	30(b)	7.39	5.52
	Significant Accounting Policies	1		
	Notes to Financial Statements	2 - 33		

In terms of our report of even date

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Devdatta Mainkar
Partner
Membership No. 109795

Place: Mumbai
Date: 23rd May 2013

For and on behalf of the Board of Directors of
TIPS INDUSTRIES LIMITED

Kumar S. Taurani
Chairman & Managing Director

Amitabh Mundhra
Director

Bijal Patel
Company Secretary

Place: Mumbai
Date: 23rd May 2013

Cash Flow Statement For the Year Ended March 31, 2013

(Amount in Lacs)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
A. Cash Flow from Operating Activities		
Net Profit before taxation	1,457	1,059
Adjustments for:		
Depreciation on fixed assets	166	158
(Profit) / Loss on sale of fixed assets	(1)	375
Bad Debts Recovered	(6)	-
Provision for Doubtful Debts/Advances	-	(89)
Reversal of Provision for Doubtful Debts	(23)	-
Interest expenses & Other Finance Cost	484	543
Foreign Exchange Loss / (Gain)	(3)	6
Interest income	(78)	(61)
Operating Profit before Working Capital changes	1,995	1,990
Adjustments for :		
(Increase) / Decrease in inventories	(5,100)	(1,074)
(Increase) / Decrease in trade receivables	1,676	(137)
(Increase) / Decrease in Short Term loans and advances	(1,164)	(203)
(Increase) / Decrease in Long Term loans and advances	148	209
Increase/(Decrease) in Current Liabilities	(2,644)	3,837
Increase/(Decrease) in provisions	13	2
CASH GENERATED FROM OPERATIONS	(5,075)	4,625
Income tax Paid	(467)	(181)
Net Cash inflow from/ (outflow) from Operating activities	(5,542)	4,444
B. Cash Flow from Investing Activities		
Purchase of fixed assets	(362)	(177)
Sale Proceeds from fixed assets	1	6
Interest received	80	58
Net Cash inflow from/ (outflow) from Investing activities	(281)	(112)

Cash Flow Statement For the Year Ended March 31, 2013

(Amount in Lacs)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
C. Cash Flow from Financing Activities		
Buy back of equity shares including premium thereon	(463)	-
(Repayment)/Proceeds of Long Term borrowings	(425)	613
(Repayment)/Proceeds of Short Term Borrowings	6,294	(1,998)
Interest paid	(452)	(553)
Dividend paid	(318)	(198)
Corporate Dividend Tax Paid	(52)	(32)
Net Cash inflow from/ (outflow) from Financing activities	4,585	(2,169)
Net increase / (decrease) in cash and cash equivalents	(1,239)	2,162
Opening Cash and Cash Equivalents		
Cash in hand	23	19
Bank balances	2,210	51
	2,232	70
Closing Cash and Cash Equivalents		
Cash in hand	30	23
Bank balances	964	2,210
	994	2,232

Notes:

- Interest on loans, deposits etc is classified as cash flow from financing activities.
- The cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (AS-3) "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.
- Previous year figures have been regrouped wherever necessary, to correspond with the figures of the current year.
- Cash and cash equivalents include unclaimed dividend Rs. 7 (Previous year Rs. 5) which are not available for use by company (Ref Note No. 14)

In terms of our report of even date

For **B. K. Khare & Co.**
Chartered Accountants
Firm Registration No. 105102W

Devdatta Mainkar
Partner
Membership No. 109795

Place: Mumbai
Date: 23rd May 2013

For and on behalf of the Board of Directors of

TIPS INDUSTRIES LIMITED

Kumar S. Taurani
Chairman & Managing Director

Bijal Patel
Company Secretary

Place: Mumbai
Date: 23rd May 2013

Amitabh Mundhra
Director

Notes to Accounts

Amount expressed in INR Lacs unless otherwise stated

1. SIGNIFICANT ACCOUNTING POLICIES

i. Accounting Convention

The accompanying financial statements have been prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in India. The Company has prepared these financial statements to comply in all material respects with Accounting Standards notified under the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act 1956.

ii. Use of estimates:

The preparation of financial statements in conformity with the generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimate results. Differences between the actual results and estimates are recognised in the period in which the results are known / materialised.

iii. Revenue recognition:

(a) Operating revenue:

Audio Product Sale :

Sale of goods to intermediate parties (distributors) and others is recognised when the significant risks and rewards of ownership are transferred and is disclosed net of returns and trade discount. Revenue from sale of audio rights is recognised on transfer / assignment of the rights as per the contracts / arrangements with the parties.

Royalties from Music Rights :

Royalty is recognised only when it is reasonably certain that the ultimate collection will be made.

Revenue from films:

Income from production of films is recognised in the statement of Profit and Loss on release of films as per the contracts / arrangements with distributors. Revenue from distribution of motion pictures is recognized based on ticket sales on exhibition of motion pictures at exhibition theatres. Recoveries from films as overflows are recognized on the basis of business statements received from the distributors. Revenues from terrestrial rights, video rights, satellite rights etc are recognized on transfer / assignment/ effective date of respective

rights in accordance with the respective agreement or on realization of the substantial consideration whichever is earlier and on delivery of the specified telecasting material.

Although revenues are accounted on accrual basis as aforesaid, the cost is charged to profit and loss account based on the amortisation principles stated in the accounting policy under the head 'cost of feature films'.

Artist Management Receipts

Artist Management Receipts are recognised in the statements of Profit & Loss A/c on accrual basis as per the Contracts entered by the Artists with respective parties.

(b) Interest Income:

Interest Income is accounted on accrual basis, at the contracted rates.

(c) Others:

Revenue in respect of insurance/other claims is recognised only when it is reasonably certain that the ultimate collection will be made.

iv. Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. Cost includes all expenses incurred to bring the assets to its current location and condition.

v. Impairment of Assets

Carrying amount of cash generating units/ assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the net selling price or value in use, whichever is higher. Impairment loss, if any, is recognised whenever the carrying amount exceeds the recoverable amount.

vi. Investments

All long term investments are valued at cost. Provision for diminution in the value of each long term investments is made to recognize a decline other than of a temporary nature.

Current investments are carried individually at lower of cost and fair value and the resultant decline if any, is charged to revenue.

Notes to Accounts

Amount expressed in INR Lacs unless otherwise stated

vii. Copyrights (audio film albums)

The cost of copyrights (audio film albums) is charged to revenue on the date of release of audio, considering the uncertainty of future economic benefits and the short duration over which such benefits may accrue.

viii. In-house music production (Audio non-film albums):

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

ix. Depreciation:

Depreciation is provided for on Straight Line method at the rates prescribed in Schedule XIV to the Companies Act, 1956.

In respect of depreciable assets for which impairment loss is recognized, depreciation / amortization is charged on the revised carrying amount over remaining useful life of the assets.

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

x. Inventories:

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

(a) Raw Materials & Packing Materials

Raw materials and Packing Materials are valued at cost (on First In First Out basis) or net realisable value whichever is lower.

(b) Work-In-Progress

Work-In-Progress is valued at cost of Raw Materials consumed / used.

(c) Finished Goods

Finished Goods are valued at cost or net realisable value whichever is lower. Cost comprises of cost of purchase, cost of copyrights (audio/video films), cost of in-house music productions (audio/video-non-films/films), cost of conversion and other costs incurred in bringing the inventory to their present location and condition.

(d) Cost of Feature Films

- The Company amortizes 60% of the cost of movie rights acquired or produced by it, on first theatrical release of the movie. The said amortization is made proportionately based on Management's estimates of revenues pertaining to Domestic

Theatrical Rights, International Theatrical Rights, Television Rights, Video Rights and others over a period of 12 months from the date of theatrical release of the movie.

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

(e) Cost of under Production Films

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

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

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

xi. Foreign Currency Transactions:

Transactions in foreign currency are recorded at the original rates of exchange in force at the time transactions are effected. Exchange differences arising on settlement are recognised in the profit and loss account.

Monetary items denominated in foreign currency are restated using the exchange rates prevailing at the date of balance sheet and the resulting net exchange difference is recognised in the profit and loss account.

xii. Borrowing Costs:

Borrowing costs that are attributable to the acquisition of qualifying assets are capitalized as part of the cost of such assets. Borrowing costs that are directly attributable to production of feature films are inventorised as part of cost of production of films. Other borrowing costs are recognised as expense in the period in which they are incurred.

xiii. Employee Benefits:

- Contribution to Provident Fund is charged to revenue.
- Defined Benefit Plan
Company's liabilities towards gratuity is determined on

Notes to Accounts

Amount expressed in INR Lacs unless otherwise stated

actuarial basis using the projected unit credit method, which consider each period of service as giving rise to an additional unit of benefit and measures each unit separately to build up the final obligation. Past services are recognised on straight-line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognised immediately in the Statement of Profit and Loss Account as income or expense. Obligation is measured at the present value of estimated future cash flow using a discount rate that is determined by reference to market yields at the Balance Sheet date on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

- In view of the past trends of leave availed, the amount of employee benefit in the form of compensated absences, being in the nature of short term benefit, is accounted for on accrual basis at an undiscounted value.

xiv. Income Taxes:

Provision for current income tax is made on current tax rate based on assessable income computed under the Income Tax Act 1961 or Book Profit computed under section 115JB (MAT), whichever is higher. MAT credit is recognized subject to requirement of virtual certainty that sufficient future taxable income will be available for set off.

Deferred tax assets and liabilities are recognised for future tax consequences attributable to the timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent periods and are measured using tax rates enacted or substantively enacted as at the Balance Sheet date. Deferred Tax assets are not recognised unless, in the management judgment, there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax is reviewed at each balance sheet date.

xv. Provisions and Contingent Liabilities:

Provisions are recognised in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the company.

xvi. Segment Accounting

Company considers Business segment as the Primary segment. Based on similarity of activities / products, risk and reward structure, organization structure and internal reporting systems, the Company has structured its operations into the following business segments.

- Audio / Video productions
- Film Productions / Distribution.

Operations of the Company do not qualify, for reporting as geographic segments, under the criteria set out under Accounting Standard 17 on segment reporting issued by The Institute of Chartered Accountants of India.

xvii. Earning Per Share

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the year. Diluted earning per share are computed using the weighted average number of equity and dilutive equivalent shares outstanding during the year, except where the results would be anti-dilutive.

xviii. Cash Flow

Cash Flows are reported using indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

xix. Leases

Finance leases, where substantially all the risks and benefits incidental to ownership of the leased item, are transferred to the Company, are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged to income. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss account on a straight-line basis over the lease term.

Notes to the Balance Sheet

2 - SHARE CAPITAL

(Amount in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Authorised Capital		
20,000,000 Equity Shares of Rs 10/- each fully paid (Previous Year 20,000,000 Equity Shares of Rs 10/- each fully paid)	2,000	2,000
Issued, Subscribed and Paid up Capital		
1,53,58,640 Equity Shares of Rs 10/- each fully paid (Previous Year 15,958,700 Equity Shares of Rs 10/- each fully paid)	1,536	1,596
TOTAL	1,536	1,596

a. Rights/Terms attached to Equity Shares

Company has only one class of shares referred to as equity shares having par value Rs.10/- each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors in their meeting held on 23rd May 2013, proposed dividend of Rs 2.1/- per equity share (in previous year Rs.2/- per equity share). In the event of liquidation of the company, the holders of the Equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential share amounts. However no such preferential shares amount exist currently. The distribution will be in proportion to the number of equity shares held by shareholders.

b. Reconciliation of number of shares

(Amount in Lacs)

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	Rs.	Number	Rs.
Equity Shares outstanding at the beginning of the year	160	1,596	160	1,596
Equity Shares Issued during the year	-	-	-	-
Equity Shares bought back during the year	6	60	-	-
Equity Shares outstanding at the end of the year	154	1,536	160	1,596

c. Information on equity shares allotted without receipt of cash or allotted as bonus shares or shares bought back

During the Financial Year 2010 - 11, the Company had bought back 13,47,200 Equity Shares of Rs.10/- each from open market at an average price of Rs. 47.50/-.

During the Financial Year 2012 - 13, the Company had bought back 60,00,60 Equity Shares of Rs.10/- each from open market at an average price of Rs. 77.18/-

d. Details of Shareholders holding more than 5% shares in the company

Particulars	31st March 2013		31st March 2012	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Renu K. Taurani	25	16.07	25	15.47
Ramesh S. Taurani	29	18.73	26	16.50
Varsha R. Taurani	25	16.11	25	15.51
Kumar S. Taurani	29	18.76	26	16.50
Shastha Advisors Pvt. Ltd.	8	5.18	8	4.93

Notes to the Balance Sheet

3 - RESERVES AND SURPLUS

(Amount in Lacs)		
Particulars	As at March 31, 2013	As at March 31, 2012
a. Capital Redemption Reserve		
Opening Balance	135	135
(+) Transfer from Share Premium on account of Buyback of Equity Shares	60	-
(-) Written Back in Current Year	-	-
Closing Balance	<u>195</u>	<u>135</u>
b. Securities Premium Account		
Opening Balance	2,919	2,919
Less : Premium Utilised for various reasons		
For Creation of Redemption Reserve for Buyback of Equity Shares	403	-
For Payment of Premium for Buyback of Shares	60	-
Closing Balance	<u>2,456</u>	<u>2,919</u>
c. General Reserves		
Opening Balance	377	311
(+) Transfer from Surplus in the Statement of Profit and Loss	117	66
Closing Balance	<u>494</u>	<u>377</u>
d. Surplus in the Statement of Profit and Loss		
Opening	3,431	2,988
(+) Net Profit/(Net Loss) For the current year	1,169	881
(-) Proposed Dividends	(323)	(319)
(-) Tax on Proposed Dividends	(55)	(52)
(-) Transfer to General Reserves	(117)	(66)
Closing Balance	<u>4,106</u>	<u>3,431</u>
GRAND TOTAL	<u>7,250</u>	<u>6,862</u>

Notes to the Balance Sheet

4 - LONG-TERM BORROWINGS

(Amount in Lacs)		
Particulars	As at March 31, 2013	As at March 31, 2012
SECURED		
Term loans		
From Banks	1,629	2,054
TOTAL	1,629	2,054

TERM LOANS FROM BANKS

- 1 Term Loan from Axis Bank is repayable in 36 monthly Instalments of Rs. 1,01,646/- each from the date of loan viz. 07/08/2009. The Loan is secured by hypothecation of related Vehicle. The loan was repaid during the year.
- 2 Term Loan from ICICI Bank is repayable in 36 monthly Instalments of Rs. 1,09,340/- each from the date of loan viz. 15/10/2010. The Loan is secured by hypothecation of related Vehicle.
- 3 Term Loan from HDFC Bank is repayable in 48 monthly Instalments of Rs. 37,50,000/- each plus Interest from the date of loan viz. 16/08/2010. The Loan is secured by hypothecation of Commercial Premises of the Company at Mumbai. Further the Loan has been guaranteed by the personal guarantee of one of the Director and Pledge of 5,00,000 Equity Shares of the Company.
- 4 Term Loan from BMW India Financial is repayable in 36 monthly Instalments of Rs. 65,771/- each from the date of loan viz. 01/09/2011. The Loan is secured by hypothecation of related Vehicle. Further the Loan has been guaranteed by the personal guarantee of one of the Director
- 5 Term Loan from ICICI Bank is repayable in 36 monthly Instalments of Rs. 3,18,705/- each from the date of loan viz. 15/03/2012 and is secured by hypothecation of related Vehicle.
- 6 Term Loan from Future Capital Holding Ltd is repayable in 120 monthly Instalments of Rs. 6,65,775/- each from the date of loan viz. 07/05/2011. The Loan is secured by hypothecation of Residential Premises and personal guarantee of one of the Director. The Loan is repaid during the year
- 7 Term Loan from Religare Finvest Ltd. is repayable in 129 monthly Instalments of Rs. 8,06,675/- each from the date of loan viz. 01/07/2011. The Loan is secured by hypothecation of Commercial Premises at Mumbai. Further the Loan has been guaranteed by the personal guarantee of one of the Director. The Loan is Repaid during the year
- 8 Term Loan from Kotak Mahindra Bank is repayable in 36 monthly Instalments of Rs. 38,644/- each from the date of loan viz. 28/03/2012 and is secured by hypothecation of related Vehicle.
- 9 Term Loan from ICICI Bank is repayable in 36 monthly Instalments of Rs. 3,18,705/- each from the date of loan viz. 15/04/2012 and is secured by hypothecation of related Vehicle.
- 10 Term Loan from Standard Chartered Bank is repayable in 128 monthly Instalments of Rs. 13,01,338/- each from the date of loan viz. 28/03/2013 and is secured by hypothecation of Commercial Premises owned by Relatives of Directors

Notes to the Balance Sheet

5 - SHORT-TERM BORROWINGS

(Amount in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
SECURED		
(a) Loans repayable on demand		
Cash Credit facility from Banks	1,667	1,113
(b) Short Term Loans from Banks	3,950	-
TOTAL	5,617	1,113

Cash Credit Limit from Bank of Baroda

Cash Credit from Bank of Baroda is secured against Book Debts and Inventories. It is further secured by mortgage of Land and Building situated at Silvassa and Palghar.

Short Term Loans from Banks.

Short Term Loans are secured by first charge on all tangible and intangible assets, negative rights, intellectual property rights, present and future of the related Films and Personal Guarantee of Directors.

(Amount in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
UN-SECURED		
(a) Deposits		
From Related Parties	260	260
Others	1,506	16
(b) Inter Corporate Deposits	300	-
TOTAL	2,066	276

Deposits from related parties

Deposits from related parties include Loans from Directors and relatives of Directors repayable on demand

Deposits from Others

Deposits from Others are guaranteed by Directors

Inter Corporate Deposits

Inter Corporate Deposits are guaranteed by Directors

GRAND TOTAL	7,683	1,389
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Notes to the Balance Sheet

6 - TRADE PAYABLES

(Amount in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Trade Payables		
Due to Micro and Small Enterprises *	-	-
Other than Micro and Small Enterprises	2,009	1,026
TOTAL	2,009	1,026

* Based on the Information available, no creditors have been identified as "Suppliers" within the meaning of Micro, Small and Medium Enterprises Development Act, 2006

7 - OTHER CURRENT LIABILITIES

(Amount in Lacs)

Current maturities of long-term debt *	580	554
Interest accrued but not due on borrowings	63	30
Unpaid dividends	7	5
Advance from Customers	94	63
Advance against Films under Production	4	3,900
TDS payable	0	78
Service Tax payable	136	-
Wealth Tax payable	5	3
Value Added Tax Payable	161	-
Others	6	15
TOTAL	1,056	4,649

* Refer Note 4 for details of Securities and Terms of Repayment

8 - SHORT-TERM PROVISIONS

(Amount in Lacs)

Gratuity	16	2
Proposed dividend	323	319
Tax on proposed dividend	55	52
TOTAL	393	373

Notes to the Balance Sheet

9 - FIXED ASSETS

(Amount in Lacs)

PARTICULARS	Gross Block				Accumulated Depreciation			Net Block		
	As at April 1, 2012	Additions during the Year	Deletions / Adjustments during the Year	As at March 31, 2013	As at April 1, 2012	Depreciation charge for the year	Adjustments / disposals	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
Tangible Assets										
Land & Building - Owned	2,810	-	-	2,810	288	94	-	382	2,428	2,522
Plant & Machinery	38	3	-	41	15	3	-	17	24	23
Furniture & Fixtures	34	0	-	35	16	7	-	23	12	18
Vehicles	421	342	11	752	107	52	11	149	603	314
Office Equipment	98	17	-	115	56	9	-	65	49	42
Total	3,401	362	11	3,753	482	166	11	637	3,116	2,919
Previous Year	3,883	177	659	3,401	603	158	279	482	2,919	3,281

10 - NON-CURRENT INVESTMENTS

(Amount in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
Trade Investments		
Investment in Equity Shares (Unquoted)		
5000 Equity Shares of Label Mobile Media Pvt. Ltd. Of Rs.10/- each fully paid	1	1
TOTAL	1	1

11 - LONG-TERM LOANS AND ADVANCES

(Amount in Lacs)

a. Security Deposits		
Unsecured, considered good		
Security Deposit against Premises - Related Party	910	910
Others	31	20
	941	930
b. Other loans and advances		
Unsecured, considered good		
Advances for Forthcoming Films	426	543
Others	90	133
	517	676
TOTAL	1,458	1,606

Notes to the Balance Sheet

12 - INVENTORIES (Valued at Cost or Net Relisable Value whichever is lower)

(Amount in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
a. Raw Materials and components	1	4
b. Finished goods	3	5
c. Unamortised Cost of Production	5,191	3,951
d. Cost of Films under Production	6,423	2,556
TOTAL	11,617	6,517

13 - TRADE RECEIVABLES

(Amount in Lacs)

Trade receivables outstanding for a period exceeding six months from the date they become due		
Secured, considered good		-
Unsecured, considered good	190	162
Doubtful	-	23
Less: Provision for Doubtful debts	-	(23)
	190	162
Other Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	676	2,349
Doubtful	-	-
Less: Provision for Doubtful debts	-	-
	676	2,349
TOTAL	866	2,511

Notes to the Balance Sheet

14 - CASH AND BANK BALANCES

(Amount in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
a. Balances with banks		
- In Current Accounts	831	1,383
- In EEFC Accounts	-	4
- Deposits with maturity of less than three months	-	811
- On Unpaid Dividends	7	5
b. Cash on hand	30	23
c. Margin Money Deposit	126	6
TOTAL	994	2,232

15 - SHORT-TERM LOANS AND ADVANCES

(Amount in Lacs)

Unsecured, considered good		
Advance Income Tax (Net of Provision for taxation)	594	414
Loans to Employess	25	21
Advances for Film Projects in Hand	2,269	981
Inter Corporate Deposits	300	600
Prepaid Expenses	37	79
Others	272	59
TOTAL	3,498	2,154

16 - OTHER CURRENT ASSETS

a. Interest Accrued on Loans / Fixed Deposits / Investments	7	8
TOTAL	7	8

Notes to the Statement of Profit and Loss

17 - REVENUE FROM OPERATIONS

(Amount in Lacs)

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Sale of Audio Products	5	24
Revenue from Film Production & Distribution	10,477	3,622
Royalty Receipts (Net)	3,038	3,483
Advertisement Income	260	-
Others		
- Artist Management Fees	-	68
- Audio Right Receipts	-	5
- Scrap Sales	8	30
	13,787	7,232

18 - OTHER INCOME

(Amount in Lacs)

Interest Income	78	61
Other non-operating income (net of expenses directly attributable to such income)		
Sundry Credit Balance Written Back	35	412
Foreign Exchange Difference	3	-
Others	22	8
TOTAL	138	481

Notes to the Statement of Profit and Loss

19 - COST OF MATERIAL CONSUMED

(Amount in Lacs)

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Opening Stock of Raw Material	4	64
Add: Purchases of Raw Materials	1	22
Less: Closing Stock of Raw Materials	1	4
TOTAL	4	82

20 - CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS

(Amount in Lacs)

Opening Inventory		
Finished Goods	5	38
Work-In-Progress	-	5
	5	43
Closing Inventory		
Finished Goods	3	5
Work-In-Progress	-	-
	3	5
TOTAL	3	38

21 - COST OF PRODUCTION / DISTRIBUTION OF FILMS

(Amount in Lacs)

Cost of Under Production films	2,556	387
Unamortised cost at beginning of the year	3,951	4,949
Add: Cost incurred during the year	13,392	3,266
Less: Unamortised cost at the close of the year	(5,191)	(3,951)
Less: Cost of underproduction films carried forward	(6,423)	(2,556)
Add: Acquisition of Film Rights	-	361
TOTAL	8,286	2,455

Notes to the Statement of Profit and Loss

22 - EMPLOYEE BENEFIT EXPENSES

(Amount in Lacs)

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Salaries and incentives	640	410
Contributions to -		
Provident fund	6	6
Labour Fund	0	0
Gratuity fund	38	20
ESIC	1	1
Staff welfare expenses	10	7
TOTAL	695	445

23 - FINANCE COST

(Amount in Lacs)

Interest expense	451	537
Finance Charges	33	-
TOTAL	484	537

Notes to the Statement of Profit and Loss

24 - OTHER EXPENSES

(Amount in Lacs)

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Power and Fuel	12	11
Rent	148	132
Repairs & Maintenance to Building and Machinery	11	9
Insurance	120	57
Rates and Taxes	187	30
Legal and Professional	202	225
Audio , Video Rights & Digital Rights	-	311
In-house Music Production Cost	171	69
Films Publicity and Distribution Expenses	1,297	528
Advertisement Expenses	67	47
Travelling and Conveyance	30	54
Artist Management Expenses	-	61
Audit Fees	15	13
Auditors Out of Pocket Expenses	0	0
Donation	33	56
Loss on sale of fixed assets / Assets written off	-	379
Loss on foreign currency transaction and translation	-	7
Inter Corporate Deposit written off	-	300
Bad Debts and Advances Written Off	272	555
Add: Prov for Doubtful Debts & Advances	-	23
Less: Provision for Doubtful Debts/Advances reversed	(23)	(112)
Share Buyback Charges	22	-
Others	263	177
TOTAL	2,827	2,933
Payment to Auditors		
Statutory Audit Fees	10	10
Certification Fees	2	2
Management Consultancy Fees	1	1
Buyback Certification Fees	1	-
Other certification	1	-
	15	13

Notes to Accounts

Amount expressed in INR Lacs unless otherwise stated

25 Contingent Liabilities:

	As on 31-03-13	As on 31-03-12
a) Counter Guarantees given to a Bank on behalf of Managing Director	NIL	29
b) Penalty under FEMA Act *	90	90

* The Company is hopeful of favorable decisions for the appeal pending before the Hon'able Supreme Court. The Hon'ble Supreme Court has granted stay until disposal of petition.

26 Mr. Kumar S. Taurani and Mr. Ramesh Taurani were re-appointed as Managing Director of the Company for the period of 3 (Three) years w.e.f. June 1, 2012 to 31st May, 2015 at a gross remuneration of Rs.1,50,00,000/- (Rupees One Crore Fifty Lacs) p.a. (i.e.12,50,000/- p.m.) pursuant to approval from the shareholders in their meeting held on 27th July, 2012. Application to pay the aforesaid remuneration for the aforesaid period was made to Central Government vide letter dated October 4, 2012. Approval for the same is awaited.

27 Trade receivables, trade payables and loans & advances are subject to confirmations and reconciliation, if any.

28 During the year ended 31st March 2013, the Company has taken additional write down of unamortised cost of production of films of Rs. 1,852 lacs as per the management's estimate of revenue potential of the said films based on market conditions.

29 Provision for Tax

The current tax provision is based on tax payable on book profits computed u/s 115JB of the Income Tax Act, 1961. Credit for set off of this book profit tax is not recognized in the books in view of the uncertainty about future taxable profits.

30 DISCLOSURE REQUIRED AS PER ACCOUNTING STANDARDS ISSUED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA.

a. Gratuity

i] Description of the Plan:

The Company has covered its gratuity liability by a Group Gratuity Policy named 'Employee Group Gratuity Assurance Scheme' issued by LIC of India. Under the plan, employee at retirement is eligible for benefit, which will be equal to 15 days salary for each completed year of service subject to maximum limit of Rs. 10 lacs. Thus, it is a defined benefit plan and the aforesaid insurance policy is the plan asset.

ii] Principal actuarial assumptions:

	2012-13	2011-12	2010-11	2009-10	2008-09
Discount Rate	8.57%	8.57%	8.15 %	6.50%	8.00%
Rate of Return on Plan Assets	9.15%	9.00%	9.00 %	9.00%	9.15%
Salary escalation Rate	10.00%	10.00%	5.00 %	5.00%	5.00%

Discount Rate is based on prevailing market yields of Indian Government Securities as at the balance sheet date for the estimated term of the obligation.

The salary escalation rate is based on estimate of salary increases, which take into account inflation, promotion and other relevant factors.

Notes to Accounts

Amount expressed in INR Lacs unless otherwise stated

iii] Reconciliation of Benefit Obligation:

	2012-13	2011-12	2010-11	2009-10	2008-09
Liability at the beginning of the year	43	20	18	23	28
Interest Cost	3	2	1	1	2
Current Service Cost	14	8	3	2	3
Benefit Paid	(17)	--	(5)	(3)	(4)
Actuarial (Gain) / Loss on Obligations	7	13	3	(5)	(6)
Liability at the end of the year	68	43	20	18	23
Fair Value of Plan Assets at the end of the year	52	41	31	29	30
Amount recognised in Balance Sheet as "Liabilities or (Assets)"	16	2	(11)	(11)	(7)

iv] Reconciliation of Fair value of Plan Assets:

	2012-13	2011-12	2010-11	2009-10	2008-09
Fair Value of Plan Assets at the beginning of the year	41	31	29	30	23
Adjustment to Opening Balance	-	--	--	--	(0.19)
Expected Return on Plan Assets	4	3	3	(3)	2
Contributions	25	7	4	--	7
Benefit Paid	(17)	--	(5)	(3)	(4)
Actuarial Gain / (Loss) on Plan Assets	0.01	(0.02)	0.06	(0.01)	(0.03)
Fair Value of Plan Assets at the end of the year	52	41	31	29	30

v] Gratuity Expenses recognised in the Profit and Loss Account under the head "Staff Cost":

	2012-13 Rs.	2011-12 Rs.
Current Service Cost	14	8
Interest Cost	3	2
Expected Return on Plan Assets	(4)	(3)
Net Actuarial (Gain) / Loss recognized	7	13
Expenses recognised in Profit and Loss Account	38	20

Notes to Accounts

Amount expressed in INR Lacs unless otherwise stated

b. Earnings per share is calculated as follows;

	31-03-2013 Rs.	31-03-2012 Rs.
Profit/(Loss) attributable to equity shareholders	1169	881
Weighted average number of equity shares used in computing basic earnings per share	158	160
Basic Earnings per share (Rs.)	7.39	5.52
Weighted average number of equity shares used in computing diluted earnings per share	158	160
Diluted Earnings per share (Rs.)	7.39	5.52
Nominal value of equity shares (Rs.)	10/-	10/-

c. Leases:

Lease expenditure for operating leases is recognized on a straight-line basis over the period of lease. The particulars of the premises taken on operating leases are as under:

	2012-13 Rs.	2011-12 Rs.
Future minimum lease payments under non-cancelable operating leases		
- Not later than 1 year	149	147
- Later than 1 year and not later than 5 years.	231	53
- Later than 5 years	---	---

d. Related Party Disclosures:

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

a) Subsidiaries : NIL

b) Key management personnel:

Kumar S. Taurani Chairman & Managing Director

Ramesh S. Taurani Managing Director

c) Relatives of key Management personnel

Mrs. Renu K. Taurani, Mrs. Varsha R. Taurani, Mr. Kunal K Taurani, Mr. Girish K Taurani, Ms. Sneha R Taurani and Ms. Jaya Taurani

Notes to Accounts

Amount expressed in INR Lacs unless otherwise stated

II] Details of Transactions with Key Management Personnel, relatives of Key Management Personnel and Other Related Parties.

		Key Management Personnel	Relatives of Key Management Personnel	Other Related Parties	Total
1]	FINANCE				
	a) Loans taken	300 (35)	NIL (160)	NIL (NIL)	300 (195)
	b) Loan Repayment	300 (90)	NIL (235)	NIL (NIL)	300 (325)
2]	OTHER EXPENDITURE				
	a) Rent Paid	NIL (NIL)	108 (108)	NIL (NIL)	108 (108)
	b) Interest Paid	21 (34)	1 (12)	NIL (NIL)	22 (46)
	c) Legal & Prof. Fees paid	NIL (NIL)	26 (14)	NIL (NIL)	26 (14)
3]	REMUNERATION PAID	280 (180)	NIL (NIL)	NIL (NIL)	280 (180)
4]	OUTSTANDING				
	a) Payables Loans	250 (250)	10 (10)	NIL (NIL)	260 (260)
	b) Receivables Deposits	NIL (NIL)	900 (900)	NIL (NIL)	900 (900)

III] Significant transactions with related parties

Out of the above items, transaction with the party in excess of 10% of total related parties.

Notes to Accounts

Amount expressed in INR Lacs unless otherwise stated

A) Key Management Personnel

		Kumar S Taurani	Ramesh Taurani
1]	FINANCE		
	a) Loans taken	NIL (20)	300 (15)
	b) Repayment of Loan	NIL (75)	300 (15)
2]	OTHER EXPENDITURE		
	a) Interest Paid	NIL (4)	21 (30)
3]	REMUNERATION PAID	140 (90)	140 (90)
4]	OUTSTANDING		
	a) Loans	NIL NIL	250 (250)

B) Relatives of Key Management Personnel

	Relatives of Key Management Personnel					
	Renu K Taurani	Varsha R Taurani	Kunal K Taurani	Girish K Taurani	Sneha Taurani	Jaya Taurani
1]	FINANCE					
	a) Loans taken	NIL (15)	NIL (135)	NIL (NIL)	NIL (10)	NIL (NIL)
	b) Repayment of Loans	NIL (55.00)	NIL (135.00)	NIL (20.00)	NIL (25.00)	NIL (NIL)
2]	OTHER EXPENDITURE					
	a) Rent Paid	54 (54)	54 (54)	NIL (NIL)	NIL (NIL)	NIL (NIL)
	b) Interest Paid	1 (4)	NIL (3)	NIL (2)	NIL (2)	NIL (NIL)
	c) Legal & Prof. Fees Paid	NIL (NIL)	18 (12)	NIL (NIL)	NIL (NIL)	8 (NIL)
3]	OUTSTANDING					
	a) Payables Loans	10 (10)	NIL NIL	NIL (NIL)	NIL (NIL)	NIL (NIL)
	b) Receivables Deposits	450 (450)	450 (450)	NIL (NIL)	NIL (NIL)	NIL (NIL)

Notes to Accounts

Amount expressed in INR Lacs unless otherwise stated

e. Segment Reporting :

Disclosures as per the requirements of Accounting Standard – 17 for 'Segment Reporting' is as under

	Financial Year Ended	
	31-03-13	31-03-12
1 Segment Revenue:		
Audio Product Sales	3,043	3519
Film Distribution	10,736	3,622
Revenue from Operation	13,779	7141
2 Segment Results		
Profit (+) / Loss (-) before interest & Tax		
- Audio Products	1,944	2,044
- Film Distribution	785	192
- Others		
Less: Interest (Net)	484	537
Less: Unallocable Corporate expenses	838	640
Profit (+) / Loss (-) before Tax	1,457	1059
3 Capital Employed		
(Segment Assets - Segment Liabilities)		
- Audio Products	34	792
- Film Distribution	9,391	5,148
- Unallocable Corporate Assets Less Liabilities	(640)	2,517
Total	8,786	8,457

31 ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF REVISED SCHEDULE VI TO THE COMPANIES ACT, 1956 :

i. Turnover

	Unit	2012-13		2011-12	
		Quantity ('000)	Value in Rupees	Quantity ('000)	Value in Rupees
Pre recorded cassettes	Nos	NIL	NIL	(38)	(12)
Compact Discs	Nos	16	5	130	37
Total		16	5	92	24

Figures in brackets represent excess of goods returned over goods sold during the year.

Notes to Accounts

Amount expressed in INR Lacs unless otherwise stated

ii. Raw Materials Consumed

	Unit	2012-13		2011-12	
		Quantity ('000)	Value (Rupees)	Quantity ('000)	Value (Rupees)
Magnetic Tape	Reel	NIL	NIL	NIL	NIL
Plastics Components	PCs	NIL	NIL	109	NIL
Others		-	1	-	22
Total			1		22

iii. Opening and Closing Stock

Class of Goods Manufactured	Opening Stock		Closing Stock	
	Quantity	Value	Quantity	Value
	PCs. '000	(Rupees)	PCs. '000	(Rupees)
Pre-recorded Cassettes	NIL	NIL	NIL	NIL
Blank Cassettes	NIL	NIL	NIL	NIL
Compact discs/DVD	691	5	244	3
Total	691	5	244	3

iv. Value of Raw Materials Consumed

	2012-13		2011-12	
	Percentage to total consumption	Rupees	Percentage to total consumption	Rupees
	%		%	
Imported			--	--
Indigenous	100	1	100	22
Total	100	1	100	22

v. Expenditure In Foreign Currency

Particulars	2012-13 Rs.	2011-12 Rs.
Traveling	1	60
Payment to Artiste	NIL	50
Film Production Expenses	1691	50

Notes to Accounts

Amount expressed in INR Lacs unless otherwise stated

vi. Earnings In Foreign Currency

Particulars	2012-13 Rs.	2011-12 Rs.
F.O.B. value of Exports	NIL	1
Royalty (Net)	388	257

- vii. Cost of feature films incurred during the year and inventories include interest of Rs. 110.44 (Previous Year Rs. NIL) on Loans utilized for the production of the film as also insurance expenditure of Rs. 35.57 (Previous Year Rs. 30.59)

32 Foreign Currency Exposure :

Particulars	31 st March 2013	31 st March 2012
Amount payable in foreign currency on account of import of Goods / services and its equivalent Indian Rupees.	NIL (NIL)	NIL (NIL)
Amount receivable in Foreign Currency on export of goods / services and its equivalent Indian Rupees.	Rs. 124 (US\$ 1,96,399) (GBP 13,083) (AUD 10,915)	Rs. 95 (US\$ 1,24,069) (GBP 31,800) (AUD 10,915)
Amount payable in foreign currency towards loan / deposits and its equivalent Indian rupees	NIL NIL	NIL NIL

33 Previous year's figures have been regrouped wherever necessary, to conform with current year's figures.

For and on behalf of the Board of Directors of

Kumar S. Taurani
Chairman & Managing Director

Amitabh Mundhra
Director

Bijal Patel
Company Secretary

Mumbai, Date: 23rd May 2013



www.tips.in

TIPS INDUSTRIES LIMITED

Regd. Office : 601, Durga Chambers, 278/E, Linking Road,
Khar (West), Mumbai - 400 052.

ATTENDANCE SLIP ANNUAL GENERAL MEETING

Folio No. : _____

No. of shares held : _____

DPID & Client ID No. : _____

I hereby record my presence at the SEVENTEENTH ANNUAL GENERAL MEETING of the Company, on Thursday, August 29, 2013 at 4.00 p.m. at The Jubilee Room, Hotel Sun-N-Sand, Juhu, Mumbai - 400 049.

Name of the Member / Proxy

Member's / Proxy's Signature

NOTE : Member / joint member / proxies are requested to bring this slip with them and hand it over at the entrance. Duplicate slips will not be issued at the entrance of the venue.

TIPS INDUSTRIES LIMITED

Regd. Office : 601, Durga Chambers, 278/E, Linking Road,
Khar (West), Mumbai - 400 052.

FORM OF PROXY

I/We, _____ the undersigned, being equity share holder(s) of M/s. Tips Industries Limited hereby appoint Mr./Ms. _____ resident of _____ and failing him / her Mr. / Ms. _____ resident of _____ as my / our proxy, to act for me / us at the SEVENTEENTH ANNUAL GENERAL MEETING of the Company, to be held on Thursday, August 29, 2013 at 4.00 p.m. at The Jubilee Room, Hotel Sun-N-Sand, Juhu, Mumbai - 400 049.

Affix
Re.1
Revenue
Stamp

Dated this _____ day of _____

Folio No. : _____

DPID & Client ID No. : _____

No. of shares held : _____

Signature : _____

NOTES :

- 1) Proxy must be deposited at the Registered Office of the Company not later than 48 hours before the Meeting. The Proxy need not be a member of the Applicant Company.
- 2) In case of multiple proxies, proxy later in time shall be accepted.
- 3) All alterations made in the Form of Proxy should be initialed.

FORM A

Format of Covering Letter of the Annual Audit Report to be filed with the Stock Exchanges

1	Name of the Company:	Tips Industries Limited
2	Annual financial statements for the year ended	31 st March, 2013
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Nil
5	<u>To be signed by-</u>	
	• CEO/Managing Director	<i>Jivan J. Sawani</i>
	• CFO	<i>Johnson T. G.</i>
	• Auditor of the Company	<i><u>Drainha</u></i>
	• Audit Committee Chairman	<i>A. M. M.</i>