tips.in

July 21, 2015

To,
The National Stock Exchange of India Limited
Listing Department,
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400 050.

Ref: Clause 31 of the Listing Agreement

Sub: Annual Report for the financial year ended March 31, 2015

Dear Sir / Madam,

Please find enclosed herewith the Annual Report along with the Form B of Tips Industries Limited for the financial year ended March 31, 2015.

Kindly acknowledge the receipt of the same.

Thanking you.

Yours faithfully,

For **Tips Industries Limited**

Bijal R. Patel
Company Secretary

Encl: As Above

TIPS INDUSTRIES LTD.
601, Durga Chambers, 6th Floor, Linking Road, Khar (West), Mumbai 400 052.
Tel. : 6643 1188 Fax : 6643 1189 Email : response@tips.in Website : www.tips.in
CIN: L92120MH1996PLC099359

TIPS INDUSTRIES LIMITED

ANNUAL REPORT 2014 - 15



SOUND TRACKS. SEASONED STEPS.

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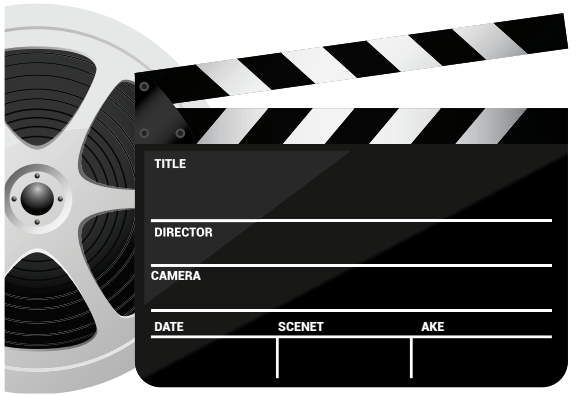
72 FINANCIAL STATEMENTS



FILMS AND MUSIC HAVE ALWAYS HAD A DEEP CONNECTION WITH INDIAN HEARTS.

WITH THEIR TOUCHING AND POIGNANT PORTRAYAL OF EVERY EMOTION COVERING THE ENTIRE SPECTRUM OF HUMAN SENTIMENTS, FROM HARSH REALITY TO ALLURING FANTASIES.

FILMS AND MUSIC ARE EMBEDDED AND ENSCONCED IN THE INDIAN PSYCHE.





At Tips, we understand the profound part films and music play in our lives.

And that is why, over the last 20 years, we have been focused on producing wholesome, quality, clean and above all – entertaining films and music.

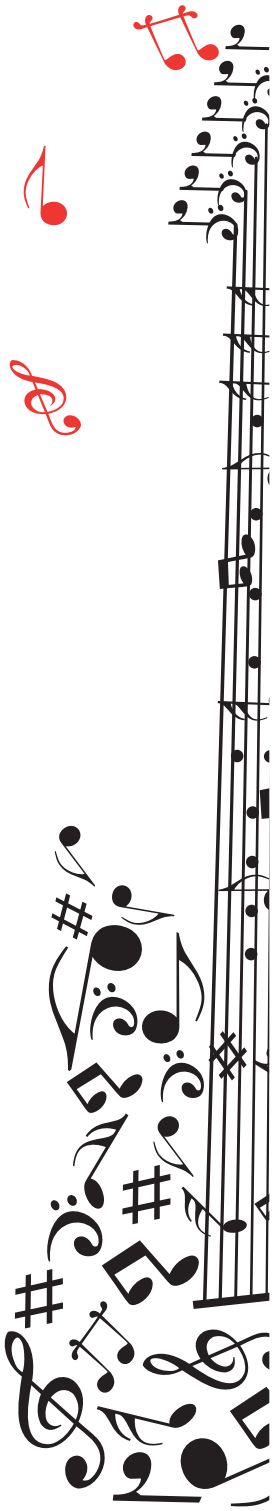
Today, we have a proven track-record of producing some of the top films in the industry.

Today, we have one of the largest music libraries in the industry.

And, it is this combination of proven track-record in films and music library that makes you continue with our journey on

SOUND TRACKS.

SEASONED STEPS.



SOUND TRACKS IN MUSIC

OUR MUSIC BUSINESS HAS BEEN THE STRONG FOUNDATION OF OUR CONTINUING PROGRESS, PROVIDING STRENGTH AND STABILITY AS WE CONTINUE TO BUILD FURTHER AND REACH HIGHER.

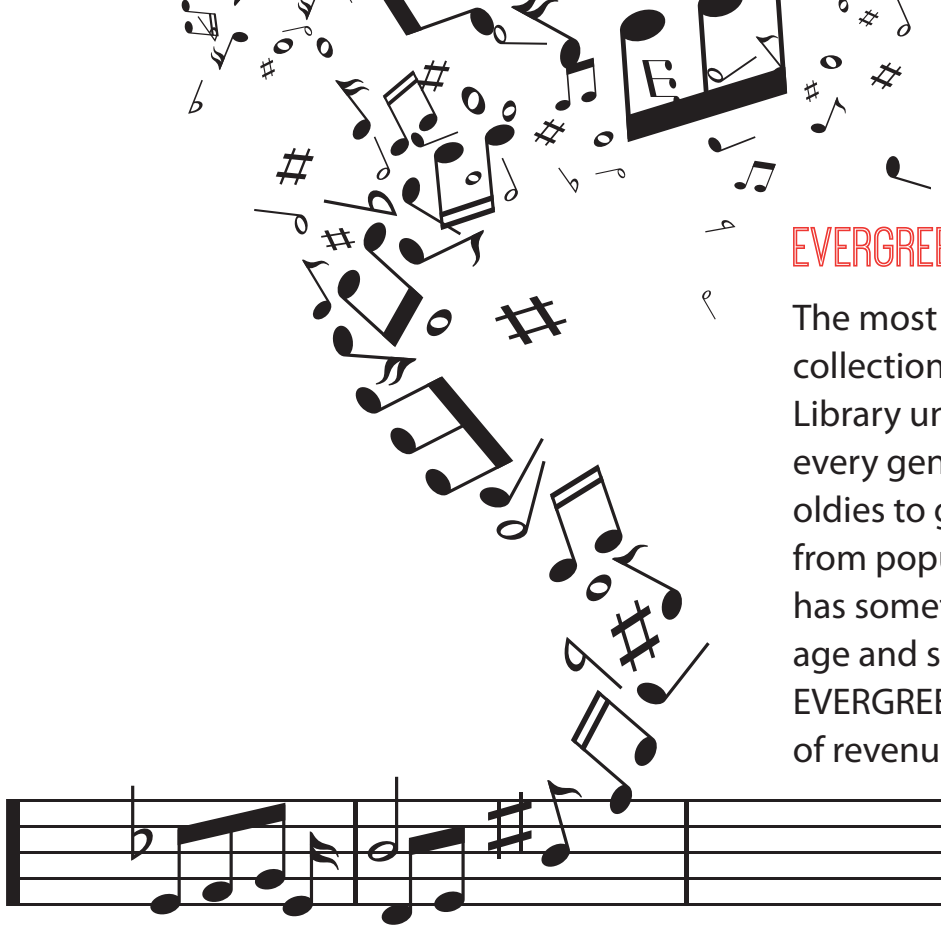
Tips has an enduring presence in the music business. From being the biggest dealers for LPs (Long Playing Phonographs Records) in 1975, the Company has always been at the forefront on adapting and adopting new technology. From LPs to cassettes to CDs to digital, Tips has always taken the lead in the music business in India.

It is this endeavouring approach and enterprising attitude that has made Tips one of the largest players in the music business in India.

At the heart of Tips's lasting success in music is its uniquely in-depth and multi-dimensional understanding of the music business – from marketing and production to distribution and innovation.

Over the last 40 years, the forte that makes Tips stand apart in the music business is its astute selection of the right kind of music – from popular to folk, from regional to remix. Complementing this strength is the Company's vast experience and expertise in music promotion and marketing.

THIS COMBINATION OF THE RIGHT MUSIC, PROMOTED THE RIGHT WAY TO THE RIGHT AUDIENCE USING THE RIGHT PLATFORM IS THE KEY TO SUSTAINED LEADERSHIP POSITION TIPS HAS CREATED IN THE MUSIC BUSINESS IN INDIA.



EVERGREEN MUSIC LIBRARY

The most valuable digital asset Tips has is its massive collection of over 25,000 tracks. What makes the Tips Library unique is its EVERGREEN quality – covering every genre, language and category. From the golden-oldies to ghazals, from religious bhajans to re-mixes, from popular films to solo albums, Tips Music Library has something for everyone, something for every age and something for every occasion. It is this EVERGREEN music library that ensures a steady stream of revenues for Tips.

DIGITAL MUSIC

Today, nearly 55 per cent of music revenues in the industry come from digital music. Tips had foreseen this radical transformation, and were amongst the first to start digitising its Music Library. Today, 90 per cent of the total Tips Library has been digitised and is available on the digital platform.

From Ringtones to Streaming/Subscription to Music Downloads, songs from the Tips Music Library are today easily available in the popular digital music marketplaces like Saavn, Gaana, iTunes, GooglePlay and many more.

AND THERE IS MORE TO COME...

India is expected to surpass the USA as the second largest internet enabled market in 2016 with around 362 million users, and yet, the internet penetration only covers 19 per cent of the population! Increasing coverage, cheaper internet rates, widespread 3G and launch of 4G services are driving the exponential growth of the internet in India.

Another crucial factor is the Phase III FM licensing for private radio, which will expand the FM radio footprint from current 69 cities to 831 cities!

ALL THIS MEANS MORE AUDIENCE, MORE CHANNELS, MORE PLATFORMS - MORE DEMAND !

AND FOR TIPS, IT MEANS OUR MUSIC BUSINESS IS ON SOUND TRACKS



SEASONED STEPS IN FILMS

OUR FILM BUSINESS IS AN EXTENSION OF OUR VALUES AND VISION – TO PROVIDE WHOLESOME ENTERTAINMENT FOR THE ENTIRE FAMILY. ALL OUR FILMS ARE EAGERLY ANTICIPATED AND THOROUGHLY ENJOYED BY THE AUDIENCES – BE IT BIG-BUDGET MULTI-STARRER HINDI FILMS OR THE VIBRANT AND POPULAR PUNJABI FILMS.

At Tips, we are still climbing steps of our journey in the film business. The film business is a very typical business where success depends on multiple factors ranging from script to story, from cast to music and from marketing to promotions.

With the advent of digitisation, every aspect of the film business has been radically changed – from film production to distribution to exhibition. Today, it is not uncommon for a big-budget film to be released simultaneously across over 5,000 screens, something unimaginable even a few years ago. This has completely changed the rules of the game : it is estimated that about 80 per cent of all theatrical revenues are collected today in the first weekend itself. Within about two months, these films are telecast on cable and satellites, reaching almost every corner of the country and touching millions upon millions at the same time.

With such high stakes, success in the film business today is elusive. With audiences becoming more selective than ever, finding the right formula to make the box-office ringing is both a challenge and an opportunity.

THAT IS WHY, AT TIPS, WE HAVE TAKEN A CAUTIOUS AND CALCULATED APPROACH IN OUR FILMS BUSINESS. WE ALWAYS WAIT FOR THE RIGHT SCRIPT, THE RIGHT STORY, THE RIGHT CAST AND THE RIGHT MUSIC FOR OUR FILMS.

While the year 2014-15 did not see any new film being produced by Tips, we continued to go through numerous script and story-lines for our next film. There are a few that have been short-listed and are being now evaluated on other parameters.

At Tips, we are confident that we will soon be commencing our next big Hindi blockbuster in the current year.

AND THERE IS MORE...

Tips is one of the biggest names in the Punjabi film business. We have been the only Company to have delivered a hat-trick of hits in Punjabi films. The Top-3 all-time highest grossing Punjabi films have been produced by Tips.

At Tips, we remain committed to our long-term goal and mission to produce 3-4 films every year.

We have a proven-track record of 44 films, of which many have been block-buster hit Hindi films. We own franchisee for RACE whose sequel RACE2 was amongst the biggest hits of the year 2013. We are a dominant and leading force by far for Punjabi films.



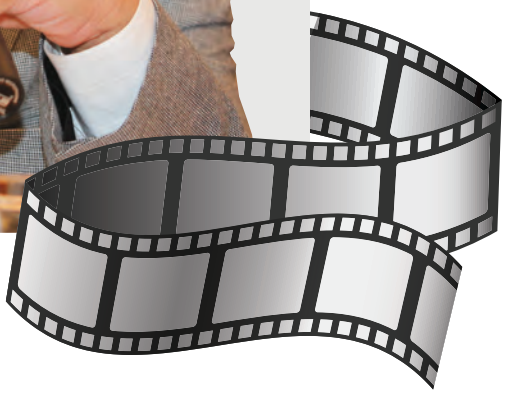
ALL THIS MEANS WE KNOW THE BUSINESS OF FILMS, WE HAVE STRONG CONNECT WITH THE FILM ECOSYSTEM, AND WE ENJOY TRUST AND REPUTATION OF INVESTORS AND AUDIENCE ALIKE.

AND FOR TIPS, IT MEANS OUR FILM BUSINESS IS SET TO ADVANCE WITH SEASONED STEPS.

CHAIRMAN'S MESSAGE







IN THE MUSIC BUSINESS, WE ARE EXCITED BY THE OPPORTUNITIES ON THE HORIZON : EXPANDING USER BASE, GROWING DATA USAGE, PAN-INDIA 4G ROLLOUT AND PHASE III LICENSING OF FM RADIO – ALL THESE POINT TO ONLY DIRECTION – FORWARD !

Dear Fellow Shareholders,

It has been a rather quiet year at Tips. It has been quiet year, but by no means should one relate this to either silence or stillness. At Tips, we are in the business of music and films, where quiet is as critical as both the sound and the action.

2014-15 HAS BEEN A YEAR OF DETERMINED STABILITY AT TIPS.

While the year saw the election of a new government at the centre that revived and revitalised confidence and optimism in investors and consumers alike, the year also saw a lacklustre performance by the Indian M&E industry. Films during the year were distinctly short on the quality of their content compared to the previous year. In 2014, only 11 films were hits out of 201 films produced, compared to 12 hit films out of 184 films in 2013. 8 films crossed the coveted ₹ 100 crore mark in the year against 6 films in the previous year.

On the technology side, digitisation continued with its rapid march during the year. The ever-expanding internet footprint has made India the fastest growing smart-phone market in the world. And yet, I personally believe, this is just the tip of the iceberg. With prices of internet plans falling, affordability is becoming cheaper with every passing year – and data usage is on the rise! Imagine the cumulative effect of falling internet plans multiplied with rising number of smart devices multiplied with burgeoning young population that is adapting to technology like a fish does to water! The opportunities are almost infinite!

With this background, let me update you with the key financial highlights for the year:

Our total revenue for the year was ₹ 10,381.04 lacs compared to ₹ 10,551.27 lacs in the previous year. The film revenue during the year was ₹ 7,013.41 lacs and the music revenue for the year was ₹ 3,221.78 lacs. For the year 2014-15, we had a Net Profit of ₹ 270.39 lacs against a Net Loss of ₹ 1,623.81 lacs in the previous year.

As you see, it was a quiet, but profitable year… and purposeful too.

In our film business, we have been seriously considering many scripts for our new films. It is a tedious process that needs both time and patience. With stakes being high, one needs to be cautious and focused. However, I am happy to report that we have short-listed a few scripts and are working further on these, and we are planning to launch interesting projects. Expect more announcements for Punjabi films as well.

In the music business, we are excited by the opportunities on the horizon: growing user base, growing data usage, pan-India 4G rollout and Phase III licensing of FM radio – all these point to only direction – forward!

I am quietly confident and convinced that at Tips, we are poised and prepared to scale new heights as we continue purposefully in our journey. I assure you that we are moving on SOUND TRACKS with SEASONED STEPS.

Thank you for your trust and faith in the Tips journey.

Yours sincerely,

Kumar S. Taurani



IN OUR FILM BUSINESS, WE HAVE BEEN SERIOUSLY CONSIDERING MANY SCRIPTS FOR OUR NEW FILMS... ...WE ARE PLANNING TO LAUNCH INTERESTING PROJECTS.

BOARD OF DIRECTORS



Mr. Kumar S. Taurani
Chairman & Managing Director



Mr. Ramesh S. Taurani
Managing Director



Mr. Amitabh Mundhra
Independent Director



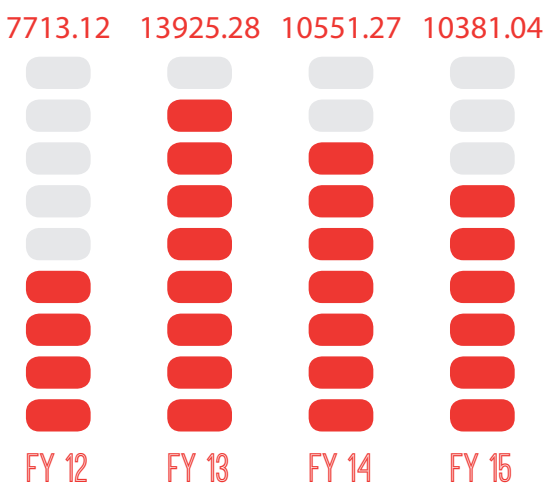
Mrs. Radhika Pereira
Independent Director



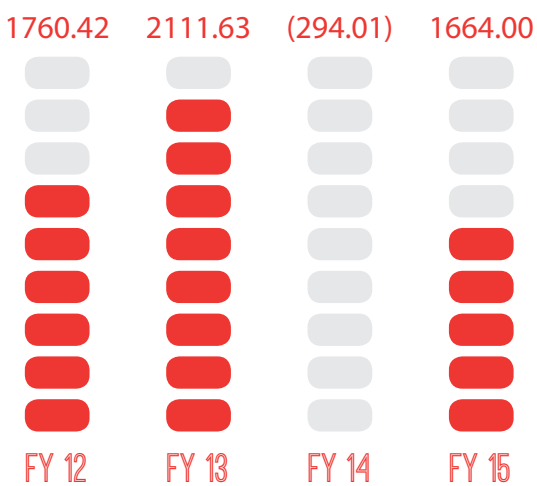
Mr. Vijay Agarwal
Independent Director

KEY FINANCIAL INDICATORS

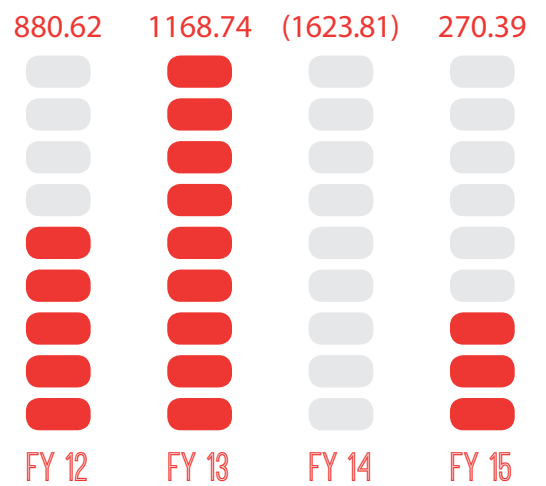
(₹ in Lacs)
Except EPS in ₹



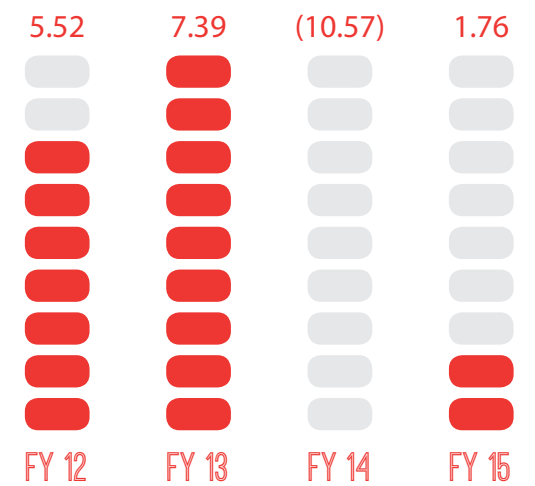
NET REVENUES



EBIDTA



PROFIT / (LOSS) AFTER TAX



EARNINGS PER SHARE

EVERGREEN MUSIC































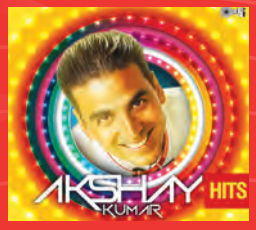






















ENTERTAINING MOVIES





















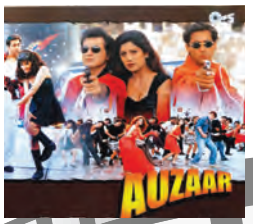




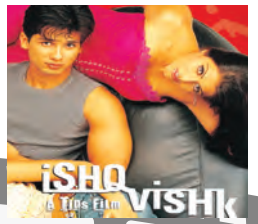
























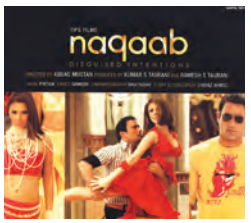


















CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Kumar S. Taurani	Chairman & Managing Director
Mr. Ramesh S. Taurani	Managing Director
Mr. Amitabh Mundhra	Independent Director
Mrs. Radhika Pereira	Independent Director
Mr. Vijay Agarwal	Independent Director
Ms. Sunita Menon (upto May 7, 2014)	Independent Director

CHIEF FINANCIAL OFFICER

Mr. I. T. Gursahani

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Bijal R. Patel

SENIOR MANAGEMENT

Mrs. Varsha Taurani	Vice President – Administration
Mr. Sahas Malhotra	Sr. Vice President – Music (Digital)
Mr. Jay Shewakramani	Executive Producer
Ms. Aarti Kathariya	GM - Business Affairs
Ms. Kavita Lakhani	Creative Head

REGISTERED OFFICE

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

ACCOUNTS OFFICE

1st floor, Asara Co.op Housing Society Ltd,
(Virkar Apartments), 17th Road,
Khar (West), Mumbai – 400052.

STATUTORY AUDITORS

M/s. SSPA & Associates
Chartered Accountants
1st floor, Arjun, Plot No. 6A, V. P. Road,
Andheri (West), Mumbai – 400058.

INTERNAL AUDITORS

M/s. Maheshwari & Co.
Chartered Accountant
3rd Floor Esplanade Building,
3, Amrut Keshav Naik Marg,
Fort, Mumbai – 400001.

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai – 400078.

BANKERS

Bank of Baroda
Everest Building, Tardeo Road,
Mumbai – 400034.

Canara Bank
Maker Chambers-III,
Nariman Point, Mumbai – 400021.

HDFC Bank
2nd Floor, Maneckji Wadia Bldg.,
Nanik Motwane Marg, Fort,
Mumbai – 400001.

ICICI Bank
Ground Floor, Indraprastha,
Linking Road, Santacruz (West),
Mumbai – 400054.



NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Nineteenth Annual General Meeting of the Members of Tips Industries Limited will be held on Friday, August 14, 2015, at 11.00 a.m. at the Jubilee Room, Hotel Sun-N-Sand, Juhu, Mumbai - 400049, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2015, together with the Reports of the Board of Directors and Auditors thereon.

2. To declare dividend on equity shares for the financial year ended March 31, 2015.

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

4. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. SSPA & Associates, Chartered Accountants (Firm Registration 131069W), be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the Company, on remuneration to be decided by the Board of Directors of the Company."

SPECIAL BUSINESS:

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

   "RESOLVED THAT pursuant to provisions of Section 196, 197, 198, 203 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") and schedule V of the Act read with Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, (including any statutory modification(s), or re-enactment(s) thereof for the time being in force) and subject to the approval from the Central Government, wherever required, if necessary, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Kumar Taurani (DIN: 00555831) as the Chairman and Managing Director of the Company for a period of three years w.e.f. June 1, 2015 to May 31, 2018 on the terms and conditions as mentioned in the draft Agreement between Mr. Kumar Taurani and the Company including remuneration as mentioned below and as approved by the Nomination & Remuneration Committee and the Board of Directors of the Company.

   (A) Salary:

   Minimum of ₹ 10 lacs per month only i.e. ₹ 120 lacs per annum only or 5% of net profit of the Company, whichever is higher during the year or if there are more than 1 (one) Managing Director and/or Whole Time Directors, then 10% of net profits of the Company during the year for all of them taken together, as laid down in Section 197 of the Act.

   (B) Perquisites:

   Perquisites shall be provided as per schedule V of the Act.

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

   The valuation of perquisites will be as per the Income Tax Rules, 1962, in cases where the same is otherwise not

possible to be valued.

The aforesaid remuneration shall be payable, subject to necessary approval from the Central Government and/or other competent authority, if any, to Mr. Kumar Taurani even in the event of loss or inadequacy of profits in any financial year.

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

The above remuneration is subject to the limits of 5% or 10% of the net profits of the Company as the case may be, as laid down in Section 197 of the said Act, and the overall limit of 11% of the net profit as laid down in Section 197 of the said Act, unless approval from Central Government is obtained in case the remuneration exceeds the aforesaid limits.

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year, during the term of office of Mr. Kumar Taurani, he shall be paid a minimum remuneration of ₹ 10 lacs per month only by way of salary, allowance, commission, perquisites and other benefits for which the Company shall seek the approval of Central Government on exceeding the limits prescribed under Schedule V and other applicable provisions of the said Act, including any amendment, modification, variation or re-enactment thereof.

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

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

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

"RESOLVED THAT pursuant to provisions of Section 196, 197, 198, 203 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") and schedule V of the Act read with Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, (including any statutory modification(s), or re-enactment(s) thereof for the time being in force) and subject to the approval from the Central Government, wherever required, if necessary, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Ramesh Taurani (DIN: 00010130) as Managing Director of the Company for a period of three years w.e.f. June 1, 2015 to May 31, 2018 on the terms and conditions as mentioned in the draft Agreement between Mr. Ramesh Taurani and the Company including remuneration as mentioned below and as approved by the Nomination & Remuneration Committee and the Board of Directors of the Company.

(A) Salary:

Minimum of ₹ 10 lacs per month only i.e. ₹ 120 lacs per annum only or 5% of net profit of the Company, whichever is higher during the year or if there are more than 1 (one) Managing Director and/or Whole Time Directors, then 10% of net profits of the Company during the year for all of them

taken together, as laid down in Section 197 of the Act.

(B) Perquisites:

Perquisites shall be provided as per schedule V of the Act.

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

The valuation of perquisites will be as per the Income Tax Rules, 1962, in cases where the same is otherwise not possible to be valued.

The aforesaid remuneration shall be payable, subject to necessary approval from the Central Government and/or other competent authority, if any, to Mr. Ramesh Taurani even in the event of loss or inadequacy of profits in any financial year.

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

The above remuneration is subject to the limits of 5% or 10% of the net profits of the Company as the case may be, as laid down in Section 197 of the said Act, and the overall limit of 11% of the net profit as laid down in Section 197 of the said Act, unless approval from Central Government is obtained in case the remuneration exceeds the aforesaid limits.

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year, during the term of office of Mr. Ramesh Taurani, he shall be paid a minimum remuneration of ₹ 10 lacs per month only by way of salary, allowance, commission, perquisites and other benefits for which the Company shall seek the approval of Central Government on exceeding the limits prescribed under Schedule V and other applicable provisions of the said Act, including any amendment, modification, variation or re-enactment thereof.

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

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

By Order of the Board of Directors

Sd/-

Bijal R. Patel
Company Secretary

Place:Mumbai
Date:May 8, 2015

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

Notes:

1. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the business under item Nos. 5 and 6 of the Notice, is annexed hereto. The relevant details of Directors seeking re-appointments under item

Nos. 3, 5 and 6, pursuant to Clause 49 of the Listing Agreements entered into with the Stock Exchanges is annexed.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF.** A proxy need not be a member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than forty-eight hours before commencement of the AGM. Proxies submitted on behalf of companies, societies, partnership firms etc., must be supported by appropriate resolutions/authority, as applicable.

   A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than ten percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

3. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.

4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

5. The Register of Members and Share Transfer Books of the Company will be closed from August 8, 2015 to August 14, 2015 (both days inclusive).

6. Dividend, if approved by the members at the Annual General Meeting will be paid within a period of 30 days from the date of declaration, to the Members whose names appear on the Register of Members and Register of Beneficial Owners as on August 7, 2015 as per details furnished by the Company's Share Registrars and Transfer Agents and the Depositories for this purpose.

7. Members holding shares in Electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company or the Company's Share Registrars and Transfer Agents.

8. As per the provisions of the Companies Act, 2013 facility for making nomination is available for the Members in respect of the shares held by them. Nomination forms can be obtained from the Company's Share Registrars and Transfer Agents by Members holding shares in physical form. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.

9. To support the “Green Initiative”, Members who have not registered their email addresses are requested to register the same with the Company's Share Registrars and Transfer Agents/ their Depository Participants, in respect of shares held in physical/ electronic mode respectively.

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

11. In order to help Members to ascertain the status of Unclaimed Dividends, the Company has uploaded the information in respect of Unclaimed Dividends on the Website of the Company, www.tips.in.

12. 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.

13. 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.

14. **Voting through electronic means:**

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, the Company is pleased to provide its members the facility of 'remote e-voting' (e-voting from place other than venue of the AGM) to exercise their right to vote at the 19th Annual General Meeting (AGM). The business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL).

The facility for voting through poll paper shall also be made available at the venue of the 19th AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The Company has appointed Mr. Shirish Shetye, Practicing Company Secretary (CP No.: 825) as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner.

The instructions to Shareholders for voting electronically are as under:-

(i) The voting period begins on August 11, 2015 at 10.00 a.m. and ends on August 13, 2015 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date August 7, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 p.m. on August 13, 2015.

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

(iii) Click on Shareholders.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,
b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

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

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

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

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on envelope indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Detail	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

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

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

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

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

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

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

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

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

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

By Order of the Board of Directors

Sd/-

Bijal R. Patel
Company Secretary

Place:Mumbai
Date: May 8, 2015

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

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

Item No. 5:

Mr. Kumar Taurani, founder of the Company, possesses immense knowledge and expertise in the field of entertainment industry for more than 35 years. He is highly experienced and controls the affairs of the Company as a whole. He has contributed significantly towards improvement in performance of the Company leading to its successful turnaround. With his constant untiring efforts to take Tips to new heights and his significant contribution till date, his vision and direction is essential for the progress of the Company.

The Members of the Company, in the 16th Annual General Meeting held on July 27, 2012, had appointed Mr. Kumar Taurani as Chairman and Managing Director of the Company for a period of three years, with effect from June 1, 2012 at remuneration of ₹ 12.50 lacs per month only. However, the Central Government vide letter dated December 9, 2013 approved to pay remuneration of ₹ 7.50 lacs per month only. The current term of office of Mr. Kumar Taurani is due to expire on May 31, 2015.

Considering that the Managerial Remuneration of Mr. Kumar Taurani, of ₹ 7.50 lacs per month only, has remained constant since April, 2008 in spite of increase in inflation and other things by leaps and bounds in the last seven years, the Board upon the recommendation of Nomination and Remuneration Committee at their meeting held on May 8, 2015, subject to approval of the Members and Central Government wherever required, if necessary, re-appointed Mr. Kumar Taurani as Chairman and Managing Director of the Company for a further period of three years effective from June 1, 2015 at remuneration of ₹ 10 lacs per month only i.e. ₹ 120 lacs per annum only.

In the event of any loss or inadequacy of profits in any financial year, during the term of office, Mr. Kumar Taurani shall be paid a minimum remuneration of ₹ 10 lacs per month only for which the Company shall seek the approval of Central Government as prescribed under Schedule V and other applicable provisions of the said Act, including any modification(s) or re-enactment(s) thereof.

Mr. Kumar Taurani and Mr. Ramesh Taurani are interested in the resolutions set out at Item No. 5 of the Notice.

The relatives of Mr. Kumar Taurani may be deemed to be interested in the resolutions set out at Item No. 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

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

The information required to be given along with the Notice of Annual General Meeting as per point (iv) of second proviso of section II of part II of schedule V of the Companies Act, 2013 is given as attachment to the Notice and this Explanatory Statement.

Item No. 6:

Mr. Ramesh Taurani is one of the promoters of the Company and comes with a rich experience of almost 34 years in the entertainment industry. He has played a key role in the progress of the Company. He is widely credited for remarkable success with many blockbuster films. His visualisation and dedication support to build success of the business. Under his deep insight knowledge and experience of the industry, Tips has achieved its current position.

The Members of the Company, in the 16th Annual General Meeting held on July 27, 2012, had appointed Mr. Ramesh Taurani as Managing Director of the Company for a period of

three years, with effect from June 1, 2012 at remuneration of ₹ 12.50 lacs per month only. However, the Central Government vide letter dated December 9, 2013 approved to pay remuneration of ₹ 7.50 lacs per month only. The current term of office of Mr. Ramesh Taurani is due to expire on May 31, 2015.

Considering that the Managerial Remuneration of Mr. Ramesh Taurani, of ₹ 7.50 lacs per month only, has remained constant since April, 2008 in spite of increase in inflation and other things by leaps and bounds in the last seven years, the Board upon the recommendation of Nomination and Remuneration Committee at their meeting held on May 8, 2015, subject to approval of the Members and Central Government wherever required, if necessary, re-appointed Mr. Ramesh Taurani as Managing Director of the Company for a further period of three years effective from June 1, 2015 at remuneration of ₹ 10 lacs per month only i.e. ₹ 120 lacs per annum only.

In the event of any loss or inadequacy of profits in any financial year, during the term of office, Mr. Ramesh Taurani shall be paid a minimum remuneration of ₹ 10 lacs per month only for which the Company shall seek the approval of Central Government as prescribed under Schedule V and other applicable provisions of the said Act, including any modification(s) or re-enactment(s) thereof.

Mr. Ramesh Taurani and Mr. Kumar Taurani are interested in the resolutions set out at Item No. 6 of the Notice.

The relatives of Mr. Ramesh Taurani may be deemed to be interested in the resolutions set out at Item No. 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

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

The information required to be given along with the Notice of Annual General Meeting as per point (iv) of second proviso of section II of part II of schedule V of the Companies Act, 2013 is given as attachment to the Notice and this Explanatory Statement.

By Order of the Board of Directors

Sd/-

Bijal R. Patel
Company Secretary

Place:Mumbai
Date: May 8, 2015

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

THE INFORMATION AS PER POINT (IV) OF SECOND PROVISO OF SECTION II OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013

I. GENERAL INFORMATION

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

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

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

4. **Financial Performance: -** *(Based on the audited financial statement for the year ended year 2014-15)*

Particulars	(₹ in Lacs)
Turnover	10235.19
Other Income	145.85
Total Expenditure	10049.58
Net Profit before tax	331.46

5. **Export performance and net foreign exchange collections:**

Particulars	(₹ in Lacs)
Royalty	754.55
Misc. Income (Terrestrial TV Rights Receipts)	8.94

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

II. INFORMATION ABOUT THE APPOINTEE

➢ **KUMAR TAURANI**

1. **Background details:**

Mr. Kumar S. Taurani is a Promoter of the Company and since inception he has been guiding the Company to the path of success. He is among the First Directors of the Company and is the Chairman & Managing Director since more than a decade. His 35 years of experience in the industry has brought the Company to its current prominence.

2. **Past Remuneration :**

The Members of the Company, in the Annual General Meeting held on July 27, 2012, had appointed Mr. Kumar Taurani as Chairman and Managing Director of the Company at remuneration of ₹ 12.50 lacs per month only. However the Central Government vide letter dated December 9, 2013 approved to pay remuneration of ₹ 7.50 lacs per month only.

3. **Recognition or awards:**

Mr. Kumar Taurani is the Director of Phonographic Performance Limited (PPL) and is a Chairman of its Board, which is a copyright society in respect of sound recording, registered with the Government of India.

4. **Job profile and his suitability:**

Overall control, management and superintendence of the business of the Company in the ordinary course of business and exercise and perform such powers and duties as the Board may determine from time to time.

5. **Remuneration proposed:**

The Abstract containing details of remuneration proposed to be paid to the Chairman & Managing Director are contained in the Resolution No. 5 of the Notice of the 19th

Annual General Meeting.

6. **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and the person:**

The remuneration proposed is comparatively lower than what is being paid to the persons holding similar positions in the companies in the media & entertainment industry operating in India taking into consideration the experience of Mr. Kumar Taurani.

7. **Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel if any:**

Mr. Kumar Taurani is a Director-promoter of the Company. He has no other pecuniary relationship with the Company except to the extent of his remuneration and shareholding in the Company. He is brother of Mr. Ramesh Taurani, Managing Director of the Company.

➢ **MR. RAMESH TAURANI**

1. **Background details:**

Mr. Ramesh Taurani is a Promoter of the Company. He is the Managing Director of the Company since past few years. He possesses enriched experience of 34 years in the industry. His leadership and sheer excellence in the field are the attributes of his success as an industrialist which has taken the Company to an immense echelon.

2. **Past Remuneration :**

The Members of the Company, in the Annual General Meeting held on July 27, 2012, had appointed Mr. Ramesh Taurani as Managing Director of the Company at remuneration of ₹ 12.50 lacs per month only. However the Central Government vide letter dated December 9, 2013 approved to pay remuneration of ₹ 7.50 lacs per month only.

3. **Recognition or awards:**

Under the stewardship of Mr. Ramesh Taurani, Tips has released quality films which are remembered and appreciated till date.

4. **Job profile and his suitability:**

Overall control, management and superintendence of the business of the Company in the ordinary course of business and exercise and perform such powers and duties as the Board may determine from time to time.

5. **Remuneration proposed:**

The Abstract containing details of remuneration proposed to be paid to the Managing Director are contained in the Resolution No. 6 of the Notice of the 19th Annual General Meeting.

6. **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and the person:**

The remuneration proposed is comparatively lower than what is being paid to the persons holding similar positions in the companies in the media & entertainment industry operating in India taking into consideration the experience of Mr. Ramesh Taurani.

7. **Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel if any:**

Mr. Ramesh Taurani is a Director-promoter of the Company. He has no other pecuniary relationship with the Company except to the extent of his remuneration and shareholding in the Company. He is brother of Mr. Kumar Taurani, Chairman and Managing Director of the Company.

III. OTHER INFORMATION:

1. **Reasons of inadequate profit:**

The Company is engaged in the business of Production and Distribution of film and exploitation of its Audio library. Success of the movie is highly dependent upon the viewer preference, therefore the revenue and profit is unpredictable. During the year 2014-15, the Company has released only one film and revenues generated from there were not sufficient to boost the profitability.

2. Steps taken for improvement:

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

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

As expressed above, The Company has a few Hindi and regional films in pipeline which are expected to release in the near future. The Company also has active participation in exploitation of its music content digitally In India and overseas.

IV. DISCLOSURES

1. The 'Abstract' containing details of remuneration proposed to be paid to the Managing Director are being circulated among the Shareholders of the Company and it is contained in the Notice convening the 19th Annual General Meeting.

   All the relevant information pertaining to remuneration of the Managing Director and other Directors required to be disclosed in the Directors' Report under the heading “Corporate Governance”, are attached to the Annual Report.

By Order of the Board of Directors

Place:Mumbai
Date: May 8, 2015

Sd/-
Bijal R. Patel
Company Secretary

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

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

Name of Director	Mr. Kumar Taurani	Mr. Ramesh Taurani
DIN	00555831	00010130
Date of Birth	July 5, 1958	January 17, 1960
Date of appointment	May 8, 1996	September 27, 2005
Number of Shares held	2881915 Equity shares	2875911 Equity shares
Qualifications	B. Com.	B. Com.
Profile	Mr. Kumar Taurani, Chairman and Managing Directors of the Company, holds the Bachelor degree in commerce. He is one of the promoters of the Company. He possesses immense knowledge and expertise in the field of Entertainment Industry for more than 35 years. He is highly experienced and controls the affairs of the Company as a whole. With his constant untiring efforts to take Tips to new heights and his significant contribution till date, his vision and direction is essential for the progress of the Company.	Mr. Ramesh S. Taurani holds the Bachelor degree in commerce. He is promoter and Managing Director of the Company. He has been associated with the Company since its inception and nurturing the Company. He started his musical journey in the early 1980s with a repertoire of regional and devotional music titles, venturing into popular Hindi film music at a later stage after which he entered into Film production and distribution.
Directorships in other Public Companies as on March 31, 2015	Nil	Nil
Memberships of Committees in Public Companies	Nil	Nil
Chairmanships of Committees in Public Companies	Nil	Nil

BOARD'S REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

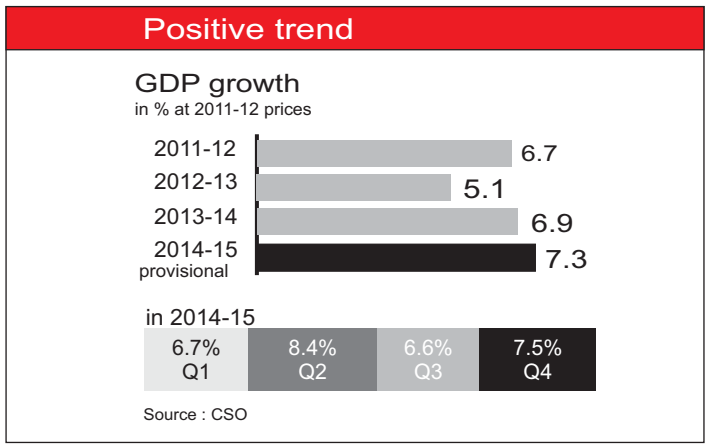
To,
The Members,
Tips Industries Limited

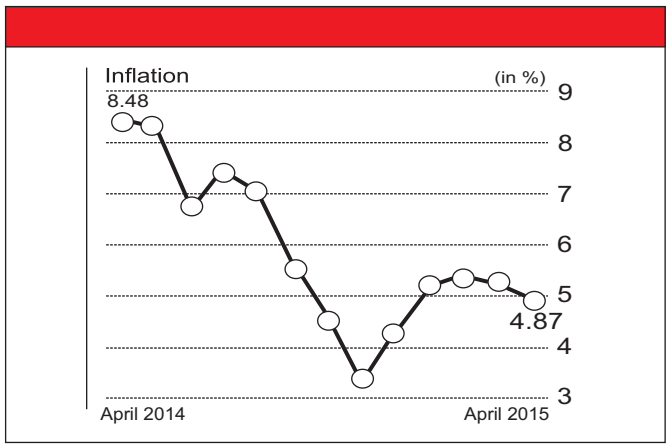
Your Directors are pleased to present the Nineteenth Annual Report along with the Audited Financial Statements for the financial year ended March 31, 2015. The Management Discussion and Analysis is also included in this Report.

OVERVIEW OF THE ECONOMY:

The Global economy continued with its challenge of building strong growth. According to the International Monetary Fund (IMF), the world global output for the year 2014 grew by a modest 3.4 per cent, same as 2013. Complex factors like the geo-political situation in Ukraine and the Middle East and uncertainty in Greece impacted growth. Another key event in the year was the dramatic fall in international oil prices, particularly since September 2014. This had a positive impact, driving consumption and reducing prices.

In India, the year 2014 was a year that will be remembered as a year of structural reforms. The new government initiated several reforms in core sectors like banking, insurance, infrastructure and defence. These had a positive cascading impact across sectors and industries. Investor and consumer confidence revived remarkably during the year. Moreover, with the new methodology for measuring GDP growth, the Indian GDP growth was revised to 7.3 per cent for the year 2014-15 compared to 6.9 per cent in the year 2013-14. Inflation remained at benign levels, falling to around 5 per cent toward the latter half of the year due to falling oil prices and below 5 per cent in April 2015.

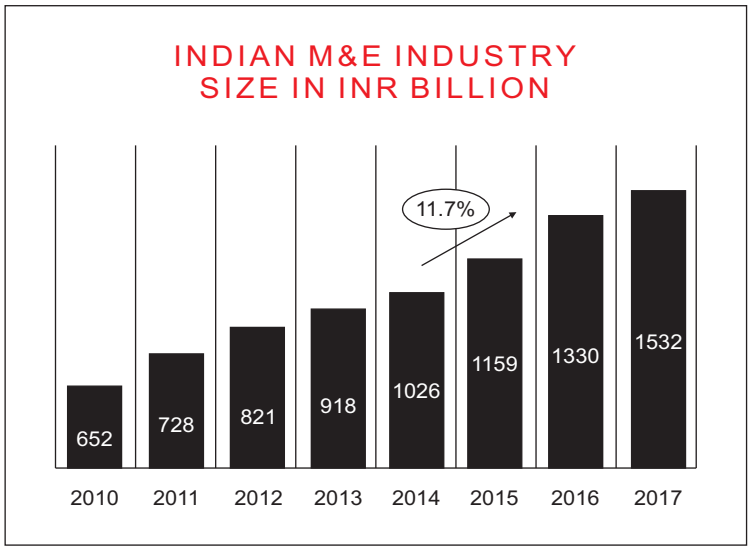




THE INDIAN MEDIA AND ENTERTAINMENT INDUSTRY :

The overall sentiments in the Indian M&E industry reflected the renewed positivity and optimism of the Indian economy. There were many positive developments for the M&E industry during the year. Digitisation continues with its rapid strides penetrating deeper into rural areas, helped by proliferation of low-cost smart devices and falling internet costs. One of the highlights of the year was the announcement of DIGITAL INDIA initiative by the government. A programme aimed at digitally empowering the society and knowledge economy.

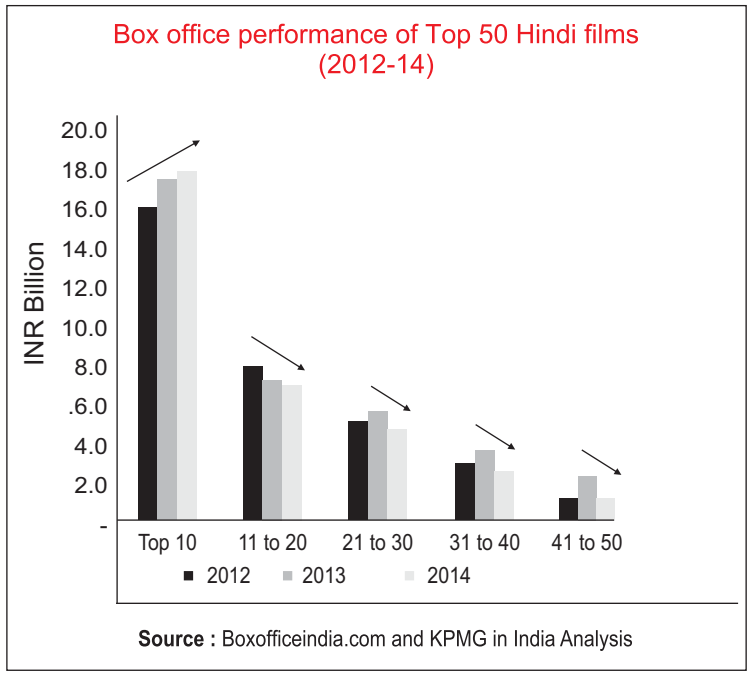
The M&E industry grew by 11.7 per cent in 2014 to US$ 1,026 billion, as per report by FICCI-Frames 2015. Digital advertising continued its relentless march, growing by 44.5 per cent in 2014. This is hardly surprising, considering that in 2014, India topped as the world's fastest growing smartphone market. By the end of 2014, India already had around 116 million internet enabled smartphones, and by 2019, this is expected to rise to 435 million.



FILMS :

The year 2014 was a mixed year for the Indian film industry. While category A films continued to perform well at the box-office, other films did neither have compelling content nor the pull of a top-league actor to attract audiences. Content continues to remain central to the success of films, as audiences have become more discerning and selective, given the rising costs of tickets as well as availability of other entertainment platforms.

The main source of revenue remains domestic theatres, contributing as much as 74 per cent. During the year, domestic theatrical revenues suffered due to lack of content-oriented films. The gross box office collection of top 10 Hindi films in 2014 grew by 2.4 per cent over 2013. However, box office collection for the next 10 films dropped by 3 per cent.



Source : Boxofficeindia.com and KPMG in India Analysis

There was a marked difference in the Cable & Satellite (C&S) rights acquisition strategy by broadcasters. Barring category A films, prices for C&S rights declined overall during the year.

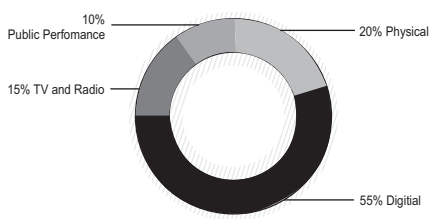
The year 2014 saw a record number of regional films being produced. 287 Tamil movies were released during the year, followed by 255 Telugu movies in 2014. Compared to these, the number of Hindi movies released during the year was 216. The Marathi and Punjabi movies also had a significant year, with the animated Punjabi movie Chaar Saahibzaade generating INR 700 million at the box office.

MUSIC:

Music continues to remain a small but very critical stream for the M&E industry. The music industry was worth INR 9.8 billion in 2014, increasing by 2.3 per cent. It is expected to cross INR 10 billion in the year 2015, as per FICCI-Frames 2015 report.

The year 2014 saw many production houses raising the prices for the music rights of their films. During the year, music labels continued to acquire music rights much before the theatrical release of films. Digitatisation continues to be the key driver in the music space. Digital channels already account for more than 50 per cent of the overall size of the music industry in the country, while physical sales have fallen by around 30-35 per cent on a year-to-year basis.

Share of music revenue based on sources of distribution



Source : Industry discussions conduced by KPMG in India

The continued popularity of music streaming across digital marketplaces like iTunes and Google Play, and from streaming platforms like Saavn and Gaana, continue to drive digital consumption of music.

For the music industry, the long awaited and highly anticipated auction of Phase III of radio licenses also saw revival of proceedings. The first auctions are expected to take place in the latter half of 2015, with the government giving its go-ahead for partial auctions for 135 channels in 69 cities.

BUSINESS OVERVIEW :

With an unwavering focus on providing wholesome family entertainment, TIPS has emerged as one of the most respected and renowned companies in the Indian M&E industry. From humble beginning in 1975, the vision and venture of the founders – Mr. Kumar Taurani and Mr. Ramesh Taurani, has seem TIPS make rapid progress and evolve into a professional and corporate house with a presence across music, film production and distribution.

MUSIC continues to remain the forte of TIPS. The Company today boasts of a huge library with a collection of over 25000 songs across all genres and major languages. The music business of the Company continues to deliver strong performance. Powered by the growing penetration of digitisation, the music business of the Company holds massive potential for future growth as new technology, new consumption platforms and new delivery formats evolve, thus unlocking more value from the TIPS music library. The Phase III auction for radio licences slated to commence in 2015 are expected to open up yet more avenues for monetization of the Company's digital assets.

TIPS is also known for production of family entertainment films. TIPS films are always family entertainers providing clean, light-

hearted and enjoyable experience for the family. Over the years, the Company has delivered some top box office hits like RACE, KISMAT CONNECTION, RACE2, AJAB PREM KI GHAZAB KAHANI, RAJA HINDUSTANI etc. TIPS is also a leading producer of Punjabi films with an enviable record an all time hit in Punjabi cinema.

FINANCIAL RESULTS:

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

(₹ in Lacs)

Particulars	2014-15	2013-14
Income	10380.54	10551.27
Profit/(Loss) before Depreciation, Interest, Provision for Contingencies and Taxation	1664.00	(294.01)
Less: Depreciation and Interest	1329.49	1253.65
Profit/(Loss) before Provision for Taxation, Extraordinary and Prior Period year items	334.51	(1547.66)
Less: Provision for Taxation		
Current Tax	59.13	0.00
Wealth Tax	3.82	3.66
Taxes in respect of earlier years	1.94	72.59
Profit/(Loss) after Provision for Taxation but before Extraordinary and Prior Period year items	269.61	(1623.91)
Less: Prior Period Expenses	0.00	0.00
Profit/(Loss) after Taxation	269.61	(1623.91)
Add: Balance Brought Forward	2302.00	4105.60
Profit/(Loss) after Taxation available for Appropriation	2571.61	2481.69
Dividend	153.59	153.59
Dividend Tax	31.27	26.10
General Reserves	513.50	493.50
Share Capital	1535.86	1535.86
Reserves & Surplus	5489.10	5446.22

PERFORMANCE REVIEW:

During the year, Tips came up with its production, a comedy film “Entertainment” on August 8, 2014 directed by writers-turned-directors Sajid-Farhad, starring Akshay Kumar, Tamanna Bhatia, Paresh Rawal, Johny Lever, Sonu Sood, Krushna Abhishek and others. The film was appreciated for screenplay, cinematography, dialogues and the actor's portrayal of their respective characters.

The Company's music business continues to smartly monetize the impressive music library. The Company was amongst the first in the industry to understand the huge implications of the digital revolution, and started digitising its entire library. Today, the Company has a digital library of over 25000 songs, which are available for streaming and download across leading industry digital

marketplaces like iTunes and Google Play, as well as popular streaming platforms like Saavn and Gaana. The music revenue for the year 2014-15 was ₹ 3221.78 lacs as compared to ₹ 3052.19 lacs in the previous year.

The Company earned total revenue including other income of ₹ 10380.54 lacs as compare to the previous year of ₹ 10551.27 lacs. The net profit after tax for the year stood at ₹ 269.61 lacs as compared to the net loss of ₹ 1623.91 lacs in the previous year.

DIVIDEND:

Your Directors recommend dividend of @ 10% (ten per cent) i.e. ₹ 1.00/- (one rupee) per share on 15358640 fully paid-up Equity Shares of ₹ 10/- each of the Company for the year ended March 31, 2015. The proposed dividend, if approved, at the Annual General Meeting, will absorb a sum of ₹ 153.59 lacs (Previous Year being ₹ 153.59 lacs) and dividend Tax of ₹ 31.27 lacs (Previous Year being ₹ 26.10 lacs).

TRANSFER TO RESERVES:

The Company transferred a sum of ₹ 20 lacs to the General Reserve and an amount of ₹ 2324.88 lacs is retained in the Profit and Loss Account.

SHARE CAPITAL:

The paid up Equity Share Capital as at March 31, 2015 stood at ₹ 1535.86 lacs. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2015, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

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

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

CORPORATE GOVERNANCE REPORT:

In compliance with the provisions of Clause 49 of the Listing Agreement, a separate report on Corporate Governance along with a certificate from the Auditors on its compliance, forms part of this Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

- **Cessation from Directorship:**

  Due to pre-occupied with her professional commitments, Ms. Sunita Menon, Independent Director of the Company has resigned from the post of directorship with effect from May 7, 2014.

  The Board takes this opportunity to place on record its appreciation for the support and invaluable contribution made by Ms. Sunita Menon during her tenure as Independent Director of the Company.

- **Director Retiring by Rotation:**

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

- **Re - appointment of Managing Directors:**

  The Nomination & Remuneration Committee and the Board have approved the re-appointment of Mr. Kumar Taurani as Chairman & Managing Directors and Mr. Ramesh Taurani as Managing Director for period of 3 years w.e.f July 1, 2015 to May 31, 2018 . Approval of the shareholders is sought for the same in the ensuing Annual General Meeting.

- **Appointment of Independent Directors and declaration of independence:**

  In compliance with the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Amitabh Mundhra, Mrs. Radhika Pereira and Mr. Vijay Agarwal were appointed as Independent Directors on the Board of Directors of the Company at the 18th AGM of the Company held on August 8, 2014, to hold office up to five consecutive years.

  The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

- **Appointment of Key Managerial Personnel:**

  Mr. Ishwar T. Gursahani, V.P – Legal & Corporate Affairs of the Company has been appointed as a Chief Financial Officer of the Company w.e.f. June 27, 2014.

  Pursuant to the provisions of Section 203 of the Companies Act, 2013, the appointment of Mr. Kumar Taurani and Mr. Ramesh Taurani as Chief Executive Officer, Mr. Ishwar T. Gursahani as a Chief Financial Officer and Ms. Bijal Patel as a Company Secretary, were formalized as the Key Managerial Personnel of the Company.

BOARD EVALUATION:

Pursuant to the provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out performance evaluation. The manner in which the evaluation carried out has been explained in Corporate Governance Report.

DIRECTOR'S RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended March 31, 2015, the Board of Directors hereby confirms that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit/loss of the Company for that year;

(c) proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the annual accounts of the Company have been prepared on a going concern basis;

(e) internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

(f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DETAILS OF BOARD AND COMMITTEES MEETING:

- **Board Meetings:**

  The Board of Directors met five times during the financial

year ended March 31, 2015 on May 9, 2014, June 27, 2014, August 8, 2014, November 12, 2014 and February 5, 2015. Details of the Board meetings and attendance of the directors are provided in the Corporate Governance Report, which forms part of this Annual Report.

- **Committees of the Board:**

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

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

RELATED PARTY TRANSCATIONS:

All contracts/ arrangements/ transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. Thus Disclosure in form AOC-2 is not required.

Further, during the year, the Company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. All related party transactions are placed before the Audit Committee and Board for approval.

The details of the related party transactions as required under Accounting Standard - 18 are set out in note to the financial statements forming part of this Annual Report.

The Policy on Related Party Transactions as approved by the Board has been uploaded on the website of the Company. The web-link of the same has been provided in the Corporate Governance Report.

AUDITORS :

- **Statutory Auditors:**

  M/s. SSPA & Associates, Chartered Accountants, (Firm Registration No: 131069W) who are Statutory Auditors of the Company hold office up to the forthcoming Annual General Meeting and are recommended for re-appointment to audit the accounts of the Company for the financial year 2015-16.

  The consent of the Auditors along with certificate under Section 139 of the Companies Act, 2013 has been obtained from the auditors to the effect that their appointment, if made, shall be in accordance with the prescribed conditions and that they are eligible to hold the office of Auditors of the Company.

- **Secretarial Auditors:**

  Provisions of Section 204 read with rules made thereunder, M/s. N.L. Bhatia & Associates, Practicing Company Secretaries (C.P No. 422) had been appointed to undertake Secretarial Audit of the Company. The report of the Secretarial Auditor is annexed herewith as **Annexure I** and forms part of this Report.

  The said report does not contain any observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

- **Internal Auditors:**

  Pursuant to provisions of Section 138 read with read with

rules made thereunder, the Board has appointed M/s. Maheshwari & Co., Chartered Accountants (Firm Registration No: 105834W), as an Internal Auditors of the Company 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.

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

INTERNAL CONTROL SYSTEMS:

The Company has adequate internal controls systems in place commensurate with the nature of the Company's business, size and complexity of its operations. All processes are well-defined and properly documented. All transactions are properly recorded and all it is ensured that all expenses incurred are within defined budgetary allotments. The Company ensures all rules, laws and statutes are strictly followed and complied with. The Company regularly undertakes internal audit under the supervision of the Internal Audit committee. Any discrepancies or inconsistencies found during such internal audits are immediately corrected.

RISK MANAGEMENT:

In accordance with Clause 49 of the Listing Agreement, the Board has approved the Risk Assessment and Minimization Policy to avoid events, situations or circumstances which may lead to negative consequences on the Company's businesses, and define a structured approach to manage uncertainty and to make use of these in their decision making pertaining to all business divisions and corporate functions. Key business risks and their mitigation are considered in the business plans and in periodic management reviews.

Some of the risks and threats that the company is exposed to are-

- **Piracy Risk:**

  Piracy has been one of the biggest problems for the M&E industry globally. The industry has been working relentlessly to reduce this key threat. With the advent of internet and digitisation, this threat continues to be a major source of revenue loss for all the stakeholders in the industry.

  The industry has been co-operating with the government to clamp down on this threat. During the year 2014, there was a 10 per cent reduction in piracy cases registered in India. The industry is increasingly leveraging latest advancement in technology to cope with this issue. An example of this is the use of Cube technology to catch film exhibitors and syndicates using pirated versions of films.

- **Production Risk:**

  Production risks can be defined as the risk getting production extended the projected date or the risk of over spending during production. It requires large outlays of money that cannot be recovered if the project fails at any stage. The planned release may have to be delayed beyond schedule. Such delay in production may throw the whole production schedule out of gear and escalate the cost of the movie.

- **Spiraling Costs:**

The two largest cost components of a film are the fees of stars and the cost of promotion. The A list stars continue to command exorbitantly high fees, that can sometimes go as high as 40 per cent of the total budget of the film. Advertising and Promotions account for 15-20 per cent of the total film budget. With the theatrical revenue window narrowing down to the first weekend, most producers are forced to make this enormous marketing spend, as it has a direct impact on the box office collections of the film.

- **Infrastructure and Talent Development:**

  While India is the largest producer in terms of films produced, it lacks a long way behind in both infrastructure and talent development. For example, compared to 125 screens per million people in the USA, India still has only 7 screens per million people. In terms of other infrastructure too, India lags behind considerably. There are only four film cities in the country, indicating a huge gap. Opening more institutions like Film and Television Institute of India will go a long way in augmenting India's talent pool for the industry.

OPPORTUNITIES:

The opportunities observed are based on the trends noticed in past couple of years, which continues to be relevant. Some of the key ones are as follows:

- **Digitisation:**

  Digitisation has impacted all aspects of the M&E industry – right from production to distribution to exhibition to sales of tickets. The next wave of growth in the overall M&E industry is expected to be driven by increased digitisation. Over the year, there have been far-reaching changes in the form of availability of low-cost smart devices and dropping data plans. In spite of this, India still has a low internet penetration of around 19 per cent, indicating a huge growth potential. The advent of 4G services, the increasing adoption of 3G in urban areas and 2G in rural areas are all strong signals of the immense growth potential that will be unlocked by digitisation.

- **Regional Markets:**

  The year 2014 saw a huge surge in production and release of regional films. From Tamil to Telugu and from Marathi to Punjabi, all the regional film markets performed excellently. The share of theatrical revenues from regional films has been rising from around 12-13% in 2013 to almost 20-21% in 2014, particularly in Tier 2 and Tier 3 cities, as per industry data.

- **Overseas Theatricals:**

  The growing popularity of Bollywood films in the overseas markets is another growing opportunity. Over the year, new markets like China and Europe have seen a huge surge in interest in Hindi films. However, the share of overseas theatricals is still around 10-25 per cent, much lower than the almost 60 per cent for Hollywood films. As more and more new markets like Lebanon, Burma and Iraq continue to be mesmerised by Hindi films, the overseas theatrical avenue is poised for a big leap.

OUTLOOK:

India is back on the fast-track of economic growth. Both the International Monetary Fund (IMF) and the World Bank have forecast the country to grow at 7.5 per cent for the year 2015 and 7.8 per cent in the year 2016. The long-term structural reforms taken by the government will continue to drive further growth in the key sectors. Oil prices are expected to remain low in the short-term, easing pressure on inflation as well as prices. Investor confidence and sentiments are likely to remain positive.

The India M&E industry is also expected to continue with its growth trajectory. It is expected to grow at a Compounded Annual Growth Rate (CAGR) of 13.9 per cent from 2014-19, and reach INR 1,964 billion in 2019. The highest growth is expected to happen in the digital advertising space, which is expected to grow at a CAGR of 30.2 per cent from 2014-19, while the film and music segments are expected to grow at CAGR of 10 per cent 14 per cent in the same period.

AUDITORS' REPORT:

In the opinion of the directors, the notes to financial statements are self explanatory and adequately explain the matters, which are dealt within the Auditors' Report. In case of qualified opinion of the Auditors with respect to non-recognition of differed tax explained in note no. 33 of the notes to financial statements.

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 2015, the number of employees on our payroll was 59.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

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

WHISTLE BLOWER POLICY /VIGIL MECHANISM POLICY:

Pursuant to provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors in its meeting held on November 12, 2014 has adopted a “Whistle Blower Policy/ Vigil Mechanism Policy” for directors and employees of the Company.

Details of the policy are provided in the Corporate Governance Report, which forms part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

Pursuant to provision of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board has approved CSR Policy based on the recommendation of the CSR Committee. The Company has initiated activities in accordance with the said Policy, the details of which have been prescribed in **Annexure III**.

EXTRACT OF ANNUAL RETURN:

Extract of the Annual Return in form MGT-9 pursuant to Section 92(3) of the Companies Act, 2013 for the financial year ended March 31, 2015 is provided in **Annexure IV** forming part of this report.

DEPOSITS:

During the year 2013-14, The Company had accepted the deposits from public and members of the Company within the meaning of Section 58A of the Companies Act, 1956 read with rules made thereunder. The outstanding deposits as on March 31, 2014 were ₹ 46 lacs and the same has been repaid on or before March 31, 2015 in accordance with Section 74 of the

Companies Act, 2013.

During the year 2014-15, the Company has accepted the deposits only from directors of the Company which are exempt as per the provision of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. The declarations have been obtained from the directors in terms of Rule 2(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014. Details of the deposits accepted from directors are provided in notes to financial statement.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY:

Details of Loans, Guarantees and Investments are provided in the notes to Financial Statement.

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

- **Conservation of Energy:**

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

- **Technology Absorption:**

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

- **Foreign exchange earnings & outgoings:**

  Details of foreign exchange earnings & outgoings of the company made during the year are provided in notes to financial Statement.

OTHER DISCLOSURE:

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

- No material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- No compliant received from any employee, pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder.

CAUTIONARY STATEMENT:

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

ACKNOWLEDGEMENTS AND APPRECIATION:

Your Directors take this opportunity to express the sincere appreciation for the incredible support and overwhelming co-operation from bank, financial institutions, customers, suppliers

and all other business associates of the Company.

Your Directors give their warm gratitude to the shareholders for their faith in the Company. The directors also sincerely appreciate the professionalism and dedication displayed by the employees of the Company.

For and on behalf of the Board of Directors

Sd/-

Kumar S. Taurani
DIN: 00555831
Chairman and Managing Director

Place: Mumbai
Date: May 8, 2015

ANNEXURE I

SECRETARIAL AUDIT REPORT

To,
The Members
Tips Industries Limited

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

(1) Maintenance of Secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

(2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion

(3) We have not verified the correctness and appropriate of financial records and Books of Accounts of the company.

(4) Where ever require we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

(5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standard is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

(6) The Secretarial Audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

For N L BHATIA & ASSOCIATES
UID NO: S1996MH016600

Sd/-

N L BHATIA
Membership No.1176
CP No.422

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Tips Industries Limited
601, Durga Chambers,
Linking Road, Khar (W),
Mumbai – 400 052.

We have conducted the secretarial audit of the compliance of Tips Industries Limited applicable statutory provisions and the adherence to good corporate practices by Tips Industries Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Tips Industries Limited ("the company") for the financial year for the ended March 31, 2015 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;
ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
iii. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
   (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

Other Laws applicable to the Company;

1. Income Tax Act, 1961
2. Finance Act, 1994
3. Maharashtra Value Added Tax Act, 2002
4. Profession Tax Act, 1975
5. The Payment of Bonus Act, 1965
6. The Payment of Gratuity Act, 1972
7. Employees provident Funds & Miscellaneous Provisions Act ,1952
8. The Bombay Shop & Establishment Act, 1948
9. The Minimum Wages Act, 1948
10. The Employee State Insurance Act, 1948
11. Copyright Act, 2013
12. Sexual Harassment of Women Workspace (Prevention Prohibition and Redressal) Act, 2013
13. Maternity Benefit Act, 1961
14. Negotiable Instrument Act, 1881
15. The Contract Act, 1872
16. Bombay Stamp Act, 1958
17. The Cinematograph Act, 1952

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

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

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock exchange of India limited.

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

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

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that; there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that Members in pursuance to Section 180 of the Companies Act, 2013 approved the Borrowing Limit of Rs.300 Crore (Rupees Three hundred crores only) over and above the aggregate of the paid up capital and free reserves of the Company at the Annual General Meeting held on August 8, 2014.

Place: Mumbai
Date: April 15, 2015

For N L Bhatia & Associates
UID NO.: S1996MH016600

Sd/-
N L Bhatia
(Managing partner)
FCS.No. 1176
C.P. No. 422

ANNEXURE II

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

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

Executive Directors	Ratio
Mr. Kumar Taurani	22.50
Mr. Ramesh Taurani	22.50

(b) **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year**: CEO: NIL, CFO: NIL, CS: 12.52%

(c) **The percentage increase in the median remuneration of employees in the financial year:** 60%

(d) **The number of permanent employees on the rolls of the Company:** 59 Employees as on March 31, 2015.

(e) **Explanation on the relationship between average increase in remuneration and the Company's performance:** The increase in remuneration depends on company's performance and individual contribution.

(f) **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:**

Particulars	%
Remuneration of KMP as % of revenue from operations	1.92%
Remuneration of KMP as % of profit before tax	59.42%

(g) **Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year:**

Particulars	As at March 31,2015	As at March 31,2014	Variation
Colsing rate of shares at BSE	₹ 41.70	₹ 39.85	4.64%
EPS	₹ 1.76	₹ (10.57)	116.65%
Market Capitalisation	₹ 6404.55 Lacs	₹ 6120.42 Lacs	4.64%
Price Earnings Ratio	₹ 23.69	₹ (3.77)	728.45%
Percentage Increase/ decrease of market quotations of the shares of the Company in comparison to the rate at which the Company came out with last Public offer	(86.76)%	(87.35)%	0.68%

(h) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:** The average increase in salaries of employees other than managerial personnel in the financial year 2014-15 was 9.85% and there was no increase in the percentage of managerial remuneration for the year 2014-15.

(i) **Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:**

Particulars	CEO	CFO	CS
Remuneration of KMP as % of revenue from operations	1.76	0.12	0.04
Remuneration of KMP as % of profit before tax	54.43	3.63	1.36

(j) **The key parameters for variable component of remuneration availed by the directors are as follows:** There were no parameters for variable component of remuneration availed by the directors for the year 2014-15.

(k) **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year**: One employee has received remuneration in excess of the Managing Director during the year. The Ratio is 0.9.

(l) **Affirmation that the remuneration is as per the remuneration policy of the Company:** The Company affirms remuneration is as per the remuneration policy of the Company.

STATEMENT PURSUANT TO RULE 5(2) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

List of employees of the Company employed throughout the financial year 2014-15 and were paid remuneration not less than ` 60 lakhs per annum:

Name of employee	Mr. Kumar Taurani	Mr. Ramesh Taurani	Mr. Sahas Malhotra
Designation of employee	Chairman & Managing Director	Managing Director	Senior V.P. Music (Digital)
Remuneration received	₹ 90 lacs p.a.	₹ 90 lacs p.a.	₹ 100 lacs p.a.
Nature of employment, whether contractual or otherwise	Employment	Employment	Employment
Qualifications	B.Com	B.Com	Economics (Hons)
Experience of the employee	35 Years	34 Years	21 Years
Date of commencement of employment	08/05/1996	27/09/2005	08/10/2010
Age of such employee	57 Years	55 Years	40 Years
Last employment held by such employee before joining the Company	-	-	Sony Music Entertainment India Pvt. Ltd.
% of equity shares held by the employee in the Company	18.764129%	18.725037%	0.000033%

Note : Mr. Kumar Taurani and Mr. Ramesh Taurani are related to each other.

ANNEXURE III

ANNUAL REPORT ON THE CORPORATE SOCIAL RESPONSIBILITY ACTIVTIES

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web- link to the CSR policy and projects and programs.** The Board has approved the CSR Policy of the Company pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The main objective of this policy is active involvement in the social and economic development of the society. For detailed policy, please refer our website at the below mentioned link:
http://www.tips.in/uploads/pdfupload/corporate_csr/Annexure_-_IV.pdf

2. **The composition of the CSR Committee.**
Mr. Kumar Taurani - Chairperson
Mr. Amitabh Mundhra - Member
Mrs. Radhika Pereira - Member

3. **Average Net Profit of the Company for last three financial years :** ₹ 325.88 lacs

4. **Prescribed CSR Expenditure (two percent of the amount as per item 3 above) :** ₹ 6.52 lacs

5. **Details of CSR spent during the financial year.**
   (a) Total amount to be spent for the financial year: ₹ 6.52 lacs
   (b) Amount unspent if any: NIL
   (c) Manner in which the amount spent during the financial year is detailed below:

6. **In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.** - Not Applicable

7. The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

(₹ in Lacs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs sub heads: (1) Direct Expenditure on projects: and programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
(1)	Contribution to the Prime Minister's National Relief Fund	Floods Disaster Relief	Jammu and Kashmir	6.52	11	11	Direct
TOTAL				**6.52**	**11**	**11**	

Sd/-
Kumar Taurani
DIN : 00555831
Chairman & Managing Director and Chairman of CSR Committee

Place: Mumbai
Date: May 8, 2015

ANNEXURE IV

EXTRACT OF ANNUAL RETURN as on financial year ended on March 31, 2015

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

I. REGISTRATION AND OTHER DETAILS:	
CIN	L92120MH1996PLC099359
Registration Date	May 8, 1996
Name of the Company	Tips Industries Limited
Category / Sub-Category of the Company	Company Limited by shares Indian Non- Government Company
Address of the Registered office and contact details	601, 6th floor, Durga Chambers, Linking Road, Khar West, Mumbai – 400052. **Contact No. :** +91 22 66431188
Whether Listed Company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any:	**Link Intime India Private Limited** C-13 Pannalal Silk Mills Compound, L B S Marg, Bhandup (West), Mumbai - 400078. **Contact No.:** +91 22 25963838

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service class	% to total turnover of the Company
1	Audio /Video Products	9219	31.04
2	Film Production & Distribution	9211	67.56

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of total Equity):

I Category-wise share holding:

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2014)	No. of Shares held at the end of the year (31.03.2015)	% Change

Category of Shareholders	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	during the year
A. Promoters									
(1) Indian									
(a) Individual/HUF	10712762	0	10712762	69.75	10712762	0	10712762	69.75	0.00
(b) Central Govt	0	0		0.00	0	0	0	0.00	0.00
(c) State Govt(s)	0	0		0.00	0	0	0	0.00	0.00
(d) Bodies Corp.	0	0		0.00	0	0	0	0.00	0.00
(e) Banks / FI	0	0		0.00	0	0	0	0.00	0.00
(f) Any other	0	0		0.00	0	0	0	0.00	0.00
Sub-total(A)(1):	1071276	0	10712762	69.75	10712762	0	10712762	69.75	0.00
(2) Foreign									
(a) NRIs - Individuals	0	0		0.00	0	0	0	0.00	0.00
(b) Other – Individuals	0	0		0.00	0	0	0	0.00	0.00
(c) Bodies Corp.	0	0		0.00	0	0	0	0.00	0.00
(d) Banks / FI	0	0		0.00	0	0	0	0.00	0.00
(e) Any other	0	0		0.00	0	0	0	0.00	0.00
Sub-total (A)(2):	0	0		0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	10712762	0	10712762	69.75	10712762	0	10712762	69.75	0.00
B. Public Shareholding									
(1) Institutions	0	0		0.00	0	0	0	0.00	0.00
(a) Mutual Funds	0	0		0.00	0	0	0	0.00	0.00
(b) Banks / FI	0	0		0.00	0	0	0	0.00	0.00
(c) Central Govt	0	0		0.00	0	0	0	0.00	0.00
(d) State Govt(s)	0	0		0.00	0	0	0	0.00	0.00
(e) Venture Capital Funds	0	0		0.00	0	0	0	0.00	0.00
(f) Insurance Companies	0	0		0.00	0	0	0	0.00	0.00
(g) FIIs	0	0		0.00	0	0	0	0.00	0.00
(h) Foreign Venture Capital Funds	0	0		0.00	0	0	0	0.00	0.00
(i) Others (specify)	0	0		0.00	0	0	0	0.00	0.00
Sub-total (B)(1):	0	0		0.00		0		0.00	0.00

(2)	**Non-Institutions**									
(a)	**Bodies Corp.**									
(I)	Indian	1796396	0	1796396	11.70	1900329	0	1900329	12.37	0.67
(ii)	Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b)	**Individuals**									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh	1772756	22462	1795218	11.69	1869251	22261	1891512	12.32	0.63
(ii)	Individual shareholders holding nominal share capital in excess of Rs 1 lakh	995630	0	995630	6.48	766576	0	766576	4.99	(1.49)
(c)	**Others (specify)**									
	ClearingMember	34655	0	34655	0.23	64283	0	64283	0.42	0.19
	Non resident Indians (Repat)	21112	50	21162	0.14	19231	50	19281	0.13	(0.01)
	Non resident Indians (Non Repat)	2817	0	2817	0.02	3897	0	3897	0.03	0.01
Sub-total(B)(2):		**4623366**	**22512**	**4645878**	**30.25**	**4623567**	**22311**	**4645878**	**30.25**	**0.00**
Total Public Shareholding (B)=(B)(1)+(B)(2)		**4623366**	**22512**	**4645878**	**30.25**	**4623567**	**22311**	**4645878**	**30.25**	**0.00**
C.	**Shares held by Custodian for GDRs & ADRs**	0	0	0	0.00	0	0	0	0.00	0
Total (c) :		**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Grand Total (A+B+C)		**15336128**	**22512**	**15358640**	**100.00**	**15336329**	**22311**	**15358640**	**100.00**	**0.00**

ii. **Shareholding of Promoters**

Sl.No.	Share holder's Name	Shareholding at the beginning of the year (01.04.2014)			Share holding at the end of the year (31.03.2015)			% change
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encum-bered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encum-bered to total shares	in share holdingd during the year
1	Kumar S. Taurani	2881915	18.76	0.00	2881915	18.76	0.00	**0.00**
2	Ramesh S. Taurani	2875911	18.73	0.00	2875911	18.73	0.00	**0.00**
3	Varsha R. Taurani	2474718	16.11	0.00	2474718	16.11	0.00	**0.00**
4	Renu K. Taurani	2468718	16.07	0.00	2468718	16.07	0.00	**0.00**
5	Shyam M. Lakhani	7000	0.05	0.00	7000	0.05	0.00	**0.00**
6	Kavita S. Lakhani	4500	0.03	0.00	4500	0.03	0.00	**0.00**
	TOTAL	**10712762**	**69.75**	**0.00**	**10712762**	**69.75**	**0.00**	**0.00**

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

There is no change in the Promoters' Shareholding during the financial year 2014-15.

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

Name of the Shareholder	Share holding		Date	Increase/ Decrease in share holding	Reason	Cumulative Share holding during the year (01.04.14 to 31.03.15)	
	No. Shares at the beginning of the year (01.04.2014)	% of total shares of the company				No. of Shares	% of total shares of the Company
Shastha Advisors Private Limited	914474	5.95	14/11/2014	-175000	Transfer	739474	4.81
			21/11/2014	-25000	Transfer	714474	4.65
			28/11/2014	-25000	Transfer	689474	4.49
			05/12/2014	-20000	Transfer	669474	4.36
			12/12/2014	-14845	Transfer	654629	4.26

Sunidhi Capital Pvt. Ltd.*	500000	3.26	20/06/2014	-500000	Transfer	NIL	N.A
Prithviraj Saremal Kothari*	212299	1.38	23/01/2015	-70000	Transfer	142299	0.93
			30/01/2015	-70000	Transfer	72299	0.47
			06/02/2015	-67299	Transfer	5000	0.03
Kiran j. Gokalgandhi*	133714	0.87	30/09/2014	-33714	Transfer	100000	0.65
			10/10/2014	-25000	Transfer	75000	0.49
			17/10/2014	-75000	Transfer	NIL	N.A
Pasha finance Pvt. Ltd.	100000	0.65	20/06/2014	500000	Transfer	600000	3.91
Devidas Jotumal Thawani	99531	0.65	N.A	NIL	Nil movement During the year	99531	0.65
Shiraz Ahmed Radiawala*	90001	0.59	09/05/2014	-13400	Transfer	76601	0.50
			16/05/2014	-5601	Transfer	71000	0.46
			04/07/2014	-31020	Transfer	39980	0.26
			11/07/2014	-4757	Transfer	35223	0.23
			18/07/2014	210	Transfer	35433	0.23
			25/07/2014	-5433	Transfer	30000	0.20
			12/09/2014	-30000	Transfer	NIL	N.A
Gordhan Prabhudas Tanwani	71000	0.46	N.A	NIL	Nil movement During the year	71000	0.46
Jiten Pravin Sheth*	39850	0.26	30/06/2014	-2118	Transfer	37732	0.25
			04/07/2014	-3370	Transfer	34362	0.22
			11/07/2014	-2395	Transfer	31967	0.21
			08/08/2014	-31000	Transfer	967	0.01
			29/08/2014	-967	Transfer	NIL	N.A
Chetan Ratilal Patel	34865	0.23	05/09/2014	1250	Transfer	36115	0.24
Riddisiddhi Bullions Limited#	17697	0.12	30/01/2015	140059	Transfer	157756	1.03
			06/02/2015	67330	Transfer	225086	1.47
Damyanti Jivandas Gokalgandhi#	NIL	0.00	30/09/2014	33714	Transfer	33714	0.22
			10/10/2014	14750	Transfer	48464	0.32
			17/10/2014	81800	Transfer	130264	0.85
			24/10/2014	-600	Transfer	129664	0.84

			31/10/2014	-462	Transfer	129202	0.84
			07/11/2014	-550	Transfer	128652	0.84
			14/11/2014	-500	Transfer	128152	0.83
			13/02/2015	-15	Transfer	128137	0.83
			20/03/2015	1450	Transfer	129587	0.84
			31/03/2015	136	Transfer	129723	0.84
Ajay Rajaram Londhe #	NIL	0.00	05/09/2014	1258	Transfer	1258	0.01
			12/09/2014	6922	Transfer	8180	0.05
			19/09/2014	900	Transfer	9080	0.06
			30/09/2014	1600	Transfer	10680	0.07
			10/10/2014	-3300	Transfer	7380	0.05
			17/10/2014	-1000	Transfer	6380	0.04
			31/10/2014	-1900	Transfer	4480	0.03
			14/11/2014	3250	Transfer	7730	0.05
			21/11/2014	-3376	Transfer	4354	0.03
			12/12/2014	20260	Transfer	24614	0.16
			19/12/2014	22943	Transfer	47557	0.31
			31/12/2014	1990	Transfer	49547	0.32
			02/01/2015	96	Transfer	49643	0.32
			09/01/2015	6799	Transfer	56442	0.37
			16/01/2015	1600	Transfer	58042	0.38
			23/01/2015	2115	Transfer	60157	0.39
			30/01/2015	18554	Transfer	78711	0.51
			06/02/2015	4585	Transfer	83296	0.54
			13/02/2015	750	Transfer	84046	0.55
			13/03/2015	1050	Transfer	85096	0.55
			20/03/2015	1768	Transfer	86864	0.57
			31/03/2015	2700	Transfer	89564	0.58
Rekhi Holdings Pvt Ltd#	NIL	N.A	31/03/2015	60000	Transfer	60000	0.39
Anand Rathi Share	NIL	N.A	25/04/2014	100	Transfer	100	0.00
& Stock Brokers			02/05/2014	4588	Transfer	4688	0.03
Limited#			09/05/2014	-4134	Transfer	554	0.00

			16/05/2014	17427	Transfer	17981	0.12
			23/05/2015	-16861	Transfer	1120	0.01
			30/05/2014	-920	Transfer	200	0.00
			06/06/2014	-200	Transfer	0	0.00
			20/06/2014	200	Transfer	200	0.00
			30/06/2014	-200	Transfer	0	0.00
			04/07/2014	50	Transfer	50	0.00
			01/08/2014	3957	Transfer	4007	0.03
			08/08/2014	13406	Transfer	17413	0.11
			15/08/2014	-17363	Transfer	50	0.00
			10/10/2014	24400	Transfer	24450	0.16
			17/10/2014	-24300	Transfer	150	0.00
			24/10/2014	-100	Transfer	50	0.00
			31/10/2014	7001	Transfer	7051	0.05
			07/11/2014	1830	Transfer	8881	0.06
			14/11/2014	-8381	Transfer	500	0.00
			21/11/2014	2439	Transfer	2939	0.02
			28/11/2014	-2641	Transfer	298	0.00
			05/12/2014	273	Transfer	571	0.00
			12/12/2014	-402	Transfer	169	0.00
			19/12/2014	100	Transfer	269	0.00
			31/12/2014	14406	Transfer	14675	0.10
			02/01/2015	20025	Transfer	34700	0.23
			09/01/2015	-2	Transfer	34698	0.23
			16/01/2015	-48	Transfer	34650	0.23
			23/01/2015	255	Transfer	34905	0.23
			30/01/2015	-255	Transfer	34650	0.23
			06/02/2015	100	Transfer	34750	0.23
			13/02/2015	-10	Transfer	34740	0.23
			20/02/2015	-140	Transfer	34600	0.23
			27/03/2015	9900	Transfer	44500	0.29
			31/03/2015	100	Transfer	44600	0.29

** Ceased to be in the list of Top 10 shareholders as on 31-03-2015. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2014.*

Not in the list of Top 10 shareholders as on 01-04-2014. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2015.

v. **Shareholding of Directors and Key Managerial Personnel:**

Name of the Shareholder	Share holding		Date	Increase/ Decrease in share holding	Reason	Cumulative Share holding during the year (01.04.14 to 31.03.15)	
	No. Shares at the beginning of the year (01.04.2014)	% of total shares of the company				No. of Shares	% of total shares of the Company
Mr. Kumar Taurani Chairman & Managing Director	2881915	18.86	N.A	Nil	Nil movement During the year	2881915	18.76
Mr. Ramesh Taurani Managing Director	2875911	18.73	N.A	Nil	Nil movement During the year	2875911	18.73
Mr. Ishwar Gursahani Chief Financial Officer	1500	0.01	21/11/2014	-1490	Transfer	10	0.00
Ms. Bijal Patel Company Secretary	NIL	N.A	N.A	N.A	N.A	N.A	N.A

Mr. Amitabh Mundhra, Mrs. Radhika Pereira & Mr. Vijay Agarwal, Independent Directors of the Company do not hold any share of the Company.

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	13002.08	234.00	46.00	13282.08
ii) Interest due but not paid	15.75	0.00	4.96	20.71
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	**13017.83**	**234.00**	**50.96**	**13302.79**

(₹ in Lacs)

Change in Indebtedness during the financial year				
Addition	2311.90	45.00	0.00	2356.90
Reduction	4790.69	229.00	46.00	5065.69
Net Change	(2478.79)	(184.00)	(46.00)	(2708.79)
Indebtedness at the end of the financial year				
i) Principal Amount	10523.29	50.00	0.00	10573.29
ii) Interest due but not paid	15.22	0.00	0.00	15.22
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	**10539.51**	**50.00**	**0.00**	**10588.51**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lacs)

Sl.No	Particulars of Remuneration		Name of MD & CEO		Total Amount
			Mr. Kumar Taurani	Mr. Ramesh Taurani	
1	Gross salary				
	a.	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	90.00	90.00	180.00
	b.	Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL
	c.	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
2	Stock Option		NIL	NIL	NIL
3	Sweat Equity		NIL	NIL	NIL
4	Commission				
	- as % of profit		NIL	NIL	NIL
	- others, specify		NIL	NIL	NIL
5	Others, please specify		NIL	NIL	NIL
	Total (A)		**90.00**	**90.00**	**180.00**
	Ceiling as per the Act		**The Central Government has approved the aforesaid remuneration vide letter dated December 9, 2013.**		

B. Remuneration to other directors:

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Amitabh Mundhra	Mrs. Radhika Pereia	Mr. Vijay Agarwal	
1	**Independent Directors**				
	Fee for attending board / committee meetings	0.80	1.10	0.90	2.80
	Commission	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL
	Total (B1)	**0.80**	**1.10**	**0.90**	**2.80**
	Other Non-Executive Directors	**NIL**			
	Total (B2)	**NIL**			
2	**Total (B=B1+B2)**				**2.80**
	Overall Ceiling as per the Act	**Sitting fees not exceeding rupees one lakh per meeting of the Board or committee in terms of rules 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**			

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

(₹ in Lacs)

Sl. No.	Particulars of Remuneration		Key Managerial Personnel		
			CFO	CS	Total
1	**Gross salary**				
	a.	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12.00	4.50	16.50
	b.	Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL
	c.	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
2	Stock Option		NIL	NIL	NIL
3	Sweat Equity		NIL	NIL	NIL
4	Commission				
	- as % of profit		NIL	NIL	NIL
	- others, specify		NIL	NIL	NIL
5	Others, please specify		NIL	NIL	NIL
	Total C		**12.00**	**4.50**	**16.50**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for the year ending March 31, 2015.

CORPORATE GOVERNANCE REPORT

CORPORATE PHILOSOPHY :

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

The Company has complied with the requirements of the guidelines on Corporate Governance stipulated under Clause 49 of the Listing Agreements with the Stock Exchanges.

BOARD OF DIRECTORS:

- **Composition of Board:**

  The Board of Directors comprise of prominent professionals having significant and diversified experience in their respective fields. The Board provides leadership and guidance to the management and directs, supervises and controls the performance of the Company.

  The Company has an optimum combination of Executive and Non- Executive Directors with one woman director. As on March 31, 2015, the Board consists of five Directors comprising of two Executive Directors and three Non-Executive Independent Directors.

- **Category/ position of Directors and the number of companies and committees where he / she is Director / Member / Chairman in other companies as on March 31, 2015:**

Name	Category / position	No. of Directorships in other public Ltd Companies	Chairmanship / Membership of Committees in other Public Ltd Companies	
			Chairman	Member
Mr. Kumar Taurani DIN : 00555831	Promoter & Executive Director (Chairman & Managing Director)	NIL	NIL	NIL
Mr. Ramesh Taurani DIN : 00010130	Promoter & Executive Director (Managing Director)	NIL	NIL	NIL
Mr. Amitabh Mundhra DIN : 00014227	Non-Executive Independent Director	4	NIL	NIL
Mrs. Radhika Pereira DIN : 00016712	Non-Executive Independent Director	3	NIL	1
Mr. Vijay Agarwal DIN: 00058548	Non-Executive Independent Director	9	2	7

Notes:

- ✓ None of the Directors of the Company are members in more than ten committees and Chairman in more than five committees across all the Companies in which they are Directors. (This includes directorships in all public limited companies whether listed or not and excludes directorships in private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013).
- ✓ In accordance with Clause 49 of the Listing Agreement, the disclosure includes Memberships/Chairmanships of only the Audit Committees and Stakeholders' Relationship Committee in all public limited companies (listed and unlisted).
- ✓ Mr. Kumar Taurani and Mr. Ramesh Taurani are related to each other.

- **Independent Directors:**

  The Independent Directors fulfil the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and rules made thereunder and meet with requirement of Clause 49 of the Listing Agreement entered into with the Stock Exchanges. As per the provision Companies Act, 2013 and Listing Agreement, terms and conditions of appointment of independent directors has been disclosed on the website of the Company at the below mentioned link:

  http://www.tips.in/uploads/pdfupload/corporate_governance/Terms_Conditions_of_Appointment_of_Independent_Directors.pdf

- **Board Meetings:**

  The Board of Directors of the Company met five times during the financial year i.e. from April 1, 2014 to March 31, 2015 on May 9, 2014, June 27, 2014, August 8, 2014, November 12, 2014 and February 5, 2015. The maximum gap between two Board meetings was less than one hundred and twenty days.

  Agenda papers containing all necessary information/ documents are made available to the Board in advance to enable the Board to discharge its responsibilities effectively and take informed decisions.

- **Attendance of each Director at the Board meetings during the year and last Annual General Meeting:**

Name	No. of Board Meeting		Attendance at last AGM held on August 8,2014
	Held	Attended	
Mr. Kumar Taurani	5	5	Yes
Mr. Ramesh Taurani	5	4	No
Mr. Amitabh Mundhra	5	4	Yes
Mrs. Radhika Pereira	5	5	Yes
Mr. Vijay Agarwal	5	4	No
Ms. Sunita Menon*	5	N.A	N.A

** Ms. Sunita Menon has resigned from the board on May 7, 2014*

- **Performance Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a separate exercise was carried out to evaluate the performance of Independent Directors and Board as whole.

Performance evaluation of Independent Directors was done by the entire Board of Directors excluding the director being evaluated and evaluation of the Board as whole was done by Independent Directors.

Some of the key criteria for performance evaluation are as follows:-

Performance evaluation of Independent Directors:

- ➢ Maintains confidentiality.
- ➢ Devote sufficient time and attention towards the

Company.

- Strive to attend all the Board and Committee Meetings.
- Participation in Board and Committee Meetings actively and consistently.
- Exercise his/her responsibilities in a bona fide manner in the interest of the Company and stakeholders.

Performance evaluation of Board as whole:

- Act objectively and constructively while exercising the duties.
- Maintain transparency.
- The Board monitors compliances with all laws, orders, regulations and corporate governance rules.
- The Board is able to take into consideration all the stakeholders concerns i.e. shareholders, employees, suppliers & consumers.

The Board was satisfied with the evaluation results, which reflected the overall engagement of the Boards with the Company.

- **Familiarisation Programme for Independent Directors:**

Pursuant to the provisions of Clause 49(II)(B)(7) of the Listing Agreement, the Board of Directors in its meeting held on November 12, 2014 had formulated a policy to familiarise the Independent Directors with the Company.

Whenever any director joins the Board of the Company as an Independent Director, an induction programme is arranged for him / her wherein he / she is familiarised with the Company, their roles, rights and responsibilities in the Company, the code of conduct to be adhered, nature of the industry in which the Company operates, interact with the management, team members etc.

The details of the said programme have been disclosed on website at the below mentioned link:

http://www.tips.in/uploads/pdfupload/corporate_governance/Familiarisation_programme_for_Independent_Directors.pdf

- **Code of Conduct:**

The Board has laid down a code of conduct for all Board members and senior management of the Company. Additionally all independent directors of the Company shall be bound by duties of as set out in the Companies Act, 2013 read with the Schedules and Rules made thereunder.

The Company has received affirmation of compliance with the Code of Conduct from all the Board members and senior management of the Company. The Chairman & Managing Director has confirmed and declared that all Board members and senior management have affirmed compliance with the code of conduct. The code of conduct is available on the website of the Company.

- **Prevention of Insider Trading:**

The Company has adopted a Code of Conduct for Prevention of Insider Trading in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 with a view to regulate trading in securities by the directors, officer and designated employees of the Company. The Code requires pre-clearance for dealing in the company's shares beyond threshold limits.

Further, it prohibits the purchase or sale of company's shares by the Directors, officer and designated employees while in possession of unpublished price sensitive information in relation to the Company during the period when the Trading Window is closed. The Company Secretary is the Compliance officer for monitoring the said regulation.

BOARD COMMITTEES:

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

The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all Directors individually and tabled at the Board Meetings.

I. AUDIT COMMITTEE:

The Audit Committee has been constituted as per the requirement of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. Members of the Audit Committee possess financial / accounting expertise / exposure. Annual General Meeting held on August 8, 2014 was attended by the Chairman of the Committee to answer shareholders' queries.

- **Composition:**

During the year 2014-15, the Audit Committee comprises of the following members of the Board:

Name of the Members	Designation	Category
Mr. Amitabh Mundhra	Chairperson	Independent Director
Mrs. Radhika Pereira	Member	Independent Director
Mr. Vijay Agarwal	Member	Independent Director
Ms. Sunita Menon*	Member	Independent Director

** Ms. Sunita Menon has resigned from the board on May 7, 2014*

Ms. Bijal Patel, Company Secretary, acts as the Secretary of the Committee.

Apart from the Audit Committee members, the Audit Committee meeting is also attended by Key Management Personnel, Statutory Auditors and Internal Auditors. The internal audit reports are also laid before the Audit Committee by the internal auditors.

- **Number of Meetings held during the year:**

The Committee met five times during the year on May 9, 2014, June 27, 2014, August 8, 2014, November 12, 2014, and February 5, 2015.

- **Attendance of the Members during the year :**

Name of the Members	Number of Meetings	
	Held	Attended
Mr. Amitabh Mundhra	5	4
Mrs. Radhika Pereira	5	5
Mr. Vijay Agarwal	5	4
Ms. Sunita Menon*	5	N.A

** Ms. Sunita Menon has resigned from the board on May 7, 2014*

- **Terms of Reference:**

Pursuant to Clause 49 and Listing Agreement and Section 177 of the Companies Act, 2013, The role of the Audit Committee, interalia, includes the following:-

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommend to the Board, the appointment, re-

appointment, terms of appointment, remuneration and, if required, replacement or removal of Statutory Auditors and fixation of Audit fees;

- Approval of payment to statutory auditors for any other services rendered by them;
- Reviewing, with the management the annual financial statements and auditors' report thereon before submission to the Board for approval with particular reference to the matters stated under sub clause (a) to (g) of Clause 49(II)(D)(4);
- Reviewing, with the management the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non- payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after

assessing the qualifications, experience & background etc. of the candidate;

- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

II. NOMINATION AND REMUNERATION COMMITTEE:

The Board of Directors at its meeting held on May 9, 2014 has changed the nomenclature of the Remuneration Committee to "Nomination and Remuneration Committee", in accordance with Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into with Stock Exchanges.

- **Composition:**

During the year 2014-15, the Board has re-constituted the committee which consists of following members of the Board:

Name of the Members	Designation	Category
Mr. Vijay Agarwal*	Chairperson	Independent Director
Mrs. Radhika Pereira	Member	Independent Director
Mr. Amitabh Mundhra	Member	Independent Director
Ms. Sunita Menon#	Member	Independent Director

** Mr. Vijay Agarwal was appointed as member of the Committee on May 9, 2014 and further he was appointed as chairperson of the Committee on November 12, 2014 in place of Mrs. Radhika Pereira.*

#Ms. Sunita Menon has resigned from the board on May 7, 2014

Ms. Bijal Patel, Company Secretary, acts as the Secretary of the Committee.

- **Number of Meetings held during the year:**

The Committee met two times during the year on June 27, 2014 and March 25, 2015.

- **Attendance of the Member during the year :**

Name of the Members	Number of Meetings	
	Held	Attended
Mr. Vijay Agarwal	2	2
Mrs. Radhika Pereira	2	2
Mr. Amitabh Mundhra	2	1
Ms. Sunita Menon*	2	N.A

** Ms. Sunita Menon has resigned from the board on May 7, 2014*

- **Terms of Reference:**

  - To identify persons who are qualified to become Directors, KMP and Senior Management personnel;
  - To recommend to the Board for appointment and removal of Director, KMP and Senior Management personnel;
  - To formulate criteria for determining qualification, positive attributes and independence of a Director;
  - To formulate criteria for evaluation of Independent Director and the Board;
  - To recommend to the Board a policy for remuneration of Directors, KMP and Senior Management Personnel;
  - To formulate the policy of remuneration and ensures that -
    - ✓ The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
    - ✓ Relationship of remuneration to performance is

clear and meets appropriate performance benchmarks and;

- ✓ Balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

- ➢ To devise a policy on Board diversity;
- ➢ To carry out any other responsibilities and duties delegated to it by the Board from time to time.

- **Remuneration to the Directors:**

Detail of Directors' Remuneration paid to Executive and Non-Executive Directors for the year ended March 31, 2015 is as stated below:

(i) Executive Directors:

Terms of Agreement	Mr. Kumar Taurani	Mr. Ramesh Taurani
Date of Appointment	June 1, 2012	June 1, 2012
Period of Agreement	3 years	3 years
Valid Upto	May 31, 2015	May 31, 2015
Salary & other allowances	₹ 90 lacs p.a.	₹ 90 lacs p.a.
Perquisites	-	-
Notice Period	30 days	30 days

Notes:

Mr. Kumar Taurani and Mr. Ramesh Taurani were re-appointed as Managing Director of the Company for the period of three years w.e.f. June 1, 2012 to May 31, 2015 at a gross remuneration of ₹ 150 lacs p.a. i.e. ₹ 12.50 lacs p.m. and approval(s) from the shareholders for the same was obtained in the Annual General Meeting held on July 27, 2012. Application(s) to pay the aforesaid remuneration was made to Central Government vide letter dated October 4, 2012.

However, the Central Government vide letter dated December 9, 2013 approved to pay remuneration of ₹ 90 lacs p.a i.e. ₹ 7.50 lacs p.m. to Mr. Kumar Taurani and Mr. Ramesh Taurani for the aforesaid period. Therefore, excess remuneration of ₹ 160 lacs has been paid for the period June 1, 2012 to September 30, 2013.

Further, the Company has made revised application(s) on December 24, 2013 to Central Government for enhancement of remuneration of ₹ 150 lacs p.a to Mr. Kumar Taurani & Mr. Ramesh Taurani and reminder letter(s) has been sent on December 2, 2014 for the same. Approval(s) for the same is awaited. Accordingly, the required adjustments in the accounts for excess remuneration, if any, will be made on the matter reaching finality.

ii. Non-Executive Independent Directors:

Non-Executive Directors do not draw any remuneration from the Company except the sitting fees as permitted under the Companies Act, 2013 for attending the Board and Committee Meetings. During the year 2014-15, the total sitting fees paid to the Non-Executive Independent Directors are as stated below:

Name of the Directors	Total Sitting Fees
Mr. Amitabh Mundhra	₹ 0.80 lacs
Mrs. Radhika Pereira	₹ 1.10 lacs
Mr. Vijay Agarwal	₹ 0.90 lacs
Ms. Sunita Menon*	NIL

**Ms. Sunita Menon has resigned from the board on May 7, 2014*

- **Nomination and Remuneration Policy:**

The Nomination and Remuneration Policy has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors of the

Company in compliance of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Policy has been disclosed on website at the below mentioned link:

http://www.tips.in/uploads/pdfupload/corporate_governance/Annexure_-_III.pdf

III. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Board of Directors at its meeting held on May 9, 2014 has changed the nomenclature of the Shareholders Grievance and Share Transfer Committee to "Stakeholders' Relationship Committee" and enlarges the scope of the committee as required under the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

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

- **Composition:**

Name of the Members	Designation	Category
Mrs. Radhika Pereira	Chairperson	Non – Executive Independent Director
Mr. Kumar Taurani	Member	Executive Director
Mr. Ramesh Taurani	Member	Executive Director

Ms. Bijal Patel, Company Secretary, acts as the Secretary of the Committee.

- **Number of Meetings held during the year:**

The Committee met four times during the year on May 9, 2014, August 8, 2014, November 12, 2014, and February 5, 2015.

- **Attendance of the Members during the year:**

Name of the Members	Number of Meetings	
	Held	Attended
Mrs. Radhika Pereira	4	4
Mr. Kumar Taurani	4	4
Mr. Ramesh Taurani	4	3

- **The details of Complaints received, redressed/ pending during the financial year 2014-15 is given below:**

Pending at the beginning of the year	Received during the year	Redressed / Replied during the year	Pending at the year
NIL	6	6	NIL

- **Compliance officer:**

Name: Ms. Bijal Patel

Designation: Company Secretary

Address: 601, Durga Chambers, 6th Floor, Linking Road, Khar(W), Mumbai - 400052.

Tel No.: 022- 66431188

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

IV. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors, at its meeting held on May 9, 2014, has constituted the Corporate Social Responsibility Committee. As per the provision of Section 135 of the Companies Act, 2013 read with rules made thereunder, the Company was required to spent ₹ 6.52 lacs for the financial year 2014-15.

- **Composition:**

Name of the Members	Designation	Category
Mr. Kumar Taurani	Chairperson	Managing Director
Mr. Amitabh Mundhra	Member	Independent Director
Mrs. Radhika Pereira	Member	Independent Director

Ms. Bijal Patel, Company Secretary, acts as the Secretary of the Committee.

- **Number of Meetings and Attendance of the member held during the year:**

  The Committee met once during the year on November 12, 2014.

  All the members of the committee were present for the meetings.

- **Terms of reference:**

  - Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII;
  - Recommend the amount of expenditure to be incurred on the CSR activities as referred in Schedule VII;
  - Monitor the CSR Policy of the Company from time to time;
  - Any other matter as may be considered expedient in furtherance of and to comply with the CSR Policy of the Company.

SEPARATE MEETING OF INDEPENDENT DIRECTORS:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Agreement, a separate meeting of the Independent Directors of the Company was held on March 25, 2015 to review the performance of Non-Independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties.

GENERAL BODY MEETINGS:

LOCATION, DATE, AND TIME OF LAST THREE AGMS HELD

- **Financial Year 2013-14 :**

  Date : August 8, 2014

  Time : 11.00 a.m.

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

  Special Resolutions: Borrowing Limit and Creation of Charges in connection with borrowing of the Company as per the requirements of provision of Section 180(1)(c) of the Companies Act, 2013.

- **Financial Year 2012-13:**

  Date: August 29, 2013

  Time: 4.00 p.m.

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

  Special Resolutions: NIL

- **Financial Year 2011-12:**

  Date: July 27, 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 ₹ 12.50 lacs per month respectively.

POSTAL BALLOT:

During the year under review, no resolution has been passed through the exercise of postal ballot.

DISCLOSURES:

- **Related Party Transaction:**

  There were no material transactions with related parties as defined under the Clause 49 of the Listing agreement.

  Pursuant to the applicable provisions of Clause 49 of the Listing Agreement, the Board of Directors in its meeting held on November 12, 2014 had adopted the Policy on Related Party Transactions. The said policy has been disclosed on website at the below mentioned link:

  http://www.tips.in/uploads/pdfupload/corporate_governance/Policy_on_Related_Party_Transactions.pdf

- **Risk Management:**

  Business risk evaluation and management is ongoing process within the Company. The assessment is periodically examined by the board.

- **Whistle Blower Policy / Vigil Mechanism Policy:**

  Pursuant to provisions of Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013 read with rules made thereunder, the Board of Directors in its meeting held on November 12, 2014 has adopted a "Whistle Blower Policy/ Vigil Mechanism Policy" for directors and employees of the Company.

  There has been no complaint during the year ended March 31, 2015 and no employee of the Company was denied access to meet the Chairman of the Audit Committee in this regard.

  The detail of establishment of Whistle Blower Policy/ Vigil Mechanism has been disclosed on website at the below mentioned link:

  http://www.tips.in/uploads/pdfupload/corporate_governance/Whistle_Blower_Policy-Vigil_Mechanism_policy.pdf

- **Disclosure of Accounting Standard:**

  In the preparation of the financial statement, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

- **Disclosure of non-compliance of the Company:**

  The Company has complied with all the requirements of regulatory authorities. There has been no instance of non compliance by the Company on any matter related to capital market during the last three years and hence, no penalties were imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital market during the last three years.

- **Mandatory Requirements:**

  The Company has complied with all the mandatory requirements as prescribed in Annexure - XII of Clause 49 of the Listing Agreement.

- **Non – Mandatory Requirements:**

  Adoption of non-mandatory requirement of Clause 49 of the Listing Agreement is being reviewed by the board from time-to time.

CEO/CFO CERTIFICATION:

As required under Clause 49 of the Listing Agreement, the CEO/CFO Certificate has been attached as a part of the Annual Report.

RECONCILIATION OF SHARE CAPITAL AUDIT REPORT:

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, Practicing Company Secretaries, to reconcile the total admitted capital with NSDL and CDSL and total issued and listed capital.

CERTIFICATES UNDER CLAUSE 47 (C) OF THE LISTING AGREEMENT:

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

MEANS OF COMMUNICATION:

Quarterly results are published in Asian Age/Business Standard/Financial Chronicle and Mumbai Lakshadeep. It is also published in prominent daily newspapers viz., The Economic Times in English & Gujarati Newspaper. 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.

GENERAL SHAREHOLDERS INFORMATION:

- **Annual General Meeting:**

Date	August 14, 2015
Day	Friday
Time	11.00 a.m.
Venue	The Jubilee Room, Hotel Sun-N-Sand, Juhu, Mumbai- 400049

- **Financial Year :**

Financial Year	April 1, 2014 to March 31, 2015
Date of Book Closure	August 8, 2015 to August 14, 2015 (both days inclusive)
Dividend Payment Date	On or before September 12, 2015

- **Listing on Stock Exchanges:**

The Company's shares are listed on Bombay Stock Exchange (BSE) and The National Stock Exchange of India Ltd. (NSE).

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.

The Company has paid the Listing Fees to the above Stock Exchanges for the financial year 2015-16.

- **Stock Code:**

Stock Exchange	Code
BSE	532375
NSE	TIPSINDLTD

- **International Securities Identification Number (ISIN):** INE716B01011
- **Corporate Identification No (CIN):** L92120MH1996PLC099359
- **Dematerialization of Shares:**

The International Securities Identification Number (ISIN) allotted to the Company is INE716B01011. As on March 31, 2015, 15336329 shares representing 99.85% of the Company's paid-up share capital (including 69.75% held by the Promoters) were held in dematerialized form with

National Securities Depository Limited (NSDL) as well as the Central Depository Services (India) Limited (CDSL).

The break-up of Equity shares held in physical and Demat form as on March 31, 2015 is given below:

Particulars	Shares	%
Physical Shares	22311	0.15
Demat Shares		
NSDL	12979631	84.51
CDSL	2356698	15.34
Total	**15358640**	**100.00**

- **Market Price Data:**

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

Month	Share Prices on the BSE		Share Prices on the NSE	
	Highest (₹)	Lowest (₹)	Highest (₹)	Lowest (₹)
Apr-14	43.80	39.20	42.75	39.00
May-14	53.90	36.70	53.60	37.60
Jun-14	57.40	42.15	56.00	44.70
Jul-14	48.20	38.65	48.35	37.40
Aug-14	45.90	37.50	47.00	36.45
Sep-14	46.20	37.20	47.45	38.15
Oct-14	68.40	39.00	69.00	38.25
Nov-14	83.50	52.75	83.50	52.50
Dec-14	78.70	51.25	78.50	51.00
Jan-15	69.25	53.25	70.60	52.35
Feb-15	62.30	43.60	62.80	43.30
Mar-15	51.50	34.50	50.90	34.20

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

Months	Closing Share Price		Closing Share Price	
	Tips (₹) BSE	Sensex (₹)	Tips (₹) NSE	Sensex (₹)
Apr-14	40.95	22417.80	40.75	6696.40
May-14	43.70	24217.34	44.40	7229.95
Jun-14	47.55	25413.78	47.90	7611.35
Jul-14	40.95	25894.97	40.85	7721.30
Aug-14	38.70	26638.11	39.00	7954.35
Sep-14	40.25	26630.51	39.70	7964.80
Oct-14	58.05	27865.83	58.00	8322.20
Nov-14	74.00	28693.99	73.80	8588.25
Dec-14	54.10	27499.42	54.35	8282.70
Jan-15	58.00	29182.95	58.00	8808.90
Feb-15	47.45	29361.50	47.20	8901.85
Mar-15	41.70	27957.49	42.20	8491.00

- **Distribution of Shareholding as on March 31, 2015:**

No. of Equity Shareholdings	No. of Shareholders	Percentage of shareholders	No. of Shares	Percentage of shareholding
1 - 500	5150	86.35	677952	4.41
501 -1000	407	6.82	334060	2.18
1001 –2000	177	2.97	271331	1.77
2001 –3000	63	1.06	163619	1.07
3001 – 4000	32	0.54	113571	0.74
4001 – 5000	34	0.57	159018	1.04
5001 – 10000	58	0.97	422856	2.75
10001-above	43	0.72	13216233	86.05
Total	**5964**	**100.00**	**15358640**	**100.00**

- **Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity:**

The Company has not issued any GDRs/ ADRs/ Warrants and there are no outstanding convertible instruments as on March 31, 2015.

- **Shareholding Pattern as on March 31, 2015:**

Category	No. of Equity Shares held	Percentage (%) of share held
Promoters	4954936	32.26
Promoter & Directors	5757826	37.49
Non Resident Indians	19281	0.13
Non Resident (Non- Repatriable)	3897	0.03
Other Bodies Corporate	1900329	12.37
Public	2658088	17.31
Clearing Member	64283	0.42
TOTAL	**15358640**	**100.00**

- **Address for Correspondence :**

Registered Office:

Tips Industries Limited
Address: 601, Durga Chambers, 6th Floor, Linking Road, Khar (West), Mumbai 400052
Tel No.: 022-66431188
Fax No.: 022-66431189
Email I.D.: response@tips.in

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

For and on behalf of the Board of Directors

Sd/-
Kumar S. Taurani
DIN: 00555831
Chairman and Managing Director

Place: Mumbai
Date: May 8, 2015

DECLARATION FROM THE CHAIRMAN AND MANAGING DIRECTOR

[Pursuant to Clause 49(II)(E)(ii) of the Listing Agreement]

To,

The Members of Tips Industries Limited,

As provided under Clause 49(II)(E)(ii) of the Listing Agreement with the Stock Exchange, the Board Members and the Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for the year ended on March 31, 2015

For **Tips Industries Limited**

Sd/-
Kumar S. Taurani
DIN : 00555831
Chairman & Managing Director

Place: Mumbai
Date: May 8, 2015

CEO AND CFO CERTIFICATION

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

We, Kumar S. Taurani, Chairman and Managing Director of Tips Industries Limited and I. T. Gursahani, Chief Financial Officer of Tips Industries Limited, do hereby certify to the Board that:

(a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2015 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.

Sd/-
Kumar S. Taurani
Chairman & Managing Director

Date: May 8, 2015
Place: Mumbai

Sd/-
Ishwar T. Gursahani
Chief Financial Officer

Date: May 8, 2015
Place: Mumbai

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 (Company) for the year ended on March 31, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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.

   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 **SSPA & Associates**
Firm Registration Number: 131069W
Chartered Accountants

Parag Ved
Partner
Membership Number : 102432

Date: May 8, 2015
Place: Mumbai

INDEPENDENT AUDITORS' REPORT

To the Members of Tips Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Tips Industries Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2015, 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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards and pronouncement 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.

An audit involves performing procedures to obtain audit evidence, about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view 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 Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Emphasis of matter

Attention in invited to Note 29 to the financial statements with respect to the excess managerial remuneration paid in the

earlier years for which the Company has made an application to the Central Government, which is pending approval. Our audit opinion is not qualified in respect of this matter.

Basis for Qualified Opinion

Attention in invited to Note 33 to the financial statements for the year ended March 31, 2015 regarding non recognition of Deferred tax liability on timing differences in accounting of inventory. In the absence of adequate information we are unable to quantify its impact on the profits for the year and on the reserves as at March 31, 2015.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid 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 of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by 'The Companies (Auditor's Report) Order, 2015' (hereinafter referred to as the "Order"), issued by the Central Government of India in terms of sub – section 11 of section 143 of the Companies Act, 2013 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 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and, except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

(b) Except for the impact of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) Except for the impact of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

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

i. The Company has disclosed the impact of pending litigations as at March 31, 2015 on its financial position in its financial statements – Refer Note 28 to the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For SSPA & Associates
Firm Registration Number: 131069W
Chartered Accountants

Sd/-

Parag Ved
Partner
Membership Number : 102432

Place : Mumbai
Date : May 8, 2015

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of Tips Industries Limited ('The Company') for the year ended March 31, 2015. We report that:-

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

   (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

2. (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.

   (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

   (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

3. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, clauses (iii)(a) and (iii) (b) of the Order are not applicable to the Company for the current year.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, 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 aforesaid internal control system.

5. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under.

6. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Duty of Custom, Excise Duty, Value Added tax, cess and other statutory dues as applicable with the appropriate authorities.

   (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of Income tax, Sales tax and cess as at March 31, 2015 which have not been deposited on account of disputes are as follow:

Nature of Statute	Nature of Dues	Amount (₹ in Lacs)	Period to which the amount relate	Forum where the dispute is Pending
Maharashtra VAT Act, 2005	Sales tax, interest and penalty	35.66 63.83 148.19 151.30 173.60 410.83	F.Y 2005-06 F.Y 2006-07 F.Y 2007-08 F.Y 2008-09 F.Y 2009-10 F.Y 2010-11	Commissioner of Sales Tax (Appeals)

(c) According to the information and explanations given to us and the records of the Company examined by us, there are no amount required to transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.

8. There are no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date and has incurred cash losses in the immediately preceding financial year.

9. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.

10. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.

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

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

Sd/-

Parag Ved
Partner
Membership No. 102432

Place: Mumbai
Date: May 8, 2015

BALANCE SHEET As At March 31 2015

(₹ In Lacs)

Particulars	Note No.	As at March 31, 2015	As at March 31, 2014
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share capital	2	1,536	1,536
(b) Reserves and surplus	3	5489	5,446
		7,025	**6,982**
(2) Non-Current Liabilities			
(a) Long-term borrowings	4	8,970	6,042
(b) Other Long Term Liabilities	5	17	12
(c) Long-term provisions	6	28	-
		9,015	**6,054**
(3) Current Liabilities			
(a) Short-term borrowings	7	50	5,839
(b) Trade payables	8	85	840
(c) Other current liabilities	9	1,662	4,129
(d) Short-term provisions	10	187	191
		1,984	**10,999**
TOTAL		**18,024**	**24,035**
II. ASSETS			
(1) Non-current Assets			
(a) Fixed Assets	11		
(I) Tangible assets		2,758	2,956
(b) Non-current investments	12	11	1
(c) Long-term loans and advances	13	924	1,064
(d) Other Non-Current Assets	14	190	2
		3,883	**4,023**
(2) Current Assets			
(a) Inventories	15	9,780	14,939
(b) Trade receivables	16	320	498
(c) Cash and Bank Balances	17	1,093	1,291
(d) Short-term loans and advances	18	2,914	3,250
(e) Other Current assets	19	34	34
		14,141	**20,012**
TOTAL		**18,024**	**24,035**
Significant Accounting Policies	1		
Notes to Financial Statements	2 - 36		

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

Sd/-
Parag Ved
Partner
Membership No. 102432

Place : Mumbai
Date: May 8, 2015

For and on behalf of Board of Directors of
Tips Industries Limited

Sd/-
Kumar S. Taurani
Chairman & Managing Director

Sd/-
Bijal Patel
Company Secretary

Place : Mumbai
Date: May 8, 2015

Sd/-
I T Gursahani
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS for the Year Ended March 31, 2015

(₹ In Lacs)

Particulars	Note No.	As at March 31, 2015	As at March 31, 2014
I. Revenue from operations	20	10,235	10,367
II. Other income	21	146	184
III. **Total Revenue (I + II)**		**10,381**	**10,551**
IV. **Expenses:**			
Cost of materials consumed	22	2	-
Changes in inventories of finished goods	23	2	-
Cost of Production / Distribution of Expenses	24	6,405	6,714
Employee benefits expense	25	581	608
Finance costs	26	1,155	1,066
Depreciation and amortization expense	11	175	188
Other expenses	27	1,730	3,526
Total Expenses		**10,050**	**12,102**
V. Profit / (Loss) before Tax		**331**	**(1,551)**
VI. Tax Expenses:			
(1) Current Tax		59	-
(2) Taxes in respect of earlier years		2	73
VII. Profit / (Loss) for the year		**270**	**(1,624)**
VIII. Earnings per equity share of ₹10/- each			
(1) Basic	32(b)	1.76	(10.57)
(2) Diluted	32(b)	1.76	(10.57)
Significant Accounting Policies	1		
Notes to Financial Statements	2 - 36		

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

Sd/-
Parag Ved
Partner
Membership No. 102432

Place : Mumbai
Date: May 8, 2015

For and on behalf of Board of Directors of
Tips Industries Limited

Sd/-
Kumar S. Taurani
Chairman & Managing Director

Sd/-
Bijal Patel
Company Secretary

Place : Mumbai
Date: May 8, 2015

Sd/-
I T Gursahani
Chief Financial Officer

CASH FLOW STATEMENT For the Year Ended March 31, 2015

(₹ In Lacs)

Particulars		Year ended March 31, 2015	Year ended March 31, 2014
A.	**Cash Flow from Operating Activities**		
	Net Profit before taxation	**331**	**(1,551)**
	Adjustments for:		
	Depreciation on fixed assets	175	188
	(Profit) / Loss on sale of fixed assets	(4)	1
	Provision for Doubtful Debts/Advances	-	39
	Reversal of Provision for Doubtful Debts	(39)	-
	Interest expenses & Other Finance Cost	1,155	1,066
	Foreign Exchange Loss / (Gain)	10	(5)
	Interest income	(52)	(63)
	Operating Profit before Working Capital changes	**1,576**	**(325)**
	Adjustments for :		
	(Increase) / Decrease in inventories	5,159	(3,322)
	(Increase) / Decrease in trade receivables	207	334
	(Increase) / Decrease in Short Term loans and advances	(131)	508
	(Increase) / Decrease in Long Term loans and advances	140	393
	(Increase) / Decrease in Bank Deposits & Others	(11)	(14)
	(Increase) / Decrease in Non-Current Assets	(188)	(2)
	Increase/(Decrease) in Current Liabilties	(3,217)	1,125
	Increase/(Decrease) in Long Term Liabilties	5	12
	Increase/(Decrease) in provisions	19	(5)
	CASH GENERATED FROM OPERATIONS	**3,559**	**(1,296)**
	Income tax Paid	**105**	**(283)**
	Net Cash inflow from/ (outflow) from Operating activities	**3,664**	**(1,579)**
B.	**Cash Flow from Investing Activities**		
	Purchase of fixed assets	(19)	(29)
	Investment in Canara Bank Rebeco Mutual Fund	(10)	-
	Intercorporate Deposits Receipts	300	300
	Intercoporate Deposits Given	-	(350)
	Sale Proceeds from fixed assets	4	-
	Interest received	52	36
	Net Cash inflow from/ (outflow) from Investing activities	**327**	**(43)**

C. Cash Flow from Financing Activities		
(Repayment)/Proceeds of Long Term borrowings	2,928	(356)
(Repayment)/Proceeds of Short Term Borrowings	(5,789)	3,746
Interest paid	(1,160)	(1,107)
Dividend paid	(153)	(322)
Corporate Dividend Tax Paid	(26)	(55)
Net Cash inflow from/ (outflow) from Financing activities	**(4,200)**	**1,906**
Net increase / (decrease) in cash and cash equivalents	(209)	284
Opening Cash and Cash Equivalents		
Cash in hand	1	30
Bank balances	1,277	964
	1,278	**994**
Closing Cash and Cash Equivalents		
Cash in hand	3	1
Bank balances	**1,066**	**1,277**
	1,069	**1,278**

Notes:

1. Interest on loans, deposits etc is classified as cash flow from financing activities.
2. 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.
3. Previous year figures have been regrouped wherever necessary, to correspond with the figures of the current year.

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

Sd/-
Parag Ved
Partner
Membership No. 102432

Place : Mumbai
Date: May 8, 2015

For and on behalf of Board of Directors of
Tips Industries Limited

Sd/-
Kumar S. Taurani
Chairman & Managing Director

Sd/-
Bijal Patel
Company Secretary

Sd/-
I T Gursahani
Chief Financial Officer

Place : Mumbai
Date: May 8, 2015

NOTES TO THE FINANCIAL STATEMENTS

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 Section 133 of the Companies Act 2013.

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) Turnover :

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 theaters. 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'.

(b) Artist Management Receipts:

Artist Management Receipts are recognized in the statement of Profit & Loss on accrual basis as per the Contracts entered by the Artists with respective parties.

(c) Interest Income:

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

(d) 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 of acquisition less accumulated depreciation and impairment losses. Cost includes all expenses incurred to bring the assets to its current location and condition.

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lacs unless otherwise stated.

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.

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 II to the Companies Act, 2013.

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

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lacs unless otherwise stated.

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 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 realized. The carrying amount of deferred tax is reviewed at each balance sheet date.

xv. Provisions and Contingent Liabilities:

Provisions are recognized 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 capitalized 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 capitalized.

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

Leases where the less or 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 Statement of Profit and Loss on a straight-line basis over the lease term.

NOTE TO THE FINANCIAL STATEMENTS

2 - SHARE CAPITAL

(₹ In Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Authorised Capital 20,000,000 Equity Shares of ₹ 10/- each fully paid (Previous Year 20,000,000 Equity Shares of ₹ 10/- each fully paid)	2,000	2,000
Issued, Subscribed and Paid up Capital 15,358,640 Equity Shares of ₹ 10/- each fully paid (Previous Year 15,358,640 Equity Shares of ₹ 10/- each fully paid)	1,536	1,536
TOTAL	**1,536**	**1,536**

a. Rights/Terms attached to Equity Shares

Company has only one class of shares referred to as equity shares having par value ₹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 May 08, 2015, proposed dividend of ₹ 1/- per equity share (in previous year ₹1/- 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

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number	₹	Number	₹
Equity Shares outstanding at the beginning of the year	154	1,536	154	1,536
Equity Shares Issued during the year	-	-	-	-
Equity Shares bought back during the year	-	-	-	-
Equity Shares outstanding at the end of the year	154	1,536	154	1,536

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

During the Financial Year 2010 - 11, the Company had bought back 1,347,200 Equity Shares of ₹10/- each from open market at an average price of ₹ 47.50/-.
During the Financial Year 2012 - 13, the Company had bought back 600,060 Equity Shares of ₹10/- each from open market at an average price of ₹ 77.18/-

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

Particulars	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Renu K. Taurani	25	16.07	25	16.07
Ramesh S. Taurani	29	18.73	29	18.73
Varsha R. Taurani	25	16.11	25	16.11
Kumar S. Taurani	29	18.76	29	18.76
Shastha Advisors Pvt. Ltd.	-	-	9	5.95

NOTES TO THE FINANCIAL STATEMENTS

3 - RESERVES AND SURPLUS

(₹ In Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
a. Capital Redemption Reserve		
Opening Balance	195	195
Closing Balance	**195**	**195**
b. Securities Premium Account		
Opening Balance	2,456	2,456
Closing Balance	**2,456**	**2,456**
c. General Reserve		
Opening Balance	493	493
Add:- Transfer from Surplus in statement of profit & loss account	20	-
Closing Balance	**513**	**493**
d. Surplus in statement of profit & loss account		
Opening Balance	2,302	4,106
Add:- Net Profit/(Net Loss) For the current year	270	(1,624)
Less:- Additional depreciation persuant to enactment of schedule II of the Companies Act, 2013 (Refer Note 11(1))	(42)	-
Less:- Proposed Dividend	(154)	(154)
Less:- Tax on Proposed Dividend	(31)	(26)
Less:- Transfer to General Reserve	(20)	-
Closing Balance	**2,325**	**2,302**
GRAND TOTAL (a+b+c+d)	**5,489**	**5,446**

NOTE TO THE FINANCIAL STATEMENTS

4 - LONG-TERM BORROWINGS

(₹ In Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
SECURED		
Term loans		
From Banks	8,361	5,433
From Others	609	609
TOTAL	**8,970**	**6,042**

Nature of Securities and Terms of Repayment

(i) Term Loan from Life Insurance Corporation of India is repayable on the maturity of Life Insurance Policy taken by the Company. The Loan is secured by Lien on the Insurance Policy.

(ii) Overdraft Facility from Bank, balance outstanding amounting to ₹ 6,503/- (March 31, 2014 ₹ 5,590/-) is secured by way of pari passu first charge alongwith another bank on all the Intellectual Property Rights (IPR) of the audio Library of the company, current and future with exclusive charge on escrow of royalty income from Phonographic Performance Ltd (PPL) and also a charge by way of mortgage of office premises owned by the Company. The overdraft facility is repayable in 7 yearly equal instalments from August 2014. Last instalment due in August 2020.

(iii) Overdraft Facility from Bank, balance outstanding amounting to ₹ 2,498/- (March 31, 2014 : Nil) is secured by way of pari passu first charge alongwith another bank on all the Intellectual Property Rights (IPR) of the audio Library of the company, current and future and also a charge by way of mortgage of Residential/Commercial Premises owned by promoters. The Term Loan is also secured by lien on Fixed Deposit of ₹ 175/- with Bank of Baroda and also lien on the keyman insurance policy of the Director with LIC of India .The overdraft facility is repayable in 7 yearly equal instalments from September 2015, Last instalment due in September 2021.

(iv) Term Loan from HDFC Bank is repayable in 48 monthly Instalments of ₹ 38/- 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.

(v) Term Loan from BMW India Financial is repayable in 36 monthly Instalments of ₹ 0.66/- 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.

(vi) Term Loan from ICICI Bank is repayable in 36 monthly Instalments of ₹ 3.19/- each from the date of loan viz. 15/03/2012 and is secured by hypothecation of related Vehicle.

(vii) Term Loan from Kotak Mahindra Bank is repayable in 36 monthly Instalments of ₹ 0.39/- each from the date of loan viz. 28/03/2012 and is secured by hypothecation of related Vehicle.

(viii) Term Loan from ICICI Bank is repayable in 36 monthly Instalments of ₹ 3.19/- each from the date of loan viz. 15/04/2012 and is secured by hypothecation of related Vehicle.

(ix) Term Loan from Standard Chartered Bank is repayable in 128 monthly Instalments of ₹ 13/- each from the date of loan viz. 28/03/2013 and is secured by hypothecation of Commercial Premises owned by Relatives of Directors.

NOTE TO THE FINANCIAL STATEMENTS

5 - OTHER LONG-TERM LIABILITIES

(₹ In Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Security Deposit	17	12
TOTAL	**17**	**12**

6 - OTHER LONG-TERM PROVISIONS

Particulars	As at March 31, 2015	As at March 31, 2014
Gratuity	28	-
TOTAL	**28**	-

7 - SHORT-TERM BORROWINGS

Particulars	As at March 31, 2015	As at March 31, 2014
(i) SECURED		
(a) Loans repayable on demand		
Cash Credit facility from Banks	-	1,099
(b) Short Term Loans from Banks	-	4,460
TOTAL	**-**	**5,559**

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.

Particulars	As at March 31, 2015	As at March 31, 2014
(ii) UNSECURED		
Deposits		
From Related Parties	50	264
Others	-	16
TOTAL	50	280
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		
GRAND TOTAL (i+ii)	**50**	**5,839**

NOTE TO THE FINANCIAL STATEMENTS

8 - TRADE PAYABLES

(₹ In Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Trade Payables		
Due to Micro and Small Enterprises *	-	-
Other than Micro and Small Enterprises	85	840
TOTAL	**85**	**840**

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

9 - OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2015	As at March 31, 2014
Current maturities of long-term debt *	1,554	1,401
Interest accrued but not due on borrowings	15	21
Unpaid dividends **	8	7
Advance from Customers	47	50
Advance against Films under Production	-	2,602
Statutory Liabilities		
TDS	14	36
Service Tax	14	-
Wealth Tax	4	4
Value Added Tax Payable	-	-
Others	6	8
TOTAL	**1,662**	**4,129**

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

** There are no amounts due for payment to the Investors Education and Protection Fund under section 205C of the Companies. Act, 1956, as at the year end. Section 125 of the Companies Act, 2013 which corresponds to Section 205C of the Companies Act, 1956 has not yet been enforced.

NOTE TO THE FINANCIAL STATEMENTS

10 - SHORT-TERM PROVISIONS

(₹ In Lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Gratuity	2	11
Proposed dividend	154	154
Tax on proposed dividend	31	26
TOTAL	**187**	**191**

11 - FIXED ASSETS

Particulars	Gross Block				Accumulated Depreciation					Net Block	
	As at April 1, 2014	Additions during the Year	Deletions / Adjustments during the Year	As at March 31, 2015	As at April 1, 2014	Retained Earnings	Depreciation charge for the year	Adjustments / disposals	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
Tangible Assets											
Land & Building - Owned	2,810	-	-	2,810	476	-	44	-	520	2,290	2,334
Cinematography Machinery	41	-	-	41	16	-	3	-	19	22	25
Plant & Machinery	5	-	-	5	4	1	-	-	5	-	1
Furniture & Fixtures	35	8	-	43	30	-	4	-	34	9	5
Vehicles	764	-	22	742	220	16	112	22	326	416	544
Office Equipment	107	11	-	118	74	25	8	-	107	11	33
Computer	19	-	-	19	5	-	4	-	9	10	14
Total	**3,781**	**19**	**22**	**3,778**	**825**	**42**	**175**	**22**	**1,020**	**2,758**	**2,956**
Previous Year	**3,753**	**29**	**1**	**3,781**	**637**	**-**	**188**	**-**	**825**	**2,956**	**3116**

Notes

(i) In accordance with the provisions of Schedule II of the Act, in case of fixed assets which have completed their useful life as at April 1, 2014, the carrying value (net of residual value) amounting to ₹ 42/- as a transitional provision has been reconginised in retained earnings

(ii) Further in case of assets acquired prior to 1st April, 2014, the carrying value of assets is depreciated over the remaining useful life as determined effective April 1, 2014

(iii) Depriciation and amortization expenses for the year would have been lower by ₹ 13/- had the company continued with the previous assessment of useful life of such assets.

NOTE TO THE FINANCIAL STATEMENTS

12 - NON-CURRENT INVESTMENTS

(₹ In Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Trade Investments		
Equity Shares (Unquoted)		
5000 (Previous Year : 5000) Equity Shares of Label Mobile Media Pvt. Ltd. of ₹ 10/- each fully paid	1	1
99990/- (Previous Year : Nil) Units of ₹ 10/- of Canara Robecco Capital Protection Oriented Fund-Series 3-Regular Growth (NAV ₹ 10.6729 as at March 31,2015)	10	-
TOTAL	**11**	**1**

13 - LONG-TERM LOANS AND ADVANCES

Particulars	As at March 31, 2015	As at March 31, 2014
a. Security Deposits		
Unsecured, considered good	500	600
Security Deposit against Premises - Related Party	29	34
Others	**529**	**634**
b. Other loans and advances		
Unsecured, considered good		
Advances for Forthcoming Films	328	396
Others	67	34
	395	**430**
TOTAL (a + b)	**924**	**1,064**

14 - OTHER NON CURRENT ASSETS

Particulars	As at March 31, 2015	As at March 31, 2014
Bank Deposits		
Long Term Fixed Deposits with Banks with maturity period more than 12 months (Refer Note	185	2
(i) & (ii) below)		
Balance with Banks held as margin money against bank guarantee	5	-
TOTAL	**190**	**2**

(i) Fixed Deposits of ₹ 184/- held as lien by bank against overdraft facility amounting to ₹ 2500/- (Previous Year ₹ Nil)
(ii) Fixed Deposits of ₹ 2/- includ[illegible]posits ₹ 1.5/- and Sales Tax deposits ₹ 0.5/-.

NOTE TO THE FINANCIAL STATEMENTS

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

(₹ In Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
a. Raw Materials and components	1	1
b. Finished goods	-	2
c. Unamortised Cost of Production	9,723	8,302
d. Cost of Films under Production	56	6,634
TOTAL	**9,780**	**14,939**

16 - TRADE RECEIVABLES

Particulars	As at March 31, 2015	As at March 31, 2014
Trade receivables outstanding for a period exceeding six months from the date they become due for payment		
Secured, considered good	-	-
Unsecured, considered good	271	85
Doubtful	-	39
Less: Provision for Doubtful debts	-	(39)
	271	85
Other Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	49	413
Doubtful	-	-
Less: Provision for Doubtful debts	-	-
	49	413
TOTAL	**320**	**498**

NOTE TO THE FINANCIAL STATEMENTS

17 - CASH AND BANK BALANCES

(₹ In Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
(i) Cash and Cash Equivalents		
a. Balances with Banks		
In Current Accounts	1,061	1,079
b. Cash on hand	3	1
c. Fixed Deposits with Banks		
(i) Less Than 3 Months	-	95
(ii) More Than 3 Months and Less than 12 Months	5	103
	1,069	1,278
Other Bank Balances		
(ii) Earmarked Balances with Banks		
Unpaid Dividends	8	7
(iii) Balance with Banks held as margin money against bank guarantee		
(i) Less Than 3 Months	16	6
(ii) More Than 3 Months and Less than 12 Months	-	-
TOTAL (ii + iii) = iv	24	13
TOTAL (i + iv)	1,093	1,291

18 - SHORT-TERM LOANS AND ADVANCES

Particulars	As at March 31, 2015	As at March 31, 2014
Unsecured, considered good		
Advance Income Tax (Net of Provision for taxation)	637	805
Loans to Employess	22	24
Advances for Film Projects in Hand	1,413	1,464
Inter Corporate Deposits	50	350
Prepaid Expenses	1	6
Service Tax Credit	47	538
Vat Credit	29	11
Others	715	52
TOTAL	**2,914**	**3,250**

NOTE TO THE FINANCIAL STATEMENTS

19 - OTHER CURRENT ASSETS

(₹ In Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Interest Accrued on Loans / Fixed Deposits / Investments	34	34
TOTAL	**34**	**34**

20 - REVENUE FROM OPERATIONS

Particulars	As at March 31, 2015	As at March 31, 2014
Sale of Audio Products	4	5
Revenue from Film Production & Distribution	7,013	7,315
Royalty Receipts (Net)	3,218	3,047
TOTAL	**10,235**	**10,367**

21 - OTHER INCOME

Particulars	As at March 31, 2015	As at March 31, 2014
Interest Income	52	63
Other non-operating income (net of expenses directly attributable to such income)		
Sundry Credit Balance Written Back	10	53
Foreign Exchange Difference	(10)	5
Interest on Income Tax Refund	7	42
Others	87	21
TOTAL	**146**	**184**

NOTE TO THE FINANCIAL STATEMENTS

22 - COST OF MATERIAL CONSUMED

(₹ In Lacs)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Opening Stock of Raw Materials	1	1
Add: Purchases of Raw Materials	2	-
Less: Closing Stock of Raw Materials	1	1
TOTAL	**2**	**-**

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

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Opening Inventory		
Finished Goods	2	2
Closing Inventory		
Finished Goods	-	2
TOTAL	**2**	**-**

24 - COST OF PRODUCTION / DISTRIBUTION OF FILMS

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Opening :-		
Cost of Under Production films	6,634	6,423
Unamortised cost at beginning of the year	8,302	5,191
Add: Cost incurred during the year	1,059	10,036
Add: Cost of Abandoned Films	189	-
Closing :-		
Less: Unamortised cost at the close of the year	(9,723)	(8,302)
Less: Cost of underproduction films carried forward	(56)	(6,634)
TOTAL	**6,405**	**6,714**

NOTE TO THE FINANCIAL STATEMENTS

25 - EMPLOYEE BENEFIT EXPENSES

(₹ In Lacs)

Particulars	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Salaries and incentives	531	586
Contributions to PF	9	6
ESIC	1	1
Gratuity	27	1
Staff welfare expenses	13	14
TOTAL	**581**	**608**

26 - FINANCE COST

Particulars	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Interest expenses	1,155	1,014
Other Borrowing Costs	-	52
TOTAL	**1,155**	**1,066**

NOTE TO THE FINANCIAL STATEMENTS

27 - FINANCE COST

(₹ In Lacs)

Particulars	Year Ended 31st March, 2015		Year Ended 31st March, 2014	
Electricity Expenses		11		13
Rent		112		136
Repairs & Maintainence :-				
Office Premises		60		16
-Office Equipments		-		-
-Vehicle		-		1
Insurance		131		127
Rates and Taxes		196		252
Legal and Professional		275		350
In-house Music Production/Acquistion Cost		419		241
Films Publicity and Distribution Expenses		178		1,838
Advertisement Expenses		38		54
Travelling and Conveyance		15		26
Audit Fees		8		12
Auditors Out of Pocket Expenses		-		-
Donation		8		33
Expenditure towards Corporate Social Responsibility (CSR) activities		11		
Loss on sale of Fixed Assets		-		1
Bad Debts and Advances Written Off	47		133	
Add: Provision for Doubtful Debts & Advances	-		39	
Less: Provision for Doubtful Debts/Advances reversed	(39)	8		172
Miscellaneous Expenses		260		254
TOTAL		**1,730**		**3,526**
Payment to Auditors		8		12
Statutory Audit Fees		-		-
Certification Fees		-		2
Management Consultancy Fees		-		-
Reimbursement of Travel Expenses		**8**		**14**

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lacs unless otherwise stated.

28. Contingent Liabilities:

Particular	As on 31-03-15	As on 31-03-14
(a) Penalty under FEMA Act*	90.00	90.00
(b) Demand by Sales Tax Department **	983.40	425.45

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

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

29. Mr. Kumar Taurani and Mr. Ramesh Taurani were re-appointed as Chairman & Managing Director and Managing Director respectively, of the Company for the period of 3 (Three) years w.e.f. June 1, 2012 to May 31, 2015 at a gross remuneration of ₹.150.00/- (Rupees One Crore Fifty Lacs) p.a. (i.e. ₹ 12.50/- p.m.) pursuant to approval from the shareholders in their meeting held on July 27, 2012. Application to pay the aforesaid remuneration was made to Central Government vide letter dated October 4, 2012.

The Central Government, vide its letter dated December 9, 2013 approved remuneration of ₹. 90 lacs p.a. for the aforesaid period. Accordingly, excess remuneration paid for the period June 1, 2012 to September 30, 2013 is ₹ 160 lacs.

Further, the Company has made revised application(s) on December 24, 2013 to Central Government for enhancement of remuneration of ₹ 150 Lacs p.a to Mr. Kumar Taurani & Mr. Ramesh Taurani and reminder letter(s) has been sent on December 2, 2014 for the same. Approval(s) for the same is awaited. Accordingly, the required adjustments in the accounts for excess remuneration, if any, will be made on the matter reaching finality.

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

31. 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.

32. **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. Thus, it is a defined benefit plan and the aforesaid insurance policy is the plan asset.

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lacs unless otherwise stated.

[ii] Principal actuarial assumptions:

Particular	2014-15	2013-14	2012-13	2011-12	2010-11
Discount Rate	7.77%	9.16%	8.57%	8.57 %	8.15%
Rate of Return on Plan Assets	9.00%	9.15%	9.15%	9.00 %	9.00%
Salary Escalation Rate	10.00%	10.00%	10.00%	10.00%	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.

[iii] Reconciliation of Benefit Obligation :

Particular	2014-15	2013-14	2012-13	2011-12	2010-11
Liability at the beginning of the year	73.04	68.01	43.15	19.98	18.15
Interest Cost	7.32	6.02	2.95	1.63	1.24
Current Service Cost	21.15	15.77	13.55	8.08	2.54
Benefit Paid	(0.82)	(0.61)	(17.30)	–	(5.20)
Actuarial (Gain) / Loss on Obligations	3.81	(16.15)	7.25	13.46	(3.25)
Liability at the end of the year	104.51	73.04	68.01	43.15	19.98
Fair Value of Plan Assets at the end of the year	74.33	61.91	52.26	40.77	30.97
Amount recognized in Balance Sheet as "Liabilities or (Assets)"	(30.18)	11.13	15.74	2.38	(10.99)

[iv] Reconciliation of Fair value of Plan Assets:

Particular	2014-15	2013-14	2012-13	2011-12	2010-11
Fair Value of Plan Assets at the beginning of the year	61.91	52.26	40.77	30.97	29.22
Adjustment to Opening Balance	(0.75)	3.77	-	–	–
Expected Return on Plan Assets	6.01	4.96	4.06	3.14	2.63
Contributions	7.96	5.64	24.71	6.68	4.26
Benefit Paid	(0.82)	(0.61)	(17.30)	–	(5.20)
Actuarial Gain / (Loss) on Plan Assets	0.02	(4.12)	0.01	(0.02)	(0.06)
Fair Value of Plan Assets at the end of the year	74.33	61.91	52.26	40.77	30.97

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

Particular	2014-15	2013-14
Current Service Cost	21.15	15.77
Interest Cost	7.32	6.02
Net Actuarial (Gain) / Loss recognized	3.79	(12.03)
Adjustment to Opening Balance	0.76	(3.78)
Expected Return on Plan Assets	(6.01)	(4.96)
Expenses recognized in Profit and Loss Account	27.01	1.02

b. Earnings per share is calculated as follows;

Particular	2014-15	2013-14
Profit/(Loss) attributable to equity shareholders	269.61	(1623.91)
Weighted average number of equity shares used in computing basic earnings per share	153.58	153.58
Basic Earnings per share (₹)	1.76	(10.57)
Weighted average number of equity shares used in computing diluted earnings per share	153.58	153.58
Diluted Earnings per share (₹)	1.76	(10.57)
Nominal value of equity shares (₹)	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:

Particular	2014-15	2013-14
Operating lease rentals charged to revenue	112.28	135.65

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	I T Gursahani	Chief Financial Officer
Ramesh S. Taurani	Managing Director	Bijal Patel	Company Secretary

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lacs unless otherwise stated.

(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, Ms. Jaya R. Taurani, Ms. Raveena R. Taurani, Ms. Kavita Lakhani, Ms. Bhagwanti Mulani and Ms. Pratima Gursahani

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

	Particular	Key Management Personnel	Relatives of Key Management Personnel	Total
(1)	**FINANCE**			
	(a) Loans Taken	45.00 (250.00)	NIL (140.00)	45.00 (390.00)
	(b) Loan Repayment	229.00 (266.00)	20.00 (130.00)	249.00 (396.00)
(2)	**OTHER EXPENDITURE**			
	(a) Rent Paid	NIL (NIL)	84.00 (96.00)	84.00 (96.00)
	(b) Interest Paid	20.98 (34.54)	2.04 (4.91)	23.02 (39.45)
	(c) Legal & Prof. Fees paid	12.00 (12.00)	31.50 (25.00)	43.50 (37.00)
(3)	**REMUNERATION PAID**	184.50 (244.00)	7.50 (NIL)	192.00 (244.00)
(4)	**OUTSTANDING**			
	(a) Payables Loans	50.00 (234.00)	NIL (20.00)	50.00 (254.00)
	(b) Receivables Deposits	NIL (NIL)	500.00 (600.00)	500.00 (600.00)
(5)	**REIMBURSEMENT RECEIVABLES**	NIL (NIL)	11.00 (NIL)	11.00 (NIL)
(6)	**DEPOSITS REPAYMENT**	NIL (NIL)	100.00 (300.00)	100.00 (300.00)

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

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lacs unless otherwise stated.

Other Related Parties - Disclosures

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

(A) Key Management Personnel

Particular		Kumar Taurani	Ramesh Taurani	IT Gursahani	Bijal Patel
(1)	**FINANCE**				
	(a) Loans Taken	45.00 (100.00)	NIL (150.00)	NIL (NIL)	NIL (NIL)
	(b) Loan Repayment	79.00 (16.00)	150.00 (250.00)	NIL (NIL)	NIL (NIL)
(2)	**OTHER EXPENDITURE**				
	(a) Interest Paid	10.18 (6.42)	10.80 (28.12)	NIL (NIL)	NIL (NIL)
	(b) Legal & Prof. Fees paid	NIL (NIL)	NIL (NIL)	12.00 (12.00)	NIL (NIL)
(3)	**REMUNERATION PAID**	90.00 (120.00)	90.00 (120.00)	NIL (NIL)	4.50 (4.00)
(4)	**OUTSANDING**				
	(a) Payable Loans	50.00 (84.00)	NIL (150.00)	NIL (NIL)	NIL (NIL)
(5)	**REIBURSEMENT RECEIVABLES**	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
(6)	**DEPOSITS REPAYMENT**	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lacs unless otherwise stated.

(B) Relatives of Key Management Personnel

Particular		Relatives of Key Management Personnel						
		Renu K Taurani	Varsha R Taurani	Kunal K Taurani	Girish K Taurani	Sneha R Taurani	Jaya R Taurani	Pratima Gursahani
(1)	**FINANCE**							
	(a) Loans Taken	NIL (120.00)	NIL (NIL)	NIL (10.00)	NIL (10.00)	NIL (NIL)	NIL (NIL)	NIL (NIL)
	(b) Repayment of Loans	NIL (130.00)	NIL (NIL)	10.00 (NIL)	10.00 (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
(2)	**OTHER EXPENDITURE**							
	(a) Rent Paid	42.00 (48.00)	42.00 (48.00)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
	(b) Interest Paid	NIL (3.70)	NIL (NIL)	1.02 (0.60)	1.02 (0.60)	NIL (NIL)	NIL (NIL)	NIL (NIL)
	(c) Legal & Prof. Fees Paid	NIL (NIL)	18.00 (18.00)	7.50 (NIL)	NIL (NIL)	NIL (NIL)	NIL (1.00)	6.00 (6.00)
(3)	**REMUNERATION PAID**	NIL (NIL)	NIL (NIL)	7.50 (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
(4)	**OUTSTANDING**							
	(a) Payables Loans	NIL (NIL)	NIL (NIL)	NIL (10.00)	NIL (10.00)	NIL (NIL)	NIL (NIL)	NIL (NIL)
	(b) Receivables Deposits	250.00 (300.00)	250.00 (300.00)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
(5)	**REIMBURSEMENT RECIEVABLES**	NIL (NIL)	NIL (NIL)	NIL (NIL)	11.00 (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
(6)	**DEPOSITS REPAYMENT**	50.00 (150.00)	50.00 (150.00)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)

NOTES TO THE FINANCIAL STATEMENTS

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

	Particular	Financial Year Ended	
		31-03-15	**31-03-14**
1	**Segment Revenue:**		
	Audio Product Sales	3,221.78	3,052.19
	Film Distribution	7013.41	7,314.46
	Revenue from Operation	**10,235.19**	**10,366.65**
2	**Segment Results**		
	Profit (+) / Loss (-) before interest & Tax		
	- Audio Products	2,210.05	2,223.46
	- Film Distribution	54.35	(1,753.47)
	- Others		
	Less: Interest (Net)	1,154.62	1,013.70
	Less: Unallocable Corporate expenses	779.09	1,007.60
	Profit (+) / Loss (-) before Tax	**330.69**	**(1,551.31)**
3	**Capital Employed**		
	(Segment Assets - Segment Liabilities)		
	- Audio Products	325.58	479.18
	- Film Distribution	12,236.15	9,594.12
	- Un-allocable Corporate Assets Less Liabilities	(5,536.76)	(3,091.21)
	Total	**7,024.97**	**6,982.09**
4	**Capital Expenditure**		
	- Audio Products	NIL	NIL
	- Film Distribution	NIL	4.67
	- Un-allocable Corporate Assets Less Liabilities	19.16	24.43
	Total	**19.16**	**29.10**
5	**Depreciation and Amortization Expense**		
	- Audio Products	2.96	3.04
	- Film Distribution	3.30	2.58
	– Un-allocable Corporate Assets Less Liabilities	168.61	182.48
	Total	**174.87**	**188.10**
6	**Non Cash Expense other than despreciation**		
	- Audio Products	9.59	32.96
	- Film Distribution	NIL	6.02
	- Un-allocable Corporate Assets Less Liabilities	NIL	0.62
	Total	**9.59**	**39.60**

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lacs unless otherwise stated.

33. DEFERRED TAX ASSETS/ LIABILITIES

Considering the nature of business carried on by the Company, Deferred Tax Liability is not recognised on unamortised cost of production as there is no virtual certainty that sufficient future income can be realised therefrom. However the income crystalised therefrom in future shall be offset by unabsorbed depreciation and unabsorbed business losses of previous years.

34. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF REVISED SCHEDULE III TO THE COMPANIES ACT, 2013 :

(i) Turnover

Particular	Unit	2014-15		2013-14	
		Quantity ('000)	Value in Rupees	Quantity ('000)	Value in Rupees
Pre recorded cassettes	Nos	NIL	NIL	NIL	NIL
Compact Discs	Nos	172	4.09	12	5.16
Total		**172**	**4.09**	**12**	**5.16**

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

(ii) Raw Materials Consumed

Particular	Unit	2014-15		2013-14	
		Quantity ('000)	Value in Rupees	Quantity ('000)	Value in Rupees
Magnetic Tape	Reel	NIL	NIL	NIL	NIL
Plastics Components	PCs	NIL	NIL	NIL	NIL
Others		NIL	1.77	NIL	NIL
Total		NIL	**1.77**	NIL	**NIL**

(iii) Opening and Closing Stock

Class of Goods Manufactured	Opening Stock		Closing Stock	
	Quantity Pcs. '000	Value (Rupees)	Quantity Pcs. '000	Value (Rupees)
Pre-recorded Cassettes	NIL	NIL	NIL	NIL
Blank Cassettes	NIL	NIL	NIL	NIL
Compact discs / DVD	172	2.49	NIL	NIL
Total	**172**	**2.49**	**NIL**	**NIL**

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lacs unless otherwise stated.

(iv) Value of Raw Materials Consumed

Particulars	2014-15		2013-14	
	Percentage to total consumption %	Rupees	Percentage to total consumption %	Rupees
Imported	NIL	NIL	NIL	NIL
Indigenous	NIL	1.77	NIL	NIL
Total	**NIL**	**1.77**	**NIL**	**NIL**

(v) Expenditure In Foreign Currency

Particulars	2014-15	2013-14
Travelling	00.34	0.21
Film Production Expenses	NIL	1,845.76
Audio Rights Expenses	00.59	NIL
Legal & Professional Fees	01.48	NIL
Advertisement	00.27	NIL
Dubbing & Matching Expenses	00.72	NIL
Music Expenses	09.00	NIL
Remake Rights	09.62	NIL
Total	**22.02**	**1845.97**

(vi) Earnings In Foreign Currency

Particulars	2014-15	2013-14
Film Distribution Revenue	NIL	508.92
Royalty	754.55	739.78
Misc. Income (Terrestrial TV Rights Receipts)	8.94	NIL
Total	**763.49**	**1248.70**

(vii) Cost of feature films incurred during the year and inventories include interest of ₹ 220.56 (Previous Year ₹ 770.22) on Loans utilized for the production of the film as also insurance expenditure of ₹ NIL (Previous Year ₹. 77.76)

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lacs unless otherwise stated.

35. Foreign Currency Exposure :

Particulars	2014-15	2013-14
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.	₹ 107.24 (GBP 0.72) (US$ 0.63)	₹ 71.31 (US$ 1.19)
Amount payable in foreign currency towards loan / deposits and its equivalent Indian rupees.	NIL NIL	NIL NIL

36. Previous year's figures have been regrouped wherever necessary.

In terms of our report of even date
For SSPA & Associates
Chartered Accountants
Firm Registration No. 131069W
Sd/-
Parag Ved
Partner
Membership No. 102432

Place : Mumbai
Date: May 8, 2015

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

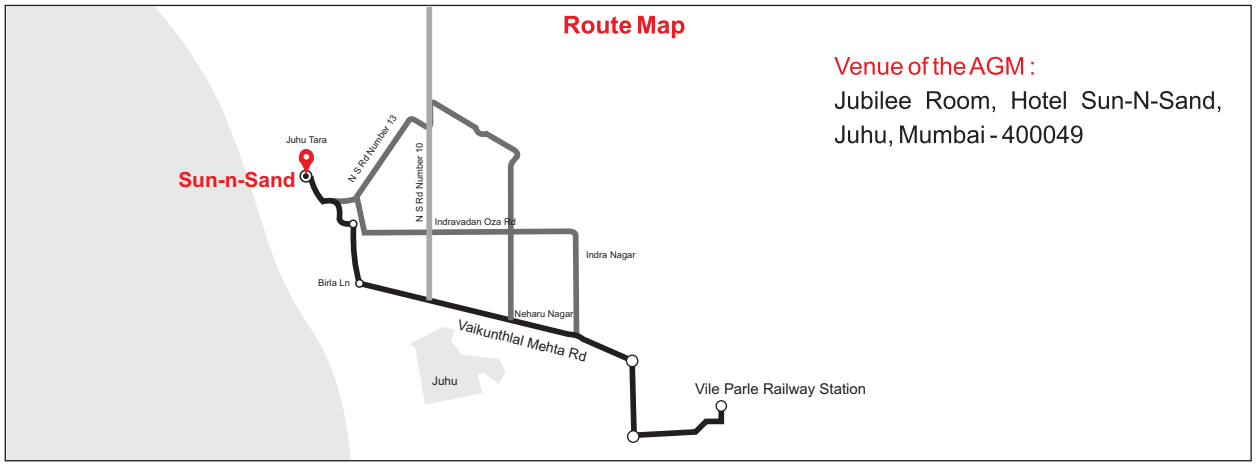
Sd/-
Kumar S. Taurani
Chairman & Managing Director

Sd/-
I T Gursahani
Chief Financial Officer

Sd/-
Bijal Patel
Company Secretary

Place : Mumbai
Date: May 8, 2015

Route Map



Venue of the AGM :
Jubilee Room, Hotel Sun-N-Sand, Juhu, Mumbai - 400049

TIPS INDUSTRIES LIMITED

Regd. Office: 601, Durga Chambers, Linking Road, Khar (West), Mumbai – 400 052
CIN: L92120MH1996PLC099359 **Contact No.:** 66431188 Fax No.: 66431189 **Website:** www.tips.in **E-mail:** response@tips.in

ATTENDANCE SLIP

(To be presented at the entrance)

Folio No.: _____ DPID No.: _____ Client I.D. No.: _____

No. of shares held: _____

I/ We hereby record my/ our presence at the **NINETEENTH ANNUAL GENERAL MEETING of the Company at Jubilee Room, Hotel Sun-N-Sand, Juhu, Mumbai 400049, on Friday, August 14, 2015 at 11.00 a.m.**

Name of the Member: _____ Signature _____

Name of the Proxy holder: _____ 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, Linking Road, Khar (West), Mumbai – 400 052
CIN: L92120MH1996PLC099359 **Contact No.:** 66431188 Fax No.: 66431189 **Website:** www.tips.in **E-mail:** response@tips.in

FORM No. MGT- 11
PROXY FORM

(Pursuant to Section 105 (6) of the Companies Act 2013 and rule 19 (3) of the Companies (Management and Administration Rules 2014)

Name of the Member(s)	
Registered Address	
Email ID:	
Folio No./ Client ID:	
DP ID:	

I/We, being the member(s) of_____shares of the above named company, hereby appoint

1. Name : _____ Email ID: _____

   Address: _____Signature:_____ or failing him

2. Name : _____ Email ID: _____

   Address: _____Signature:_____ or failing him

3. Name : _____ Email ID: _____

Address: _____Signature:_____ or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 19th Annual General Meeting of the company, to be held on the Friday, August 14, 2015 at 11.00 a.m. at Jubilee Room, Hotel Sun-n-Sand, Juhu, Mumbai 400049 and at any adjournment thereof in respect of such resolutions as are indicated below:

Reso. No.	Description	For	Against
	ORDINARY RESOLUTION		
1	Adoption of audited financial statements, Reports of the Board of Directors and Auditors thereon for the year ended March 31, 2015.		
2	Declaration of Dividend on Equity Shares for the financial year ended March 31, 2015.		
3	Re-appointment of Mr. Kumar Taurani, who retires by rotation		
4	Appointment of Statutory Auditors of the Company.		
	SPECIAL RESOLUTION		
5	Re-appointment of Mr. Kumar Taurani as a Chairman & Managing Director of the Company.		
6	Re-appointment of Mr. Ramesh Taurani as a Managing Director of the Company.		

Signed this_____day of _____2015

Signature of shareholder: _____ Affix Revenue Stamp _____

_____

Signature of first proxy holder

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



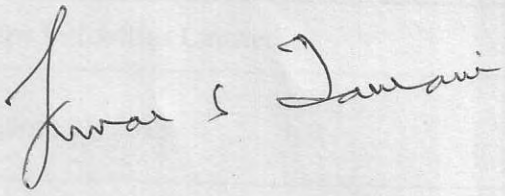
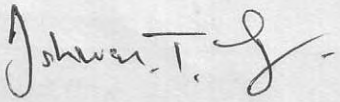
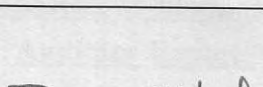
601, Durga Chambers,
Linking Road, Khar (West),
Mumbai - 400 052
CIN: L92120MH1996PLC099359
Contact No.: 022-66431188
Email - response@tips.in
Website - www.tips.in

Prism Strategic Communications (www.prism.net.in)
Printed by Colorscope

Form B

Format of covering letter of the Annual Audit Report to be filed with the Stock Exchange

1	Name of the Company	Tips Industries Limited
2	Annual Financial Statements for the year ended	March 31, 2015
3	Type of Audit qualification	Matter of Emphasis and Qualified opinion as mentioned below
4	Frequency of qualification	First time
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	**(A) Matter of Emphasis as reported in Independent Auditors' Report:** Attention in invited to Note 29 to the financial statements with respect to the excess managerial remuneration paid in the earlier years for which the Company has made an application to the Central Government, which is pending approval. Our audit opinion is not qualified in respect of this matter. **Management response reported in Note no. 29 of the Financial Statements** ***(B)*** **Qualified Opinion as reported in Independent Auditors' Report:** *(Basis for Qualified Opinion)* Attention in invited to Note 33 to the financial statements for the year ended March 31, 2015 regarding non recognition of Deferred tax liability on timing differences in accounting of inventory. In the absence of adequate information we are unable to quantify its impact on the profits for the year and on the reserves as at March 31, 2015. **Management response reported in Note no. 33 of the Financial Statements**

	Additional comments from the Board/Audit Committee chair:	Additional comments from the Board/Audit Committee are not required as above mentioned notes to the financial Statements are fully explanatory.
5	**To be signed by-** **Mr. Kumar S. Taurani** Chairman & Managing Director	
	Mr. I. T. Gursahani Chief Financial Officer	
	Mr. Parag Ved SSPA & Associates Statutory Auditor Firm Registration No.: 131069W Partner Membership No.: 102432	 
	Mr. Amitabh Mundhra Audit Committee Chairman	