tips.in

September 19, 2016

To,
Listing Department
BSE Limited
P.J Towers, Dalal Street,
Fort, Mumbai – 400 001

Scrip Code: **532375**

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

Symbol: **TIPSINDLTD**

Sub: Submission of Annual Report 2015-16

Dear Sir,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Please find attached herewith the Annual Report of the Company for the financial year 2015-16 as approved and adopted in the 20th Annual General Meeting of the Company held on September 16, 2016.

Kindly take the same on your record.

Thanking you,

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.

TIPS INDUSTRIES LTD.

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

TIPS INDUSTRIES LIMITED

ANNUAL REPORT 2015-16

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CHAIRMAN'S MESSAGE TO SHAREHOLDERS

Dear Shareholders,

It is my pleasure and privilege to welcome you to the Annual General Meeting of your Company. I look forward to share highlights about the performance of TIPS as well as your Company's plans in the year to come.

The Media and Entertainment industry (M&E) has been undergoing a rapid transformation over the last few years with the advent to digitization. Digitization has been disrupting the conventional business models in every aspect of the M&E, and in the process, changing the rules of the game. But while digitization is changing the rules, the laws remain constant. The core of the M&E industry remains unchanged – ENTERTAINMENT.

This is borne true in both films and music segments during the year. In the films segment, the year saw a significant increase in footfalls and revenues at theatres. Close scrutiny reveals interesting insights while collections from Hindi films were almost flat compared to the previous year, collections from regional and Hollywood films spiked substantially. Audiences are clearly looking beyond Bollywood for entertainment, and this trend, I believe, is here to stay. The year 2015 saw the domestic theatrical revenues cross ₹ 100 billion milestone touching the ₹ 101 billion, driven by increased footfalls and higher average price of tickets.

In the music business, the ever-widening reach of mobile internet, lower internet tariffs and increased availability of smart devices at affordable rates continued to drive the shift in consumption to digital platforms. Today, digital music generates almost 55 per cent of the entire music industry's revenues, with the total number of active customers who stream music touching almost 40 million a month.

In the music business, TIPS continued to drive higher growth backed on its digital library of almost 25,000 songs. TIPS was one of the first in the industry to foresee the digital impact on music consumption and accordingly, began digitizing its music library. This move has ensured that your Company continues to unlock the value of its musical assets with consistent growth in revenues from its music collection. This year, your Company revenues from music increased to ₹ 4,309.86 lakhs compared to ₹ 3,221.78 lakhs in the previous year.

As far as the performance of TIPS is concerned, your Company produced comedy-thriller film "Ambarsariya" the film is directed by Mandeep Kumar starring Diljit Dosanjh, Monica Gill, Navneet Kaur Dhillon, Lauren Gottlieb and others.

The outlook at TIPS continues to be both positive and optimistic. In the films business, we are actively considering some interesting projects. In the music business, we are quite confident with the continued penetration of affordable mobiles and internet rates, more consumers across the country are coming under the digital footprint.

The Total Income for the year was ₹ 7,151.45 lakhs compared to ₹ 10,380.54 lakhs in the previous year. The Net Profit for the year was ₹ 303.39 lakhs against ₹ 269.61 lakhs last year. A dividend of 10 per cent, i.e., ₹ 1/- per equity share of ₹ 10/- each has been proposed for the year, subject to approval of shareholders.

The outlook at TIPS continues to be both positive and optimistic. In the films business, we are actively considering some interesting projects. In the music business, we are quite confident with the continued penetration of affordable mobiles and internet rates, more consumers across the country are coming under the digital footprint. This augurs well for our digital music assets, which, we believe, are poised for a phase of smart growth in the coming years.

I remain grateful your continued support and trust in TIPS, and assure you that we will continue with our quest to make wholesome family entertainment films and music.

Thank you.

Yours sincerely,

Kumar S. Taurani

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 *(resigned on August 14, 2015)*	Independent Director
Mr. Venkitaraman S. Iyer *(appointed on May 25, 2016)*	Additional Independent Director

Chief Financial Officer

Mr. Ishwar 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. Sunil Chellani	Vice President – Accounts
Mr. Jay Shewakramani	Executive Producer
Ms. Kavita Lakhani	Creative Head

Registered Office

601, 6th Floor, Durga Chambers, Linking Road,
Khar (West), Mumbai – 400 052.
Contact No.: +91-22-6643 1188
E-mail id: response@tips.in
Website: www.tips.in

Accounts Office

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

Statutory Auditors

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

Internal Auditors

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

Secretarial Auditors

NL Bhatia & Associates
313 Saidham CHSL, Vikrant Circle,
Opp. Pancholi Hospital, 90 Feet Road,
Ghatkopar (East), Mumbai – 400 077.

Registrar & Share Transfer Agent

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

Bankers

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

Canara Bank
Maker Chambers-III,
Nariman Point,
Mumbai – 400 021.

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

ICICI Bank
Ground Floor, Indraprastha,
Linking Road, Santacruz (West),
Mumbai – 400 054.

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 20th Annual General Meeting of the Members of Tips Industries Limited will be held on Friday, September 16, 2016 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 financial year ended March 31, 2016 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, 2016.

3. To appoint a Director in place of Mr. Ramesh S. Taurani (DIN: 00010130), 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, (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. SSPA & Associates, Chartered Accountants (Firm Registration No. 131069W), be and are hereby appointed as 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 an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Venkitaraman Subramanian Iyer (DIN: 00730501) who was appointed as an Additional Director of the Company with effect from May 25, 2016 by the Board of Directors and holds office up to the date of this Annual General Meeting under Section 161(1) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years commencing from September 16, 2016 and shall not be liable to retire by rotation."

By Order of the Board of Directors

Bijal R. Patel
Company Secretary

Place: Mumbai
Date: May 25, 2016

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 No. 5 is annexed hereto. The relevant details of the Directors seeking re-appointment/ appointment under Item Nos. 3 and 5, pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are 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 a 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 carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. Body Corporate members intending to send their authorized representative to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send a duly certified copy of the Resolution authorizing their representative to attend and vote at the Meeting.

4. A Proxy shall not have a right to speak at the Meeting and shall not be entitled to vote except on a poll.

5. 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.

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

7. A route map showing directions to reach the venue of the 20th AGM is given at the end of this Annual Report.

8. The Register of Members and Share Transfer Books of the Company will remain closed from September 10, 2016 to September 16, 2016 (both days inclusive), for determining the names of members eligible for dividend on Equity Shares, if declared at the AGM.

9. Dividend, if approved by the members at the Annual General Meeting will be paid within a period of 30 days from the date of declaration, to the Members whose names appear on the Register of Members and Register of Beneficial Owners as on September 9, 2016 as per details furnished by the Company's Share Registrars and Transfer Agents and the Depositories for this purpose.

10. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred on due dates, the unpaid or unclaimed dividends for the financial year ended March 31, 2008 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company (www.tips.in), as also on the website of the Ministry of Corporate Affairs (www.mca.gov.in).

11. 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.

12. 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.

13. Members are requested to note that in case of transfers, transmission and transposition of names of shareholders in respect of shares held in physical form, submission of photocopy of PAN Card of both the transferor(s) and the transferee(s) is mandatory.

14. In case of deletion of name of deceased shareholder(s), in respect of shares held in physical form, the PAN Card of the surviving shareholder(s), is mandatory.

15. 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.

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

17. **Electronic copy of the Annual Report for 2015-16 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes, unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2015-16 are being sent in the permitted mode.**

18. To support "Green Initiative", Members are requested to register their e-mail addresses through their Depository Participants for sending the future communications by e-mail. Members holding the shares in physical form may register their e-mail addresses through the Share Registrars & Transfer Agent, giving reference of their Folio Number.

19. **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 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, the Company is pleased to provide its members the facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote. The business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL).

The facility for voting through polling paper shall also be made available at the venue of the 20th AGM. The members attending the AGM, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the AGM. The members who have already cast their vote through remote e-voting may attend the AGM but shall not be entitled to cast their vote again at the AGM.

The voting rights of the shareholders (for voting through remote e-voting or by Poll paper at the AGM) shall be in proportion to their share of the paid-up equity share capital of the Company as on September 9, 2016 (`Cut-Off Date'). A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or of voting at the AGM.

Any person who acquires Shares of the Company and becomes a Member of the Company after the dispatch of the AGM Notice and holds shares as on the cut-off date, i.e. September 9, 2016 may obtain the login Id and password by sending a request at rnt.helpdesk@linkintime.co.in However, if you are already registered with CDSL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you may reset your password by using "Forgot Password" option available on www.evotingindia.com.

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 Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM, and thereafter unblock the votes cast through remote e-voting, in the presence of at least two (2) witnesses not in the employment of the Company and make within 48 hours of the conclusion of the meeting a consolidated scrutinizer's report of the votes cast in favour or against, to the Chairman or to any Director or any person authorized by the Chairman for this purpose, who shall countersign the same.

The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.tips.in and on the website of CDSL and communicated to the Stock Exchanges.

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on September 13, 2016 at 10.00 a.m. and ends on September 15, 2016 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 9, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(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.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (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 for the relevant <Company Name> on which you choose to vote.

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

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

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

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

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

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

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) 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 linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) 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.

Explanatory Statement in respect of the Special Business pursuant to Section 102 of the Companies Act, 2013

Item No. 5:

The Board of Directors of the Company at its meeting held on May 25, 2016, on the recommendation of the Nomination & Remuneration Committee, approved the appointment of Mr. Venkitaraman Subramanian Iyer as an Additional Director (Non-Executive Independent) of the Company. Pursuant to Section 161(1) of the Companies Act 2013 ("Act"), Mr. Venkitaraman Subramanian Iyer holds office till the date of this Annual General Meeting.

The Company has received a notice in writing from member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Venkitaraman Subramanian Iyer for the office of Director of the Company. Mr. Venkitaraman Subramanian Iyer is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Independent Director.

The Company has received a declaration from Mr. Venkitaraman Subramanian Iyer confirming that he meets with the criteria as prescribed both under sub-section (6) of Section 149 of the Act and under Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, Mr. Venkitaraman Subramanian Iyer fulfills the conditions for his appointment as an Independent Director as specified in the Act and rules made thereunder and the Listing Regulation.

Mr. Venkitaraman Subramanian Iyer is independent of the management and possesses appropriate skills, experience and knowledge. Brief profile and additional information pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are included separately in this Notice. Keeping in view his vast expertise and knowledge, it will be in the interest of all the stakeholders that Mr. Venkitaraman Subramanian Iyer is appointed as Independent Director. It is proposed to appoint for a term upto five consecutive years commencing from September 16, 2016.

Save and except Mr. Venkitaraman Subramanian Iyer and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors or Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

By Order of the Board of Directors

Place: Mumbai
Date: May 25, 2016

Bijal R. Patel
Company Secretary

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

Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting

(Pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Name of Director	Mr. Ramesh S. Taurani	Mr. Venkitaraman S. Iyer
Date of Birth	January 17, 1960	September 8, 1960
Date of Appointment	September 27, 2005	May 25, 2016
Qualification & Expertise in specific functional areas	Mr. Ramesh Taurani, Managing Director 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 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. He is widely credited for remarkable success with many blockbuster films. He has played a key role in the progress of the Company.	Mr. Venkitaraman S. Iyer holds Master Degree in Commerce and is a Practising Chartered Accountant, having wide range of exposure and experience in the field of Corporate Laws, Finance, Audit and Taxation matters. He has worked with Prebon Yamane Group of Companies in its Indian operations during the 1993-2006. He was also involved in advisory capacity in number of blue chip companies covering various industry segments viz., manufacturing, engineering, entertainment, infrastructure, real estate, telecom and financial services. He has been associated with leading structural and design consultants for feasibility study of BOT and BOOT projects of NHAI regarding Tuticorin Port Road Connectivity Project, Chelari-Kuttipuram Highway widening project, Cochin Airport (CIAL) proposal and Pondicherry Govt. proposed entertainment complex. He was also an Independent Director on the board of MTNL Ltd.
Relationships between Directors inter-se	Mr. Ramesh S. Taurani is brother of Mr. Kumar S. Taurani, Chairman and Managing Director of the Company.	None
Number of Shares held	2875911 Equity shares	NIL
List of companies in which Directorship held as on March 31, 2016 (excluding foreign, private and Section 8 companies)	NIL	Ruttonsha International Rectifier Limited
Chairman/ Member of the Mandatory Committees of the Board of the companies on which he is a Director as on March 31, 2016	NIL	Member - Audit Committee of Ruttonsha International Rectifier Limited

BOARD'S REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

To
The Members,
Tips Industries Limited

Your Directors are pleased to present the 20th Annual Report on the business and operation of the Company together with the Audited Financial Statements for the financial year ended March 31, 2016. The Management Discussion and Analysis is also included in this Report.

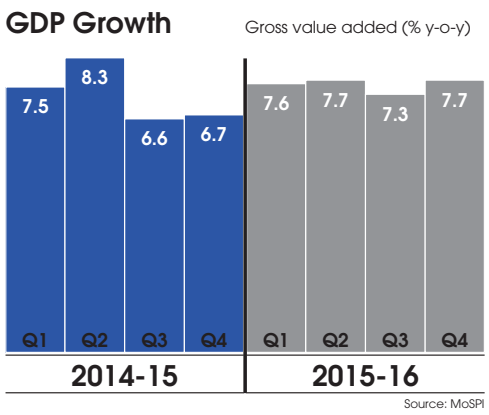
OVERVIEW OF THE ECONOMY:

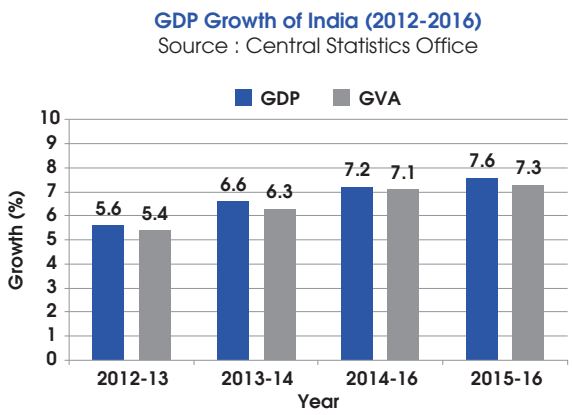
The world economy continued its uphill climb during the year 2015. Geo-political tensions and slow pace of recovery in advanced economies led to the global output rising by 2.4 per cent in 2015, marginally lower than the 2.6 per cent in 2014, according to World Economic Situation and Prospects, 2016, published by United Nations. Other key factors affecting global growth were volatility and rebalancing in the Chinese economy, drop in oil and other commodity prices, slowdown in emerging economies and slow demand pickup in major developed economies.

A major macro-economic event that had a big impact during the year was price of crude oil. This was a year in which the global economy saw a big drop in commodity prices, with crude oil dropping from a high of near USD100 per barrel in October 2014 to sub USD30 in January 2016. While this volatility rocked many oil-producing economies around the world, it was a positive development for oil-importing countries like India.

The Indian economy continued to power ahead during the year, in spite of many challenges. For the second year in a row, India surpassed China to emerge as the fastest growing major economy in the world, with the GDP growth rate of 7.6 per cent. Other challenges included stressed balance sheets of major PSU banks and passage of key reforms, which did affect investor sentiments. On the other hand, inflation largely remained within the desirable limits of the government, largely on account of low commodity prices, especially prices of crude oil. Low crude oil prices also helped in keeping the Current Account Deficit (CAD) under control, allowing the Reserve Bank of India to loosen its monetary policy and lower repo rates.

The outlook for the year 2016 continues to remain optimistic and buoyant. Key agencies have forecast an above average monsoon for the year, a key to rural growth as well as consumption demand in key industries. The government's focus on reviving infrastructure, manufacturing and housing through long term initiatives that are all expected to aid GDP growth.





THE INDIAN MEDIA AND ENTERTAINMENT INDUSTRY:

The year 2015 was a seminal year in many ways for the Media and Entertainment (M&E) industry. A year that sparked excitement and renewed hope but at the same time a year in which reality came to roost. Lower commodity prices, lower inflation and lower borrowing costs are likely to drive consumerism in the country benefiting the media industry. This resilience is reflected in the performance of the M&E sector which grew by 12.8 per cent from INR1026 billion in 2014 to INR1157 billion in 2015.

The Indian media and entertainment industry : Size								The Indian media and entertainment industry : Projections					
Overall industry size (INR billion) (For calendar years)	2010	2011	2012	2013	2014	2015	Growth in 2015 over 2014	2016P	2017P	2018P	2019P	2020P	CAGR (2015-2020)
TV	297.0	329.0	370.1	417.2	474.9	542.2	14.2%	617.0	709.6	823.3	956.8	1097.6	15.1%
Print	192.9	208.8	224.1	243.1	263.4	283.4	7.6%	305.2	329.6	355.9	383.6	412.5	7.8%
Films	83.3	92.9	112.4	125.3	126.4	138.2	9.3%	158.7	174.1	190.0	207.8	227.3	10.5%
Radio	10.0	11.5	12.7	14.6	17.2	19.8	15.3%	23.4	28.4	32.7	37.8	43.3	16.9%
Music	8.6	9.0	10.6	9.6	9.8	10.8	10.2%	12.1	14.0	16.1	18.4	20.6	13.8%
OOH	16.5	17.8	18.2	19.3	22.0	24.4	10.9%	28.3	31.6	35.4	40.0	45.2	13.1%
Animation and VFX	23.7	31.0	35.3	39.7	44.9	51.1	13.8%	58.3	67.1	78.1	91.3	108.0	16.1%
Gaming	10.0	13.0	15.3	19.2	23.5	26.5	12.8%	30.8	34.4	39.0	45.4	50.7	13.9%
Digital Advertising	10.0	15.4	21.7	30.1	43.5	60.1	38.2%	81.1	113.6	153.3	199.3	255.2	33.5%
Total	**652**	**728**	**821**	**918**	**1,026**	**1,157**	**12.8%**	**1,315**	**1,502**	**1,724**	**1,980**	**2,260**	**14.3%**

Source: KPMG in India analysis, 2016

The government's Digital India and Smart City initiatives are set to exponentially increase the internet penetration in tier II and tier III cities, revolutionising businesses and our way of life. India's estimated internet current user-base of more than 300 million (as of December 2015). One of the critical issues for such limited coverage is the poor broadband coverage in the tier II and III cities.

FILM:

For the M&E industry, the year was a mixed bag. Exhibitors recorded a significant growth in regional and Hollywood film collections, the collection for Hindi films was almost flat as compared to previous years. This may be an indicator of audiences looking beyond Bollywood for their entertainment. Bollywood delivered a handful of films based on superior content that performed well. However, weak contents failed to attract audiences to theatres.

The box office collections for Bollywood in 2015 were low compared to 2014. In particular, only six of the leading 10 grossing films in 2015 crossed the INR1 billion mark and two crossed the INR2 billion mark as compared to 2014 wherein nine of the leading 10 grossers had collections above INR1 billion.

Domestic theatricals continued to be the main source of revenue with a 73 per cent share in the total revenues for the Indian film industry. In 2015, domestic theatrical revenues grew by 8.5 per cent to reach INR101 billion on the back of an increase in overall footfalls as well as an inflationary growth in average ticket prices.

Film Industry Performance:

Revenues (INR billion)	2011	2012	2013	2014	2015	2016P	2017P	2018P	2019P	2020P	2014-15 (YoY growth)	CAGR (2015-2020)
Domestic theatrical	68.8	85.1	93.4	93.5	101.4	115.8	125.7	136.1	147.6	159.9	8.5%	9.5%
Overseas theatrical	6.9	7.6	8.3	8.6	9.6	11.4	12.4	13.5	14.5	15.6	11.5%	10.9%
Cable and satellite rights	10.5	12.6	15.2	14.7	15.9	18.2	19.8	21.4	23.2	25.1	8.1%	9.5%
Home video	2.0	1.7	1.4	1.2	1.0	0.9	0.8	0.7	0.6	0.6	-14.0%	-12.2%
Ancillary revenue streams	4.7	5.4	7.0	8.4	10.2	12.5	15.4	18.3	21.9	26.1	22.3%	21.1%
Total	**92.9**	**112.4**	**125.3**	**126.4**	**138.2**	**158.7**	**174.1**	**190.0**	**207.8**	**227.3**	**9.3%**	**10.5%**

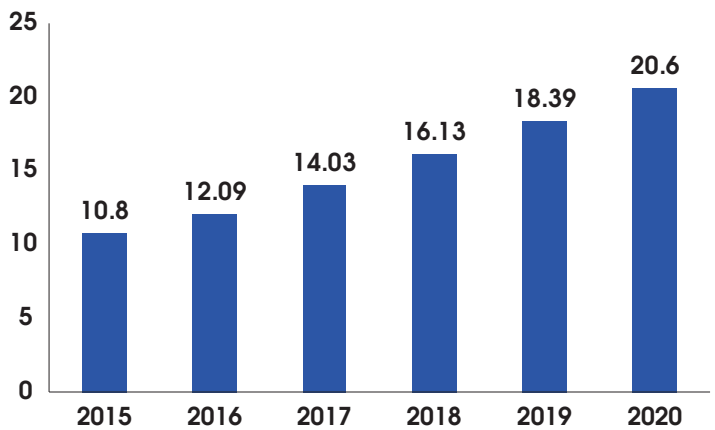
Source: KPMG in India analysis

Bollywood Films such as 'Bajrangi Bhaijaan', 'Tanu Weds Manu Returns', 'Piku' and 'ABCD2' performed very well at the box office due to the strong content. 'Baahubali - a bi-lingual film, created box-office history and set a new standard for filmmakers in India Also, a few Hollywood franchise films such as 'Avengers: Age of Ultron', 'Fast & Furious 7', 'Jurassic World', which got a wider release due to dubbing and release on e-cinema screens, also showed strong performance.

MUSIC:

The music industry continued its shift to digital consumption in 2015. The market size of the music industry is INR10.8 billion in 2015 and is expected to grow to INR20.6 billion by 2020. Digital music now generates revenue of over 55 per cent of the overall size of the music industry in India. Nearly 40 per cent of the music consumed is Bollywood, 30 per cent is Regional, 10 per cent is Classical and Devotional and 20 per cent is the rest of the market.

Music market (INR billion)



Source: Industry Discussions and KPMG India Analysis

The year 2015 saw the music streaming services getting strong traction and clearer business models have begun to emerge for these players. Players like Gaana, Saavan, Hungama, Wynk, Rdio, and Guvera have started to gain increased user traffic on the back of cheaper connectivity, better smartphone penetration and acceptance of freemium models amongst consumers supplemented by high levels of customer acquisition spend. However, most users are consuming content for free and there has been strong resistance to switching to subscription models. There are an estimated 40 million active consumers in India who stream every month and out of which only about 0.2 million customers are paid subscribers.

BUSINESS OVERVIEW:

Tips Industries Limited (TIPS) is one of the most respected and renowned entertainment companies with presence in music, film production and distribution. Mr. Kumar Taurani and Mr. Ramesh Taurani, co-founder of TIPS, are well known names in the Indian M&E space with a proven track record of producing films that have a wholesome entertainment for the entire family. TIPS also has one of the largest and diversified music library with a collection of over 25,000 songs across all genres and major languages. TIPS owns the RACE franchise, one of the most successful mainstream Hindi film franchise in recent years with a proven success at box office. The Company is also a leading producer of Punjabi films in the country.

With the increased penetration of smart phones and internet to rural areas, there has been an increase of rural population as potential customers. As a result, most digital music companies in India are looking to develop/invest in regional content library. Music rights are expected to recover on an average about 10 to 15 per cent of the production costs of a film.

FINANCIAL RESULTS:

The Company earned total revenue including other income of ₹ 7151.45 lakhs as compare to the previous year of ₹ 10380.54 lakhs. The net profit after tax for the year stood at ₹ 303.39 lakhs as compared to ₹ 269.61 lakhs in the previous year.

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

(₹ in lakhs)

Particulars	2015-16	2014-15
Income	7151.45	10380.54
Profit/(Loss) before Depreciation, Interest, Provision for Contingencies and Taxation	1803.47	1664.00
Less: Depreciation and Interest	1422.37	1329.49
Profit/(Loss) before Provision for Taxation, Extraordinary and Prior Period year items	381.09	334.51
Less: Provision for Taxation		
Current Tax	77.71	59.13
Wealth Tax	0.00	3.82
Taxes in respect of earlier years	0.00	1.94
Profit/(Loss) after Provision for Taxation but before Extraordinary and Prior Period year items	303.39	269.61
Less: Prior Period Expenses	0.00	0.00
Profit/(Loss) after Taxation	303.39	269.61
Add: Balance Brought Forward	2324.88	2302.00
Profit/(Loss) after Taxation available for Appropriation	2628.27	2571.61
Dividend	150.68	153.59
Dividend Tax	30.67	31.27
General Reserves	22.75	20.00
Share Capital	1506.77	1535.86
Reserves & Surplus	5457.41	5489.10

PERFORMANCE REVIEW:

During the year 2015-16, TIPS produced and released its Punjabi comedy-thriller film "Ambarsariya" on March 25, 2016. The film is directed by Mandeep Kumar, written by Dheeraj Rattan and stars Diljit Dosanjh, Monica Gill, Navneet Kaur Dhillon, Lauren Gottlieb and others. The film received positive response from audience and got a good opening at U.S. box office in the first weekend.

In the mainstream Hindi films, the Rom-Com film "Loveshhuda", directed by Vaibhav Misra, was distributed by TIPS. The film stars Girish Kumar and Navneet Kaur Dhillon in leading roles. It was released on February 19, 2016.

The outlook for the next year is positive. TIPS is confident that its music business will continue to deliver consistent growth and revenue. With better 3G coverage and the introduction of 4G services, the consumption of digital music is expected to increase significantly over the next few years. The Company has always been at the forefront of leveraging latest technology and innovation in the industry. The music library of the Company is one of the most exhaustive in the industry comprising of a collection of over 25,000 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 2015-16 was ₹ 4309.86 lakhs as compared to ₹ 3221.78 lakhs in the previous year. In the films business, the Company is actively considering some exciting scripts for shortlisting.

DIVIDEND:

The Directors recommend final dividend of 10% i.e. ₹ 1.00/- (one rupee) per share on fully paid-up Equity Shares of ₹ 10/- each of the Company. The proposed dividend, subject to approval by the shareholder of the Company at the Annual General Meeting, will absorb a sum of ₹ 150.68 lakhs (Previous Year being ₹ 153.59 lakhs) and Dividend Tax of ₹ 30.67 lakhs (Previous Year being ₹ 31.27 lakhs).

TRANSFER TO RESERVES:

The Company transferred a sum of ₹ 22.75 lakhs to the General Reserve and amount of ₹ 2424.16 lakhs is retained in the Profit and Loss Account.

SHARE CAPITAL:

The paid up Equity Share Capital as on March 31, 2015 was 1,53,58,640. Due to the buy-back of 10,39,981 Equity Shares of the Company, as on date, the paid-up share capital of the Company has been reduced to 1,43,18,659 Equity Shares.

- **Buyback of Equity Shares:**
  The Buy-back offer commenced on November 26, 2015 and closed on May 25, 2016. The Company has bought back 10,39,981 Equity Shares from the open market using the nationwide electronic trading facilities of the BSE Limited ('BSE') and National Stock Exchange of India Limited('NSE') from the existing registered shareholders/beneficial owners, other than the Promoters of the Company. The total fund utilized in the Buy-back is ₹ 6,52,95,997.15 (excluding brokerage, transactional charges and taxes) which represents 96.02% of the Maximum Buy-back Size of ₹ 6,80,00,000/- (excluding brokerage, transactional charges and taxes). The highest price at which the Equity Shares were bought back was ₹ 70/- per Equity Share while the lowest price was ₹ 51/- per Equity Share. The Equity Shares were bought back at an average price of ₹ 62.79 per Equity Share. These prices are based on daily reporting by the broker and exclude brokerage, transactional charges and taxes.
- 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, 2016, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

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

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

CORPORATE GOVERNANCE REPORT:

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

- **Cessation from Directorship:**

  Mr. Vijay Agarwal, Independent Director of the Company, has resigned from the post of directorship with effect from closure of business hours of August 14, 2015.

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

- **Director Retiring by Rotation:**

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

- **Appointment of Director:**

  Mr. Venkitaraman Subramanian Iyer was appointed as an Additional Director (Non-Executive Independent) of the Company with effect from May 25, 2016 by the Board of Directors and holds office up to the date of this Annual General Meeting under Section 161 of the Companies Act, 2013. The Company has received requisite notice in writing from a member proposing Mr. Venkitaraman Subramanian Iyer for appointment as an Independent Director. The Board recommends the appointment of Mr. Venkitaraman Subramanian Iyer as Independent Director under Section 149 of the Companies Act, 2013 and under Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to hold office for 5 consecutive years.

- **Declaration by Independent Directors:**

  All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- **Key Managerial Personnel:**

  Mr. Kumar Taurani, Chairman & Managing Director, Mr. Ramesh Taurani, Managing Director, Mr. Ishwar Gursahani, Chief Financial Officer and Ms. Bijal Patel, Company Secretary, were the Key managerial Personnel during the year under review.

BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out performance evaluation. The manner in which the evaluation has been carried out has been explained in Corporate Governance Report.

DIRECTOR'S RESPONSIBILITY STATEMENT:

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013:

a. that in the preparation of the Annual Accounts for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b. the directors had selected such accounting policies and applied them consistently and made judgements 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, 2016 and of the profit of the Company for the year ended on that date;

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

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

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

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

DETAILS OF BOARD AND COMMITTEES MEETING:

- **Board Meetings:**
  The Board of Directors met five times during the financial year ended March 31, 2016 on May 8, 2015, August 14, 2015, November 4, 2015, November 5, 2015 and February 11, 2016. 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 Committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Buy-back 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 TRANSACTIONS:

All Related Party Transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations. There were no materially significant Related Party Transactions made by the Company during the year that would have required Shareholder approval under the Listing Regulations.

All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature. A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

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

Details of the transactions with Related Parties are provided in the accompanying financial statements. There were no transactions during the year which would require to be reported in Form AOC-2.

AUDITORS:

- **Statutory Auditors:**
  M/s. SSPA & Associates, Chartered Accountants, (Firm Registration No: 131069W) who are Statutory Auditors of the Company hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. 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.

In the opinion of the directors, the notes to financial statement 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 deferred tax explained in note no. 33 of the notes to Financial Statements.

- **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 which requires any explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

- **Internal Auditors:**

  Pursuant to provisions of Section 138 read with rules made thereunder, the Board has appointed M/s. Maheshwari & Co., Chartered Accountants (Firm Registration No: 105834W), as the Internal Auditors of the Company to check the internal controls and functioning of the activities, and recommend ways of improvement. Internal Audit is carried out on a quarterly basis, the report is placed in the Meetings of the Audit Committee and the Board for their consideration and direction. Their scope of work is as decided by the Audit Committee and the Board of Directors.

INTERNAL CONTROL & FINANCIAL REPORTING SYSTEMS

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. It has documented the procedures covering all financial and operating functions and processes. These have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations, protecting assets from unauthorized use or losses and compliance with regulations.

Adequate internal control systems commensurate with the nature of the Company's business and size and complexity of its operations have been recognized. Internal control systems ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

During the year under review, no material or serious observations have been received from the Internal Auditors of the Company with respect to inefficiency or inadequacy of the controls.

RISK MANAGEMENT:

Risks are an inherent part of any business. The Company has formulated a Risk Assessment and Minimization Policy with regard to risk management to identify risks inherent in business operations of the Company and provides guidelines to define, measure, report, control and mitigate the identified risks. This Policy ensures the sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the Company's business.

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

- **Piracy:**

  Piracy is a major risk and bane 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. This has a potential to incentivise piracy as people would find it much easier to watch movie on their laptops or mobile than travel to far off theatres. Hence, there is need for a collective, structured, scientific, multi-pronged and proactive approach to combat piracy.

- **Consumer preference shifting to alternate forms of entertainment:**
  TV, IPL, OTT platforms, live entertainment etc. and other forms of outdoor entertainment such as sports, eating out, etc. may eat into the share of domestic theatricals as an entertainment option.

- **Lost opportunities due to the inability to add new screens in a timely manner:**
  India lags behind on account of screen penetration and lack of infrastructure is leading to a lost revenue opportunity for the industry. This affects the scope of the smaller films to a greater extent. Each meritorious independent film, under marketed or under monetised would be a missed opportunity, not only for that particular film or film maker, but for the entire Indian film industry.

- **Ticket pricing:**
  Increasing ATPs are dissuading the audience from watching the films in theatres. Regions with low ATP prices have witnessed improved occupancy levels and a boost to film business. For instance, the occupancy levels are very high in the south where the ATP prices are capped. Also, the Marathi film industry experienced a boom in the last year due to low ATP prices. Hence, there is need to rationalise the ATP prices to improve the footfalls.

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:

The Indian Media and Entertainment (M&E) industry is a sunrise sector for the economy and is growing at a rapid pace. The industry has witnessed tremendous growth in the last few years and the growth momentum is expected to continue. Digitisation has played

a major role in the Indian M&E industry, affecting every aspect from production to distribution. Going forward, those companies who take the digital leap and adapt their business models to meet the digital world stand to make maximum gains. Another key factor for the industry is the increasing number of screen in the country. In the next five years, the growth in the number of screens would primarily be driven by expansion to tier-II and tier-III cities.

The industry landscape is becoming highly dynamic, with the digital segment being among the fastest growing segments. Rising income and evolving lifestyles, backed by increasing digitisation and higher internet usage, pave way for the tremendous scope of growth for almost all segments of this industry. These are all positive developments for TIPS as the Company is poised to leverage its experience and expertise of providing wholesome family entertainment to the Indian audiences with its Hindi and Punjabi films, as well as its huge repertoire of digitised music collection across the digital media.

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 March 31, 2016, the number of employees on the payroll of the Company was 53.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

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

WHISTLE BLOWER POLICY /VIGIL MECHANISM POLICY:

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

CORPORATE SOCIAL RESPONSIBILITY (CSR):

As a part of its Corporate Social Responsibility (CSR) initiative, the Company has undertaken project in accordance with Schedule VII of the Companies Act, 2013 and the Company's CSR policy.

The average net profit of the Company, computed as per Section 198 of the Companies Act, 2013 during the three immediately preceding financial years was ₹ 87.03 lakhs. It was required to spend ₹ 1.74 lakhs on CSR activities during the Financial Year 2015-16, being 2% of the average net profits of the three immediately preceding financial years.

The Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is provided in **Annexure III** forming part of this report.

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, 2016 is provided in **Annexure IV** forming part of this report.

DEPOSITS:

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

During the year 2015-16, the Company has accepted 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 DISCLOSURES:

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

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

CAUTIONARY STATEMENT:

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

ACKNOWLEDGMENTS AND APPRECIATION:

The 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.

The 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

Kumar S. Taurani
Chairman and Managing Director
DIN: 00555831

Place: Mumbai
Date: May 25, 2016

ANNEXURE – I

To,

The Members

Tips Industries Limited

Date: May 17, 2016

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 appropriateness of financial records and Books of Accounts of the Company.

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

(5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, 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

N L BHATIA

Membership No.1176

CP No.422

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
Tips Industries Limited

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

Based on our verification of 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, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Tips Industries Limited ("the Company") for the financial year ended on March 31, 2016 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, 2015;

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

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

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

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 Not Applicable during the financial year

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

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

vi. Other Laws applicable to the Company;

a) Income Tax Act, 1961

b) Finance Act, 1994

c) Maharashtra Value Added Tax Act, 2002

d) Profession Tax Act, 1975

e) The Payment of Bonus Act, 1965

f) The Payment of Gratuity Act, 1972

g) Employees provident Funds & Miscellaneous Provisions Act ,1952

h) The Bombay Shop & Establishment Act, 1948

i) The Minimum Wages Act, 1948

j) The Employee State Insurance Act, 1948

k) Copyright Act, 2013

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

m) Maternity Benefit Act, 1961

n) Negotiable Instrument Act, 1881

o) The Contract Act, 1872

p) Bombay Stamp Act, 1958

q) The Cinematograph Act, 1952

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

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

ii. The Listing Agreements entered into by the Company with BSE Limited and National Stock exchange of India Limited till November 30, 2015 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 from December 1, 2015 till March 31, 2016

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

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

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

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

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

We further report that; the Company has extinguished 2,78,132 Equity Shares till March 31, 2016 under the Buy-back offer from the "Open Market" through BSE Limited and National Stock Exchange of India Limited using their nationwide electronic terminals. Consequently, the post paid-up share Capital of the Company has been reduced to 1,50,80,508 Equity Shares.

The Company, in compliance with Letter number SRN C71628002/4/2015-CL.VII and SRN C71631287/4/2015-CL. VII dated March 31, 2016 of MCA, has recovered the excess managerial remuneration and reported the matter to the MCA along with duly certified copy of cheques and bank statements.

Place: Mumbai
Date: May 17, 2016

For N.L. Bhatia & Associates
(S1996MH016600)

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
Kumar Taurani	22.38
Ramesh Taurani	22.38

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

CEO: NIL, CFO: NIL, CS: NIL

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

(d) The number of permanent employees on the rolls of the Company: 53 Employees as on March 31, 2016.

(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	2.87
Remuneration of KMP as % of profit before tax	64.77

(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, 2016	As at March 31, 2015	Variation %
Closing rate of shares at BSE	₹ 66.00	₹ 41.70	58.27
EPS	₹ 1.98	₹ 1.76	12.50
Market Capitalisation	₹ 9953.14 Lakhs	₹ 6404.55 Lakhs	55.41
Price Earnings Ratio	₹ 33.33	₹ 23.69	40.69
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	(79.05) %	(86.76) %	8.89

(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: There was no increase in the salaries of employees and managerial personnel for the financial year 2015-16.

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

Particulars	CEO	CFO	CS
Remuneration of each KMP as % of revenue from operations	2.63	0.18	0.07
Remuneration of each KMP as % of Profit before tax	59.33	3.96	1.48

(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 2015-16.

(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 0.78.

(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 2015-16 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 lakhs p.a.	₹ 90 lakhs p.a.	₹ 115 lakhs p.a.
Nature of employment, whether contractual or otherwise	Employment	Employment	Employment
Qualifications	B.Com	B.Com	Economics (Hons)
Experience of the employee	36 years	35 Years	22 Years
Date of commencement of employment	08/05/1996	27/09/2005	08/10/2010
Age of such employee	58 Years	56 Years	41 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	19.11	19.07	0.00003

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. 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:** ₹ 87.03 lakhs

4. **Prescribed CSR Expenditure (two percent of the amount as per item 3 above):** ₹ 1.74 lakhs

5. **Details of CSR spent during the financial year.**

   (a) Total amount:

   - to be spent for the financial year: ₹ 1.74 lakhs
   - Spent for the financial year: ₹ 2.00 lakhs

   (b) Amount unspent if any: NIL

(c) Manner in which the amount spent during the financial year is detailed below:

(₹ in Lakhs)

(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 towards welfare of Animals	Animal Welfare	Local Area Mumbai	2.00	2.00	2.00	Through implementing agency
	Total			**2.00**	**2.00**	**2.00**	

*World for All Animal Care & Adoptions

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.

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

Place: Mumbai
Date: May 25, 2016

ANNEXURE IV

EXTRACT OF ANNUAL RETURN as on financial year ended on March 31, 2016

(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; **E-mail i.d**: response@tips.in
Whether Listed Company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any:	**Link Intime India Private Limited** C-13 Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai - 400078. **Tel. No.:**+91 22-25946970; **Fax No.:** +91 22-25946969 **E-mail i.d.:** rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1	Audio/Video Products	592	60.27
2	Film Production & Distribution	591	35.44

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 shareholding:

Category of Shareholders		No. of Shares held at the beginning of the year (01.04.2015)				No. of Shares held at the end of the year (31.03.2016)				% Change during the year*
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
(1)	**Indian**									
a)	Individual/HUF	10712762	0	10712762	69.75	10712762	0	10712762	71.04	1.29
b)	Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c)	State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00

d)	Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f)	Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total(A)(1):		**10712762**	**0**	**10712762**	**69.75**	**10712762**	**0**	**10712762**	**71.04**	**1.29**
(2)	**Foreign**									
a)	NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b)	Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c)	Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e)	Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(2):		**0**	**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**	**71.04**	**1.29**
B.	**Public Shareholding**									
(1)	**Institutions**									
a)	Mutual Funds	0	0	0	0.00	0	0	0	0.00	0
b)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0
c)	Central Govt	0	0	0	0.00	0	0	0	0.00	0
d)	State Govt(s)	0	0	0	0.00	0	0	0	0.00	0
e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
f)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0
g)	FIIs	0	0	0	0.00	0	0	0	0.00	0
h)	Foreign Venture Capital Funds	0	0		0.00	0	0	0	0.00	0
i)	Others (specify)	0	0	0	0.00	0	0	0	0.00	0
Sub-total (B)(1):		**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**
(2)	**Non-Institutions**									
a)	**Bodies Corp.**									
i)	Indian	1900329	0	1900329	12.37	1693789	0	1693789	11.23	(1.14)
ii)	Overseas	0	0	0	0.00	0	0	0	0.00	0
b)	**Individuals**									
i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	1869251	22261	1891512	12.32	1674087	21561	1695648	11.24	(1.07)

ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	766576	0	766576	4.99	925038	0	925038	6.13	1.14
c)	**Others (specify)**									
	Clearing Member	64283	0	64283	0.42	29312	0	29312	0.19	(0.22)
	Non Resident Indians (Repat)	19231	50	19281	0.13	21842	50	21892	0.15	0.02
	Non Resident Indians (Non Repat)	3897	0	3897	0.03	2067	0	2067	0.01	(0.01)
Sub-total(B)(2):		**4623567**	**22311**	**4645878**	**30.25**	**4346135**	**21611**	**4367746**	**28.96**	**(1.29)**
Total Public Shareholding (B)=(B)(1)+(B)(2)		**4623567**	**22311**	**4645878**	**30.25**	**4346135**	**21611**	**4367746**	**28.96**	**(1.29)**
C.	**Shares held by Custodian for GDRs & ADRs**	0	0	0	0.00	0	0	0	0.00	0.00
Total (C)		**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Grand Total (A+B+C)		**15336329**	**22311**	**15358640**	**100.00**	**15058897**	**21611**	**15080508**	**100.00**	**0.00**

**As on March 31, 2016, the Company has bought back 2,90,958 Equity shares out of which 2,78,132 Equity Shares has been Extinguished. Thus, due to the extinguishment of 2,78,132 Equity Shares, the paid up capital of the Company has been reduced from 1,53,58,640 equity shares to 1,50,80,508 equity shares.*

ii. Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year (01.04.2015)			Shareholding at the end of the year (31.03.2016)			% change in shareholding during the year*
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Kumar S. Taurani	2881915	18.76	0.00	2881915	19.11	0.00	0.35
2	Ramesh S. Taurani	2875911	18.73	0.00	2875911	19.07	0.00	0.35
3	Varsha R. Taurani	2474718	16.11	0.00	2474718	16.41	0.00	0.30
4	Renu K. Taurani	2468718	16.07	0.00	2468718	16.37	0.00	0.30
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**	**71.04**	**0.00**	**1.29**

**As on March 31, 2016, the Company has bought back 2,90,958 Equity shares out of which 2,78,132 Equity Shares has been Extinguished. Thus, due to the extinguishment of 2,78,132 Equity Shares, the paid up capital of the Company has been reduced from 1,53,58,640 equity shares to 1,50,80,508 equity shares. Consequently, the percentage (voting rights) of the promoters has been increased from 69.75% to 71.04%.*

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc)	Cumulative Shareholding during the year	
		No. of Shares at the beginning/ end of the year	% of total shares of the Company		No. of shares	% of total shares of the Company
1	Kumar S. Taurani	2881915	18.76	As on March 31, 2016, the Company has bought back 2,90,958 Equity shares out of which 2,78,132 Equity Shares has been Extinguished. Thus, due to the extinguishment of 2,78,132 Equity Shares, the paid up capital of the Company has been reduced from 1,53,58,640 equity shares to 1,50,80,508 equity shares. Consequently, the percentage (voting rights) of the promoters has been increased from 69.75% to 71.04%.	2881915	19.11
2	Ramesh S. Taurani	2875911	18.73		2875911	19.07
3	Varsha R. Taurani	2474718	16.11		2474718	16.41
4	Renu K. Taurani	2468718	16.07		2468718	16.37
5	Shyam M. Lakhani	7000	0.05		7000	0.05
6	Kavita S. Lakhani	4500	0.03		4500	0.03

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

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year 01.04.2015		Transactions during the year		Reason	Cumulative Shareholding at the end of the year 31.03.2016	
		No. of Shares	% of total shares of the company	Date	No. of Shares		No. of Shares held	% of total shares of the company
1	Finquest Financial Solutions Pvt. Ltd.#	Nil	N.A	31-03-2016	600100	Market Purchase	600100	3.98
2	Shastha Advisors Private Limited	654629	4.26	14-08-2015	(6796)	Market Sell	647833	4.30
				11-12-2015	(90000)	Market Sell	557833	3.70
3	Riddisiddhi Bullions Limited	225086	1.47	Nil	N.A.	Nil movement During the year	225086	1.49

4	Amit Ashok Thawani#	Nil	N.A.	03-07-2015	795	Market Purchase	795	0.01
				10-07-2015	95686	Market Purchase	96481	0.64
				17-07-2015	5864	Market Purchase	102345	0.68
				31-07-2015	1366	Market Purchase	103711	0.69
				16-10-2015	324	Market Purchase	104035	0.69
				23-10-2015	1000	Market Purchase	105035	0.70
				06-11-2015	20000	Market Purchase	125035	0.83
				20-11-2015	275	Market Purchase	125310	0.83
				27-11-2015	1000	Market Purchase	126310	0.84
				04-12-2015	1000	Market Purchase	127310	0.84
				11-12-2015	4000	Market Purchase	131310	0.87
				31-12-2015	10825	Market Purchase	142135	0.94
				15-01-2016	4776	Market Purchase	146911	0.97
				26-02-2016	(5405)	Market Sell	141506	0.94
				31-03-2016	1829	Market Purchase	143335	0.95
5	Damyanti Jivandas Gokalgandhi	129723	0.84	24-04-2015	400	Market Purchase	130123	0.86
				21-08-2015	(1000)	Market Sell	129123	0.86
				29-01-2016	(125)	Market Sell	128998	0.85
				12-02-2016	(2500)	Market Sell	126498	0.83
				26-02-2016	(352)	Market Sell	126146	0.83
				04-03-2016	(3000)	Market Sell	123146	0.82
				18-03-2016	(250)	Market Sell	122896	0.81
				31-03-2016	(40)	Market Sell	122856	0.81
6	Ajay Rajaram Londhe	89564	0.58	10-04-2015	200	Market Purchase	89764	0.60
				24-04-2015	300	Market Purchase	90064	0.60
				08-05-2015	2997	Market Purchase	93061	0.62
				15-05-2015	5218	Market Purchase	98279	0.65
				22-05-2015	11077	Market Purchase	109356	0.73
				29-05-2015	4606	Market Purchase	113962	0.76
				05-06-2015	7438	Market Purchase	121400	0.81
				12-06-2015	1046	Market Purchase	122446	0.81

				10-07-2015	(3889)	Market Sell	118557	0.79
				17-07-2015	(1150)	Market Sell	117407	0.78
				31-07-2015	(100)	Market Sell	117307	0.78
				14-08-2015	(300)	Market Sell	117007	0.78
				21-08-2015	(800)	Market Sell	116207	0.77
				09-10-2015	(10)	Market Sell	116197	0.77
				16-10-2015	(70)	Market Sell	116127	0.77
				23-10-2015	(100)	Market Sell	116027	0.77
				04-12-2015	2950	Market Purchase	118977	0.79
				11-12-2015	3296	Market Purchase	122273	0.81
				01-01-2016	100	Market Purchase	122373	0.81
				08-01-2016	696	Market Purchase	123069	0.82
				15-01-2016	1050	Market Purchase	124119	0.82
				26-02-2016	(197)	Market Sell	123922	0.82
				11-03-2016	(3570)	Market Sell	120352	0.80
7	Devidas Jotumal Thawani	99531	0.65	Nil	N.A.	Nil movement During the year	99531	0.66
8	Gordhan Prabhudas Tanwani	71000	0.46	Nil	N.A.	Nil movement During the year	71000	0.47
9	Amit capital and securities Pvt ltd.#	10900	0.07	07-08-2015	34600	Market Purchase	45500	0.30
10	Chetan Ratilal Patel	36115	0.24	16-10-2015	2527	Market Purchase	38642	0.26
11	Anand Rathi Share And Stock Brokers Ltd *	44600	0.29	10-04-2015	353	Market Purchase	44953	0.30
				17-04-2015	(453)	Market Sell	44500	0.30
				01-05-2015	737	Market Purchase	45237	0.30
				08-05-2015	(737)	Market Sell	44500	0.30
				10-07-2015	900	Market Purchase	45400	0.30
				17-07-2015	(900)	Market Sell	44500	0.30
				31-07-2015	1	Market Purchase	44501	0.30
				07-08-2015	(34350)	Market Sell	10151	0.07
				14-08-2015	2694	Market Purchase	12845	0.09
				21-08-2015	(1845)	Market Sell	11000	0.07
				28-08-2015	(1026)	Market Sell	9974	0.07

				04-09-2015	626	Market Purchase	10600	0.07
				11-09-2015	(700)	Market Sell	9900	0.07
				18-09-2015	72	Market Purchase	9972	0.07
				25-09-2015	(65)	Market Sell	9907	0.07
				30-09-2015	(7)	Market Sell	9900	0.07
				09-10-2015	1251	Market Purchase	11151	0.07
				16-10-2015	(431)	Market Sell	10720	0.07
				23-10-2015	(820)	Market Sell	9900	0.07
				06-11-2015	433	Market Purchase	10333	0.07
				13-11-2015	(433)	Market Sell	9900	0.07
				04-12-2015	1800	Market Sell	11700	0.08
				11-12-2015	(80)	Market Sell	11620	0.08
				18-12-2015	(620)	Market Sell	11000	0.07
				25-12-2015	(550)	Market Sell	10450	0.07
				31-12-2015	(150)	Market Sell	10300	0.07
				01-01-2016	(400)	Market Sell	9900	0.07
				19-02-2016	2	Market Purchase	9902	0.07
				26-02-2016	1	Market Purchase	9903	0.07
				04-03-2016	(2)	Market Sell	9901	0.07
				11-03-2016	(1)	Market Sell	9900	0.07
12	Pasha Finance Pvt. Ltd.*	600000	3.91	21-08-2015	(600000)	Market Sell	Nil	N.A.
13	Rekhi Holdings Pvt Ltd *	60000	0.39	14-08-2015	(60000)	Market Sell	60000	0.40

* Ceased to be in the list of Top 10 shareholders as on 31-03-2016. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2015.

Not in the list of Top 10 shareholders as on 01-04-2015. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2016.

Note: 1. Paid up Share Capital of the Company (Face Value ₹ 10.00) at the end of the year is 1,50,80,508 Shares.

2. The details of holding has been clubbed based on PAN.

V. Shareholding of Directors and Key Managerial Personnel:

Name of the Shareholder	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.15 to 31.03.16)	
	No. Shares at the beginning of the year (01.04.2015)	% of total shares of the company				No. of Shares	% of total shares of the Company
Mr. Kumar Taurani Chairman & Managing Director	2881915	18.76	N.A	Increase	Due to the Buy-back offer*	2881915	19.11
Mr. Ramesh Taurani Managing Director	2875911	18.73	N.A	Increase		2875911	19.07
Mr. Ishwar Gursahani Chief Financial Officer	10	0.000065	N.A	Increase		10	0.000066
Ms. Bijal Patel Company Secretary	NIL	N.A	N.A	N.A	N.A	N.A	N.A

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

** As on March 31, 2016, the Company has bought back 2,90,958 Equity shares out of which 2,78,132 Equity Shares has been Extinguished. Thus, due to the extinguishment of 2,78,132 Equity Shares, the paid up capital of the Company has been reduced from 1,53,58,640 equity shares to 1,50,80,508 equity shares. Consequently, the percentage (voting rights) has been increased from 69.75% to 71.04%.*

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning 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)	**10538.51**	**50.00**	**0.00**	**10588.51**
Change in Indebtedness during the financial year				
• Addition	173.12	150.00	0.00	323.12
• Reduction	1959.58	0.00	0.00	1959.58
Net Change	**(1786.46)**	**150.00**	**0.00**	**(1636.46)**
Indebtedness at the end of the financial year				
i) Principal Amount	8736.83	200.00	0.00	8936.83
ii) Interest due but not paid	19.54	0.00	0.00	19.54
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	**8756.37**	**200.00**	**0.00**	**8956.37**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (₹ in Lakhs)

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				**168.00***

* The Company has made an application to the Central Government for payment of excess managerial remuneration as approved by the shareholder in their meeting held on August 14, 2015.

B. Remuneration to other directors: (₹ in Lakhs)

Sl. No	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Amitabh Mundhra	Mrs. Radhika Pereira	Mr. Vijay Agarwal	
1	Independent Directors				
	• Fee for attending Board/ Committee meetings	2.00	2.00	0.80	4.80
	• Commission	NIL	NIL	NIL	NIL
	• Others, please specify	NIL	NIL	NIL	NIL
	Total (B1)	**2.00**	**2.00**	**0.80**	**4.80**
2	Other Non-Executive Directors	NIL			
	Total (B2)	**NIL**			
	Total (B=B1+B2)	**4.80**			
	Overall Ceiling as per the Act	Sitting fees not exceeding rupees one lakh per Board or committee in terms of Rules 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.			

C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD: (₹ in Lakhs)

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, 2016.

CORPORATE GOVERNANCE REPORT

CORPORATE PHILOSOPHY:

TIPS firmly believes in and has consistently practiced good corporate governance. The Company continues to deliver value to its various stakeholders. The practice of responsible governance has enabled the Company to achieve sustainable growth, while meeting the expectations of all stakeholders and the society at large. The Company endeavors to improve upon aspects like transparency, professionalism, accountability and fair disclosures, on an ongoing basis and takes necessary steps towards growth and enhancing value for its shareholders.

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

BOARD OF DIRECTORS:

- **Composition of Board:**

  The Company has an optimum combination of Executive and Non- Executive Directors with one woman director. As on March 31, 2016, the Board consists of four Directors comprising of two Executive Directors and two Non-Executive Independent Directors.

  The Company has obtained the requisite disclosures from the Directors in respect of their directorship in other companies and membership/chairmanship in committees of other companies. The Independent Directors have given declaration pursuant to the provisions of Section 149 of the Companies Act, 2013 that they meet the criteria of independence.

- **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, 2016:**

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

Notes:

- Excludes Directorships in Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.
- Includes only Audit Committee and Stakeholders' Relationship Committee.
- Mr. Kumar Taurani and Mr. Ramesh Taurani are related to each other. None of other directors 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 Regulation 16(1)(b) of the Listing Regulation. As per the provision Companies Act, 2013 and Listing Regulation, terms and conditions of appointment of independent directors has been disclosed on the website of the Company viz: http://www.tips.in/uploads/pdfupload/corporate_governance/Terms_and_Condition_of_Appointment_of_Independent_Directors.pdf

  As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Regulation, a separate meeting of the Independent Directors of the Company was held on February 11, 2016 to review the performance of Non-Independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties.

  All the Independent Directors were present for the Meeting.

- **Board Meetings:**

  The Board of Directors of the Company met five times during the financial year i.e. from April 1, 2015 to March 31, 2016 on May 8, 2015, August 14, 2015, November 4, 2015, November 5, 2015 and February 11, 2016. The maximum time gap between any of two consecutive meetings did not exceed 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 and Number of shares held by the directors in the Company:**

Name	No. of Board Meeting		Attendance at last AGM held on August 14, 2015	Number of shares held in the Company
	Held	Attended		
Mr. Kumar Taurani	5	5	Yes	28,81,915
Mr. Ramesh Taurani	5	5	Yes	28,75,911
Mr. Amitabh Mundhra	5	5	Yes	NIL
Mrs. Radhika Pereira	5	5	Yes	NIL
Mr. Vijay Agarwal*	2	2	Yes	NIL

* Resigned w.e.f. closure of business hours of August 14, 2015

- **Familiarisation Programme for Independent Directors:**

  Any new Director who joins the Board is presented with a brief background of the Company, its operations and is informed of the important policies of the Company including the Code of Conduct for Directors and Senior Management, the Code of Conduct for Prevention of Insider Trading, Policy on Related Party Transactions, Nomination and Remuneration Policy, Whistle Blower Policy, Risk Management Policy, Policy for determination of materiality of events or information, Policy on preservation of documents and Archival Policy and Corporate Social Responsibility policy. The details of the familiarisation programme have been disclosed on website at the below

mentioned link: http://www.tips.in/uploads/pdfupload/corporate_governance/Familiarisation_programme_for_Independent_Directors1.pdf

- **Code of Conduct:**

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

- **Insider Trading Code:**

  The Company has adopted code of conduct for regulating, Monitoring and reporting of trading by insiders in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code is applicable to designated person as defined in the code. This Code is displayed on the website of the Company.

BOARD COMMITTEES:

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Buy-back Committee. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. The Minutes of the Committee Meetings are sent to all Directors and tabled at the Board Meetings.

I. AUDIT COMMITTEE:

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

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

Name of the Members	Designation	Category	Meetings Attended
Mr. Amitabh Mundhra	Chairperson	Independent Director	4
Mrs. Radhika Pereira	Member	Independent Director	4
Mr. Vijay Agarwal*	Member	Independent Director	2
Mr. Kumar Taurani#	Member	Executive Director	1

* Resigned w.e.f. closure of business hours of August 14, 2015

\# Appointed as a member w.e.f. November 4, 2015.

The Audit Committee met four times during the financial year 2015-16 on May 8, 2016, August 14, 2015, November 4, 2015 and February 11, 2016. The necessary quorum was present for all Meetings. The Chairperson of the Audit Committee was present at the last Annual General Meeting of the Company.

- **Terms of Reference:**

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

II. NOMINATION AND REMUNERATION COMMITTEE:

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

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

Name of the Members	Designation	Category	Meetings Attended
Mrs. Radhika Pereira	Chairperson	Independent Director	3
Mr. Amitabh Mundhra	Member	Independent Director	3
Mr. Vijay Agarwal*	Member	Independent Director	2
Mr. Kumar Taurani#	Member	Executive Director	1

* Resigned w.e.f. closure of business hours of August 14, 2015

Appointed as a member w.e.f. November 4, 2015.

The Committee met three times during the year on May 8, 2015, August 14, 2015 and February 11, 2016. The necessary quorum was present for all Meetings. The Chairperson of the Committee was present at the last Annual General Meeting of the Company.

- **Terms of Reference:**

Terms of Reference of the Nomination and Remuneration Committee includes the matters specified under the Companies Act, 2013 and Listing Regulations, which includes recommendation for appointment of Director, KMP and Senior Management personnel, formulation of criteria for evaluation of Independent Director and the Board as a whole, formulation of remuneration policy etc.

- **Performance Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulation, a separate exercise was carried out to evaluate the performance of Independent Directors and Board as whole. The criteria of performance evaluation were a). Board experience, skill, role, responsibility b). Attendance and Participation in the meetings c). Suggestion for effective functioning, Board process, policies, strategy and other.

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

REMUNERATION TO THE DIRECTORS:

Detail of Remuneration paid to Non-Executive Independent Directors and Executive Directors of the Company for the year ended March 31, 2016 is as stated below:

- **Non-Executive Independent Directors:**

The Non-Executive Independent Directors do not have any material pecuniary relationship or transactions with the Company. Non-Executive Directors do not draw any remuneration from the Company except the sitting fees as permitted under the Companies Act, 2013 for attending the Board and Committee Meetings. During the year 2015-16, the total sitting fees paid to the Non-Executive Independent Directors are as stated below:

Director's Name	Mr. Amitabh Mundhra	Mrs. Radhika Pereira	Mr. Vijay Agarwal*
Sitting Fees	₹ 2.00 lakhs	₹ 2.00 lakhs	₹ 0.80 lakhs

*Resigned w.e.f. closure of business hours of August 14, 2015.

The Criteria for making payments to non-executive directors has been disclosed on website at the below mentioned link: http://www.tips.in/uploads/pdfupload/corporate_governance/Criteria_for_making_payments_to_non-executive_directors.PDF

- **Executive Directors:**

Director's Name and Designation	Salary & other allowances paid	Bonuses & Stock options	Service contracts	Notice Period
Mr. Kumar Taurani Chairman & Managing Director	₹ 7.50 lakhs p.m.	NIL	Appointed for a period of 3 Years	30 days
Mr. Ramesh Taurani Managing Director	₹ 7.50 lakhs p.m.	NIL		

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, 2015 to May 31, 2018 at managerial remuneration of ₹ 120 lakhs p.a. i.e. ₹ 10.00 lakhs p.m. and approval from the shareholders for the same was obtained in the Annual General Meeting held on August 14, 2015. The Company has made an application in Form MR-2 on September 15, 2015 to the Central Government to pay the aforesaid remuneration as approved by the members. However, the approval from the Central Government is awaited.

The Nomination and Remuneration Policy has been disclosed on website of the Company viz: http://www.tips.in/uploads/pdfupload/corporate_governance/NOMINATION_AND_REMUNERATION_POLICY.pdf

III. STAKEHOLDERS RELATIONSHIP COMMITTEE:

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

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

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

The Committee met four times during the year on May 8, 2015, August 14, 2014, November 4, 2015, and February 11, 2016. The necessary quorum was present for all Meetings. The Chairperson of the Committee was present at the last Annual General Meeting of the Company.

- **Terms of reference:**

Terms of reference of the stakeholders Relationship Committee includes the matters specified under the Companies Act, 2013 and Listing Regulation, which includes to resolve the stakeholder's grievance regarding the transfer of shares, non-receipt of annual report, dividend etc.

- **The details of Complaints received, redressed/ pending during the financial year 2015-16 is given below:**

Pending at the beginning of the year	Received during the year	Redressed / Replied during the year	Pending at the year
NIL	5	5	NIL

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

- **Compliance officer and Address for Correspondence:**

Name & Designation	Address	E-mail I.D	Contact No.
Bijal Patel Company Secretary	601, Durga Chambers, 6th Floor, Linking Road, Khar (W), Mumbai -52	response@tips.in	022- 66431188

IV. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The Corporate Social Responsibility Committee is constituted in accordance with the provisions of Section 135 of the Companies Act, 2013 read with rules made thereunder. As per the provision of the Companies Act, 2013, the Company was required to spend ₹ 1.74 lakhs for the financial year 2015-16.

The Company formulated CSR Policy, which is uploaded on the website of the Company viz. http://www.tips.in/uploads/pdfupload/corporate_csr/Annexure_-_IV.pdf

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

Name of the Members	Designation	Category	Meetings attended
Mr. Kumar Taurani	Chairperson	Executive Director	2
Mr. Amitabh Mundhra	Member	Independent Director	2
Mrs. Radhika Pereira	Member	Independent Director	2

The Committee met two times during the year on May 8, 2015 and November 4, 2015.

- **Terms of Reference:**

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

V. BUY-BACK COMMITTEE:

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

Name of the Members	Designation	Category
Mr. Amitabh Mundhra	Chairperson	Non-Executive Independent Director
Mr. Kumar Taurani	Member	Executive Director
Mr. I. T. Gursahani	Member	Chief Financial Officer

The Committee met on November 5, 2015. All members were present for the meeting.

- **Buy-back Offer:**

The Buy-back Committee and the Board of Directors of the Company at its meeting held on November 5, 2015 had approved the buy-back of the Company's fully paid-up equity shares of face value of ₹ 10/- each from the existing equity shareholders/beneficial owners, other than promoters of the Company, from the open market through BSE Limited and National Stock Exchange of India Limited using their nationwide electronic trading terminals for a maximum amount of ₹ 680 lakhs (excluding brokerage, transactional charges and taxes, if any) and at a price not exceeding ₹ 70/- (excluding brokerage, transactional charges and taxes, if any) per equity share.

The Buy-back offer commenced on November 26, 2015 and closed on May 25, 2016, the Company has bought back 10,39,981 equity shares of ₹ 10/- each. The total fund utilized in the Buy-back is ₹ 6,52,95,997.15 (excluding brokerage, transactional charges and taxes). The Equity Shares were bought back at an average price of ₹ 62.79 (excluding brokerage, transactional charges and taxes, if any) per Equity Share.

GENERAL BODY MEETINGS:

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

Date and Time	Location	Special Resolutions
August 14, 2015 at 11.00 a.m.	The Jubilee Room, Hotel Sun-N-Sand, Juhu, Mumbai- 400049	Re-appointment of Mr. Kumar Taurani and Mr. Ramesh Taurani, as the Managing Directors of the Company for a period of three years commencing from June 1, 2015 at remuneration of ₹ 10 lakhs p.m. respectively.
August 8, 2014 at 11.00 a.m.		Borrowing Limit and Creation of Charges in connection with borrowing of the Company
August 29, 2013 at 4.00 p.m.		There was no matter that required passing of Special Resolution.

- **Postal Ballot:**

Pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder, the Company has passed the special resolution under Section 197 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 for waiver of recovery of excess remuneration of ₹ 80 lakhs each paid, during the period from June 1, 2012 to September 30, 2013, to Mr. Kumar Taurani, Chairman & Managing Director of the Company, and Mr. Ramesh Taurani, Managing Director of the Company, through postal ballot notice dated August 14, 2015.

The Board of Directors have appointed Mr. Shirish Shetye, Practicing Company Secretary as the scrutinizer for conducting the postal ballot voting process in a fair and transparent manner.

The Company had completed the dispatch of the Postal Ballot Notice together with the explanatory statement on Thursday, October 8, 2015, along with forms and postage prepaid business reply envelopes to all the shareholders whose name(s) appeared on the Register of Members/list of beneficiaries as on cut-off date i.e. Friday, September 25, 2015.

The voting under the postal ballot was kept open from 10.00 a.m. on Friday, October 9, 2015 to 5.00 p.m. on Saturday, November 7, 2015, (either physically or through electronic mode).

All postal ballots forms received upto 5:00 p.m, on November 7, 2015 the last date and time fixed by the Company for receipt of the forms, had been considered for scrutiny or voting purpose.

On Tuesday, November 10, 2015, the results of the postal ballot as per the Scrutinizer's Report was announced and declared that the special resolutions were passed with requisite majority.

The details of the results are as below:-

Resolutions	Particulars of Voting	Remote e-Voting	% of total number of votes cast	Postal Ballot	% of total number of votes cast	Voting Result	% of total number of valid votes cast
To waive of recovery of excess remuneration of ₹ 80/- lakhs paid during the period from June 1, 2012 to September 30, 2013 to Mr. Kumar Taurani, Chairman & Managing Director of the Company.	Votes cast in favour	2513357	73.96	653724	19.24	3167081	93.20
	Votes cast in Against	214440	6.31	16554	0.49	230994	6.80
	Invalid Votes	0	0.00	10	0.0003	10	0.0003
To waive of recovery of excess remuneration of ₹ 80/- lakhs paid during the period from June 1, 2012 to September 30, 2013 to Mr. Ramesh Taurani, Managing Director of the Company.	Votes cast in favour	2507357	73.92	653679	19.27	3161036	93.19
	Votes cast in Against	214440	6.32	16554	0.49	230994	6.81
	Invalid Votes	0	0.00	55	0.002	55	0.002

DISCLOSURES:

- **Related Party Transaction:**

  During the year ended March 31, 2016, there were no materially significant related party transactions, which had potential conflict with the interests of the Company at large. The transactions with related parties are disclosed in the Note to Accounts. Policy on related party transactions has been uploaded on website of the Company at below mentioned link:http://www.tips.in/uploads/pdfupload/corporate_governance/Policy_on_Related_Party_Transcations.pdf

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

  There were no instances of non-compliance, penalty or strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

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

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

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

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

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

  The Company does not have any 'material' subsidiaries.

MEANS OF COMMUNICATION:

Quarterly Results of the Company 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	Friday, September 16, 2016
Time	11.00 A.M.
Venue	Jubilee Room, Hotel Sun-N-Sand, Juhu, Mumbai - 400049

- **Financial Year:**

Financial Year	April 1, 2015 to March 31, 2016
Date of Book Closure	September 10, 2016 to September 16, 2016 (both days inclusive)
Dividend Payment Date	On or before October 15, 2016

- **Listing on Stock Exchanges:**

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

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

The listing fees for the year 2016-17 has been paid to the above Stock Exchanges.

- **Stock Code, ISIN & CIN:**

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

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

Month	Share Prices on the BSE		Share Prices on the NSE	
	Highest (₹)	Lowest (₹)	Highest (₹)	Lowest (₹)
Apr-15	51.40	38.00	51.40	38.30
May-15	44.00	32.15	44.00	36.50
Jun-15	41.60	32.00	42.00	34.60
Jul-15	67.00	38.40	67.80	38.65
Aug-15	70.90	40.55	70.70	42.50
Sep-15	48.00	35.00	46.80	39.60
Oct-15	56.05	41.05	56.00	39.20
Nov-15	63.70	46.80	63.50	46.50
Dec-15	70.10	59.10	70.80	58.10
Jan-16	69.00	49.00	69.40	56.60
Feb-16	69.00	56.70	72.20	55.00
Mar-16	66.45	58.30	68.30	57.50

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

  Tips Share Price compared with BSE Sensex and NSE Nifty

Months	Closing Share Price		Closing Share Price	
	Tips (₹)	Sensex (₹)	Tips (₹)	Nifty (₹)
Apr-15	40.70	27011.31	40.55	8181.50
May-15	40.00	27828.44	39.25	8433.65
Jun-15	38.80	27780.83	39.00	8368.50
Jul-15	58.85	28114.56	58.80	8532.85
Aug-15	44.95	26283.09	44.65	7971.30
Sep-15	43.00	26154.83	42.25	7948.90
Oct-15	47.75	26656.83	47.25	8065.80
Nov-15	63.25	26145.67	62.95	7935.25
Dec-15	63.50	26117.54	63.05	7946.35
Jan-16	62.50	24870.69	62.45	7563.55
Feb-16	56.70	23002.00	57.80	6987.05
Mar-16	66.00	25341.86	66.00	7738.40

- There was no suspension of trading in Securities of the Company during the year under review.

- **Share Transfer System:**

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

- **Distribution of Shareholding as on March 31, 2016:**

No. of Equity Shareholdings	No. of Shareholders	Percentage of shareholders	No. of Shares	Percentage of shareholding
1 - 500	4713	86.43	587485	3.90
501 -1000	370	6.79	309637	2.05
1001 –2000	167	3.06	267597	1.77
2001 –3000	59	1.08	155514	1.03
3001 – 4000	31	0.57	112007	0.74
4001 – 5000	28	0.51	130770	0.87
5001 – 10000	46	0.84	338241	2.24
10001-above	39	0.72	13179257	87.39
Total	**5453**	**100.00**	**15080508**	**100.00**

As on March 31, 2016, the Company has bought back 2,90,958 Equity shares out of which 2,78,132 Equity Shares has been Extinguished. Thus, due to the extinguishment of 2,78,132 Equity Shares, the paid up capital of the Company has been reduced from 1,53,58,640 equity shares to 1,50,80,508 equity shares.

- **Shareholding Pattern as on March 31, 2016:**

Category	No. of Equity Shares held	Percentage of share held
Promoter & Directors	5757826	38.18
Promoters	4954936	32.86
Public	2521560	16.72
Other Bodies Corporate	1693789	11.23
Hindu Undivided Family	99126	0.66
Clearing Member	29312	0.19
Non Resident Indians	21892	0.15
Non Resident (Non- Repatriable)	2067	0.01
Total	**15080508**	**100.00**

As on March 31, 2016, the Company has bought back 2,90,958 Equity shares out of which 2,78,132 Equity Shares has been Extinguished. Thus, due to the extinguishment of 2,78,132 Equity Shares, the paid up capital of the Company has been reduced from 1,53,58,640 equity shares to 1,50,80,508 equity shares.

- **Dematerialization of Shares:**

As on March 31, 2016, 1,50,58,897 shares representing 99.86% of the Company's paid-up share capital (including 71.04% 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, 2016 is given below:

Particulars	Shares	%
Physical Shares	21611	0.14
Demat Shares		
NSDL	12774892	84.71
CDSL	2284005	15.15
Total	**15080508**	**100.00**

As on March 31, 2016, the Company has bought back 2,90,958 Equity shares out of which 2,78,132 Equity Shares has been Extinguished. Thus, due to the extinguishment of 2,78,132 Equity Shares, the paid up capital of the Company has been reduced from 1,53,58,640 equity shares to 1,50,80,508 equity shares.

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

The Company has not issued any Global Depository Receipts/ American Depository Receipts or Warrants and there are no outstanding convertible instruments as on March 31, 2016.

- **Plant locations:**

The Company does not have any plants.

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

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

- **CEO/CFO CERTIFICATION:**

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

- **Address for Correspondence:**

Compliance Officer
Tips Industries Limited
601, Durga Chambers, Linking Road,
Khar (West), Mumbai 400 052
Tel No.: 022-66431188
Fax No.: 022-66431189
Email I.D.: response@tips.in

Registrars and Share Transfer Agents:
Link Intime India Pvt. Ltd
C-13, Pannalal Silk Mills Compound,
L.B.S Marg, Bhandup (West), Mumbai – 400 078
Tel No.: 022-25946970
Fax No.: 022-25946969
Email I.D.: rnt.helpdesk@linkintime.co.in

For and on behalf of the Board of Directors

Kumar S. Taurani
Chairman and Managing Director
DIN: 00555831

Place: Mumbai
Date: May 25, 2016

DECLARATION FROM THE CHAIRMAN AND MANAGING DIRECTOR

(Pursuant to Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of Tips Industries Limited,

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with the Company's Code of Conduct of Board of Directors and Senior Management for the year ended on March 31, 2016.

For and on behalf of the Board of Directors

Kumar S. Taurani
Chairman and Managing Director
DIN: 00555831

Place: Mumbai
Date: May 25, 2016

CEO AND CFO CERTIFICATION

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

We, Kumar S. Taurani, Chairman and Managing Director of Tips Industries Limited and 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, 2016 and that to the best of our knowledge and belief:

(i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or we propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit Committee;

(i) Significant changes, if any, in internal control over financial reporting during the year;

(ii) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Kumar S. Taurani
Chairman & Managing Director
DIN: 00555831

Date: May 25, 2016
Place: Mumbai

Ishwar T. Gursahani
Chief Financial Officer

Date: May 25, 2016
Place: Mumbai

AUDITORS CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To The Members of Tips Industries Limited

1. We have examined the compliance of the conditions of Corporate Governance by Tips Industries Limited (Company) for the year ended on March 31, 2016 as stipulated in Regulations 17 to 27and clauses (b) to (i) of sub-regulation (2) of regulation of 46 and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (Collectively referred to as "SEBI Listing Regulations, 2015).

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

3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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

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

Place : Mumbai
Date : May 25, 2016

Parag Ved
Partner
Membership Number : 102432

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, 2016, 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 and presentation 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 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. 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 is invited to Note 29 to the financial statements with respect to the excess managerial remuneration paid for the current year for which the company has made an application to the Central Government, the approval of which is pending. Our audit opinion is not qualified in respect of this matter.

Basis for Qualified opinion

Attention is invited to Note 33 to the financial statements for the year ended March 31, 2016 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, 2016.

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, 2016, 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, 2016' (hereinafter referred to as the "Order"), issued by the Central Government of India in terms of sub - section 11 of Section 143 of the Companies Act, 2014, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we give in the "Annexure-A" a statement on the matters specified in paragraph 3 and 4 of the Order.

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

   a) We have sought and, 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 possible effects 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 possible effects 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-B".

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 the Companies (Audit and Auditors) Rules, 2014, in our

opinion and to the best of our information and according to the explanations given to us:

a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements-Refer Note 28 to the financial statements;

b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31,2016;

c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

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

Parag Ved
Partner
Membership Number : 102432

Place : Mumbai
Date : May 25, 2016

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

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

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

(c) The title deeds of immovable properties are held in the name of the Company.

ii. The inventory has been physically verified by the Management during the year. In our opinion the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to books records were not material.

iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, clauses 3(iii)(a) to 3(iii)(c) of the Order are not applicable to the Company for the current year.

iv. In our opinion and according to the information and explanations given to us, the Company has not given any loans, investments, guarantees and security and as such the provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable for the current year.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under.

vi. In our opinion and according to the information and explanations given to us, the Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

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

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of Sales tax and cess as at March 31, 2016 which have not been deposited on account of disputes are as follow:

Nature of Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which the amount relate	Forum where the dispute is pending
Maharashtra VAT Act, 2005	Sales tax, interest and penalty	35.66	F.Y 2005-06	Commissioner of Sales Tax (Appeals)
		63.83	F.Y 2006-07	
		148.19	F.Y 2007-08	
		151.30	F.Y 2008-09	
		173.60	F.Y 2009-10	
		410.83	F.Y 2010-11	
		193.84	F.Y.2011-12	

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution and bank. The Company has not taken any loan or borrowing from Government nor has issued any debentures during the current year.

ix. As per information and explanation given to us, on an overall basis, the term loan has been applied for the purposes for which they were obtained. Further, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments).

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

xi. The Company has paid/provided for managerial remuneration based on previous Central Government approval which is in excess of limits specified under Section 197 read with Schedule V of the Act. However, the Company has applied for Central Government approval for the excess remuneration paid/to be paid.

xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3 (xii) of the Order are not applicable to the Company.

xiii. As per information and explanation given to us, all transactions with the related parties are in compliance with Sections 188 of Companies Act, 2013. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. According to the information and explanation given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Parag Ved
Partner
Membership Number : 102432

Place : Mumbai
Date : May 25, 2016

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

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

We have audited the internal financial controls over financial reporting of Tips Industries Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Parag Ved
Partner
Membership Number : 102432

Place : Mumbai
Date : May 25, 2016

BALANCE SHEET AS AT MARCH 31, 2016

(₹ In Lakhs)

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share capital	2	1,507	1,536
(b) Reserves and surplus	3	5,457	5,489
		6,964	**7,025**
2 Non-Current Liabilities			
(a) Long-term borrowings	4	6,469	8,970
(b) Other Long Term Liabilities	5	37	17
(c) Long-term provisions	6	32	28
		6,538	**9,015**
3 Current Liabilities			
(a) Short-term borrowings	7	200	50
(b) Trade payables	8	827	85
(c) Other current liabilities	9	2,664	1,662
(d) Short-term provisions	10	184	187
		3,875	**1,984**
TOTAL		**17,377**	**18,024**
II. ASSETS			
1 Non-current Assets			
(a) Fixed Assets	11		
(i) Tangible assets		2,603	2,759
(b) Non-current investments	12	11	11
(c) Long-term loans and advances	13	881	792
(d) Other Non-Current Assets	14	7	190
		3,502	**3,752**
2 Current Assets			
(a) Inventories	15	10,451	9,780
(b) Trade receivables	16	1,352	320
(c) Cash and Bank Balances	17	188	1,093
(d) Short-term loans and advances	18	1,847	3,045
(e) Other Current assets	19	37	34
		13,875	**14,272**
TOTAL		**17,377**	**18,024**
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

Parag Ved
Partner
Membership No. 102432

Place: Mumbai
Date: May 25, 2016

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

Kumar S. Taurani
Chairman & Managing Director
DIN : 00555831

Ramesh S. Taurani
Managing Director
DIN : 00010130

I.T Gursahani
Chief Financial Officer

Bijal Patel
Company Secretary

Place: Mumbai
Date: May 25, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

(₹ In Lakhs)

Particulars		Note No.	**Year ended March 31, 2016**	Year ended March 31, 2015
I.	Revenue from operations	20	6,844	10,235
II.	Other income	21	307	146
III.	**Total Revenue (I + II)**		**7,151**	**10,381**
IV.	**Expenses:**			
	Cost of materials consumed	22	1	2
	Changes in inventories of finished goods	23	-	2
	Cost of Production / Distribution of Expenses	24	1,922	6,405
	Employee benefits expense	25	586	581
	Finance costs	26	1,261	1,155
	Depreciation and amortization expense	11	161	175
	Other expenses	27	2,839	1,730
	Total Expenses		**6,770**	**10,050**
V.	Profit before Tax		381	331
VI.	Tax Expenses:			
	(1) Current Tax		78	59
	(2) Taxes in respect of earlier years		-	2
VII.	Profit for the year		303	270
VIII.	Earnings per equity share of ₹10/- each			
	(1) Basic	32 (b)	1.98	1.76
	(2) Diluted	32 (b)	1.98	1.76
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

Parag Ved
Partner
Membership No. 102432

Place: Mumbai
Date: May 25, 2016

For and on behalf of Board of Directors of
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Kumar S. Taurani
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Bijal Patel
Company Secretary

Place: Mumbai
Date: May 25, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(₹ In Lakhs)

		Year ended March 31, 2016	Year ended March 31, 2015
A.	**Cash Flow from Operating Activities**		
	Net Profit before taxation	**381**	**331**
	Adjustments for:		
	Depreciation on fixed assets	161	175
	(Profit) / Loss on sale of fixed assets	(1)	(4)
	Reversal of Provision for Doubtful Debts	-	(39)
	Interest expenses & Other Finance Cost	1,261	1,155
	Foreign Exchange Loss / (Gain)	(1)	10
	Interest income	(20)	(52)
	Operating Profit before Working Capital changes	**1,781**	**1,576**
	Adjustments for :		
	(Increase) / Decrease in inventories	(671)	5,159
	(Increase) / Decrease in trade receivables	(1,030)	207
	(Increase) / Decrease in Short Term loans and advances	1,188	(131)
	(Increase) / Decrease in Long Term loans and advances	(89)	140
	(Increase) / Decrease in Bank Deposits & Others	7	(11)
	(Increase) / Decrease in Non-Current Assets	183	(188)
	Increase/(Decrease) in Current Liabilties	1,740	(3,217)
	Increase/(Decrease) in Long Term Liabilties	20	5
	Increase/(Decrease) in provisions	5	19
	CASH GENERATED FROM OPERATIONS	**3,134**	**3,559**
	Income tax Paid	(117)	105
	Net Cash inflow from/ (outflow) from Operating activities	**3,017**	**3,664**
B.	**Cash Flow from Investing Activities**		
	Purchase of fixed assets	(5)	(19)
	Investment in Canara Bank Rebeco Mutual Fund	0	(10)
	Intercorporate Deposits Receipts	50	300
	Sale Proceeds from fixed assets	1	4
	Interest received	16	52
	Net Cash inflow from/ (outflow) from Investing activities	**62**	**327**

(₹ In Lakhs)

		Year ended March 31, 2016	Year ended March 31, 2015
C.	**Cash Flow from Financing Activities**		
	(Repayment)/Proceeds of Long Term Borrowings	(2,501)	2,928
	(Repayment)/Proceeds of Short Term Borrowings	150	(5,789)
	Interest paid	(1,257)	(1,160)
	Dividend paid	(155)	(153)
	Buy back of shares	(183)	-
	Corporate Dividend Tax Paid	(31)	(26)
	Net Cash inflow from/ (outflow) from Financing activities	**(3,977)**	**(4,200)**
	Net increase / (decrease) in cash and cash equivalents	**(898)**	**(209)**
	Opening Cash and Cash Equivalents		
	Cash in hand	3	1
	Bank balances	1,066	1,277
		1,069	**1,278**
	Closing Cash and Cash Equivalents		
	Cash in hand	7	3
	Bank balances	164	1,066
		171	**1,069**

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

Parag Ved
Partner
Membership No. 102432

Place: Mumbai
Date: May 25, 2016

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

Kumar S. Taurani
Chairman & Managing Director
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Chief Financial Officer

Bijal Patel
Company Secretary

Place: Mumbai
Date: May 25, 2016

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs 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.

Audio Rights Receipts

Revenue from sale of Audio Rights is recognized on transfer / Assignment / Delivery of the masters as per the terms of the Contracts / Agreements with the parties.

Royalty from Music Rights:

Royalty is recognised only when it is reasonably certain that the ultimate collection will be made and/or is also recognised on consideration due as per the Terms of agreement with respective parties.

Revenue from films:

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

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

e) Cost of under Production Films:

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

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

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

xi. Foreign Currency Transactions:

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

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

xii. Borrowing Costs:

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

xiii. Employee Benefits:

- Contribution to Provident Fund is charged to revenue.
- Defined Benefit Plan

  Company's liabilities towards gratuity is determined on 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.

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

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. Earnings Per Share:

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the year. Diluted earnings 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 lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

(₹ In Lakhs)

2 - SHARE CAPITAL

Particulars	As at March 31, 2016	As at March 31, 2015
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
Less: Buy Back of Shares		
290,958 Equity Shares of 10/- each fully paid (Previous year Nil)	(29)	-
TOTAL	**1,507**	**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 25, 2016, 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

Particluars	As at March 31, 2016		As at March 31, 2015	
	Number	Amount in INR	Number	Amount in INR
Equity Shares outstanding at the beginning of the year	15,358,640	1,536	15,358,640	1,536
Equity Shares Issued during the year	-	-	-	-
Equity Shares bought back during the year	(290,958)	(29)	-	-
Equity Shares outstanding at the end of the year	15,067,682	1,507	15,358,640	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/-

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

NOTES TO THE FINANCIAL STATEMENTS

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

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Kumar S. Taurani	2,881,915	19.13	2,881,915	18.76
Ramesh S. Taurani	2,875,911	19.09	2,875,911	18.73
Varsha R. Taurani	2,474,718	16.42	2,474,718	16.11
Renu K. Taurani	2,468,718	16.38	2,468,718	16.07

3 - RESERVES AND SURPLUS

(₹ In Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
a. Capital Redemption Reserve		
Opening Balance	195	195
Transfer from Share Premium on account of buy back of Equity Shares	29	-
Closing Balance	**224**	**195**
b. Securities Premium Account		
Opening Balance	2,456	2,456
Less: Share premium paid on buy back of equity shares of 290958	(154)	-
Less: Transfer to Share Premium on account of buy back of equity shares	(29)	-
Closing Balance	**2,273**	**2,456**
c. General Reserves		
Opening Balance	513	493
Add:- Transfer from Surplus in statement of profit & loss account	23	20
Closing Balance	**536**	**513**
d. Surplus in statement of profit & loss account		
Opening Balance	2,325	2,302
Add:- Net Profit For the current year	303	270
Less:- Additional depreciation pursuant to enactment of Schedule II of the Companies Act, 2013 (Refer Note 11(i))	-	(42)
Less:- Proposed Dividend	(151)	(154)
Less:- Tax on Proposed Dividend	(30)	(31)
Less:- Transfer to General Reserve	(23)	(20)
Closing Balance	**2,424**	**2,325**
GRAND TOTAL (a+b+c+d)	**5,457**	**5,489**

NOTES TO THE FINANCIAL STATEMENTS

(₹ In Lakhs)

4 - LONG-TERM BORROWINGS

Particulars	As at March 31, 2016	As at March 31, 2015
SECURED		
Term loans		
From Banks	6,469	8,361
From Others	-	609
TOTAL	**6,469**	**8,970**

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 Keyman Insurance Policy of Director and same is being maturing on 01/01/2017.

ii) Overdraft Facility from Bank, balance outstanding amounting to ₹ 5,235/- (March 31, 2015 ₹ 6,503/-) 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 is receivable plus personal guarantee of both the directors 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 ₹ 1,857/- (March 31, 2015 : ₹2,498/-) 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 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 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.

5 - OTHER LONG-TERM LIABILITIES

Particulars	As at March 31, 2016	As at March 31, 2015
Security Deposit	37	17
Total	**37**	**17**

6 - OTHER LONG-TERM PROVISIONS

Particulars	As at March 31, 2016	As at March 31, 2015
Gratuity	32	28
Total	**32**	**28**

NOTES TO THE FINANCIAL STATEMENTS

(₹ In Lakhs)

7 - SHORT-TERM BORROWINGS

Particulars	As at March 31, 2016	As at March 31, 2015
i) SECURED	-	-
TOTAL	-	-

Particulars	As at March 31, 2016	As at March 31, 2015
ii) UNSECURED		
Deposits		
From Related Parties	200	50
TOTAL	**200**	**50**
Deposits from related parties		
Deposits from related parties include Loans from Directors repayable on demand		
GRAND TOTAL (i+ii)	**200**	**50**

8 - TRADE PAYABLES

Particulars	As at March 31, 2016	As at March 31, 2015
Trade Payables		
Due to Micro and Small Enterprises *		
Other than Micro and Small Enterprises	827	85
TOTAL	**827**	**85**

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

NOTES TO THE FINANCIAL STATEMENTS

(₹ In Lakhs)

9 - OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2016	As at March 31, 2015
Current maturities of long-term debt *	2,267	1,554
Interest accrued but not due on borrowings	20	15
Unpaid dividends **	7	8
Advance from Customers	225	47
Statutory Liabilities		
TDS	45	14
Service Tax	37	14
Wealth Tax	-	4
Value Added Tax Payable	61	0
Others	2	6
TOTAL	**2,664**	**1,662**

* 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.

10 - SHORT-TERM PROVISIONS

Particulars	As at March 31, 2016	As at March 31, 2015
Gratuity	3	2
Proposed dividend	151	154
Tax on proposed dividend	30	31
TOTAL	**184**	**187**

NOTES TO THE FINANCIAL STATEMENTS

(₹ In Lakhs)

11 - FIXED ASSETS

PARTICULARS	Gross Block				Accumulated Depreciation					Net Block	
	As at April 1, 2015	Additions during the Year	Deletions / Adjustments during the Year	**As at March 31, 2016**	As at April 1, 2015	Retained Earnings	Depreciation charge for the year	Adjustments / disposals	**As at March 31, 2016**	**As at March 31, 2016**	As at March 31, 2015
Tangible Assets											
Land & Building - Owned	2,810	-	-	2,810	520	-	45	-	565	2,245	2,289
Cinematography Machinery	40	-	-	40	19	-	3	-	23	18	21
Plant & Machinery	5	-	-	5	5	-	-	-	5	-	-
Furniture & Fixtures	43	1	-	44	34	-	4	-	37	7	9
Vehicles	742	-	9	733	326	-	100	9	417	316	417
Office Equipment	118	4	-	122	106	-	5	-	110	11	12
Computer	19	1	-	20	9	-	4	-	14	6	10
Total	**3,777**	**6**	**9**	**3,774**	**1,019**	**-**	**161**	**9**	**1,171**	**2,603**	**2,758**
Previous Year	**3,781**	**19**	**23**	**3,777**	**825**	**42**	**175**	**23**	**1,019**	**2,758**	

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

12 - NON-CURRENT INVESTMENTS

Particulars	**As at March 31, 2016**	As at March 31, 2015
Trade Investments		
Equity Shares (Unquoted)		
5000 (Previous Year : 5000) Equity Shares of Label Mobile Media Pvt. Ltd. of ₹ 10/- each fully paid	1	1
Mutual Funds (Quoted)		
99990/- (Previous Year : 99990/-) Units of ₹10/- each of Canara Robeco Capital Protection	10	10
Oriented Fund-Series 3-Regular Growth (NAV ₹ 11.1489 as at March 31, 2016)		
TOTAL	**11**	**11**

NOTES TO THE FINANCIAL STATEMENTS

(₹ In Lakhs)

13 - LONG-TERM LOANS AND ADVANCES

Particulars		As at March 31, 2016	As at March 31, 2015
a.	Security Deposits		
	Unsecured, considered good		
	Security Deposit against Premises - Related Party	500	500
	Others	22	29
		522	**529**
b.	Other loans and advances		
	Unsecured, considered good		
	Advances for Forthcoming Films	269	197
	Others	90	67
		359	**264**
	TOTAL (a+b)	**881**	**793**

14 - OTHER NON CURRENT ASSETS

Particulars	As at March 31, 2016	As at March 31, 2015
Bank Deposits		
Long Term Fixed Deposits with Banks with maturity period more than 12 months (Refer Note (i) & (ii) below)	7	185
Balance with Banks held as margin money against bank guarantee	0	5
Total	**7**	**190**

i) Fixed Deposits of Nil held as lien by bank against overdraft facility amounting to ₹25 crores (Previous Year ₹ 184)

ii) Fixed Deposits of ₹ 7/- (Previous Year ₹ 2/-) includes electricity deposits ₹ 2/- (previous year ₹ 1.5/-) and Sales Tax deposits ₹ 0.11/- (Previous Year ₹ 0.25)

NOTES TO THE FINANCIAL STATEMENTS

(₹ In Lakhs)

15 - INVENTORIES

(Valued at Cost or Net Realivable Value whichever is lower)

Particulars		As at March 31, 2016	As at March 31, 2015
a.	Raw Materials and components	-	1
b.	Finished goods	-	-
c.	Unamortised Cost of Production	10,028	9,723
d.	Cost of Films under Production	423	56
TOTAL		**10,451**	**9,780**

16 - TRADE RECEIVABLES

Particulars	As at March 31, 2016	As at March 31, 2015
Trade receivables outstanding for a period exceeding six months from the date they become due for payment		
Secured, considered good	-	-
Unsecured, considered good	45	49
Doubtful	-	-
Less: Provision for Doubtful debts	-	-
	45	**49**
Other Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	1,307	271
Doubtful	-	-
Less: Provision for Doubtful debts	-	-
	1,307	**271**
TOTAL	**1,352**	**320**

NOTES TO THE FINANCIAL STATEMENTS

(₹ In Lakhs)

17 - CASH AND BANK BALANCES

Particulars	As at March 31, 2016	As at March 31, 2015
(i) Cash and Cash Equivalents		
a Balances with Banks In Current Accounts	151	1,061
b. Cash on hand	7	2
c. Fixed Deposits with Banks		
i) Less Than 3 Months	13	-
ii) More Than 3 Months and Less than 12 Months	-	6
	171	**1,069**
Other Bank Balances		
(ii) Earmarked Balances with Banks		
Unpaid Dividends	7	8
(iii) Balance with Banks held as margin money against bank guarantee		
i) Less Than 3 Months	10	16
ii) More Than 3 Months and Less than 12 Months	-	0
TOTAL (ii+iii)= (iv)	**17**	**24**
TOTAL (i+iv)	**188**	**1,093**

18 - SHORT-TERM LOANS AND ADVANCES

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good		
Advance Income Tax (Net of Provision for taxation)	677	637
Loans to Employess	11	22
Advances for Film Projects in Hand	984	1,545
Inter Corporate Deposits	-	50
Prepaid Expenses	1	1
Service Tax Credit	128	47
Vat Credit	29	29
Others	17	715
TOTAL	**1,847**	**3,046**

NOTES TO THE FINANCIAL STATEMENTS

(₹ In Lakhs)

19 - OTHER CURRENT ASSETS

Particulars	As at March 31, 2016	As at March 31, 2015
Interest Accrued on Loans / Fixed Deposits / Investments	37	34
TOTAL	**37**	**34**

20 - REVENUE FROM OPERATIONS

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Sale of Audio Products	1	4
Revenue from Film Production & Distribution	2,534	7,013
Royalty Receipts (Net)	4,309	3,218
TOTAL	**6,844**	**10,235**

21 - OTHER INCOME

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Interest Income	20	52
Other non-operating income (net of expenses directly attributable to such income)		
Sundry Credit Balance Written Back	16	10
Foreign Exchange Difference	1	(10)
Interest on Income Tax Refund	-	7
Others	270	87
TOTAL	**307**	**146**

22 - COST OF MATERIAL CONSUMED

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Opening Stock of Raw Materials	1	1
Add: Purchases of Raw Materials	0	2
Less: Closing Stock of Raw Materials	-	1
TOTAL	**1**	**2**

NOTES TO THE FINANCIAL STATEMENTS

(₹ In Lakhs)

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

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Opening Inventory		
Finished Goods	-	2
Closing Inventory		
Finished Goods	-	-
TOTAL	**-**	**2**

24 - COST OF PRODUCTION / DISTRIBUTION OF FILMS

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Opening-		
Cost of Under Production films	56	6,634
Unamortised cost at beginning of the year	9,723	8,302
Add: Cost incurred during the year	1,029	1,059
Add: Cost of Abandoned Films	-	189
Add: Film Acquistion Rights	1,565	-
Closing-		
Less: Unamortised cost at the close of the year	(10,028)	(9,723)
Less: Cost of underproduction films carried forward	(423)	(56)
TOTAL	**1,922**	**6,405**

25 - EMPLOYEE BENEFIT EXPENSES

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Salaries and incentives	555	531
Contributions to PF	10	9
ESIC	1	1
Gratuity	7	27
Staff welfare expenses	13	13
TOTAL	**586**	**581**

NOTES TO THE FINANCIAL STATEMENTS

(₹ In Lakhs)

26 - FINANCE COST

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Interest expenses	1,261	1,155
TOTAL	**1,261**	**1,155**

27 - OTHER EXPENSES

Particulars	Year Ended March 31, 2016		Year Ended March 31, 2015	
Electricity Expenses		8		11
Rent		103		112
Repairs & Maintainence :				
-Office Premises		23		60
-Office Equipments		1		0
-Vehicle		-		-
Insurance		128		131
Rates and Taxes		155		196
Legal and Professional		276		275
In-house Music Production/Acquistion Cost		325		419
Films Publicity and Distribution Expenses		1,291		178
Advertisement Expenses		31		38
Travelling and Conveyance		12		15
Audit Fees		8		8
Auditors Out of Pocket Expenses		0		0
Donation		11		8
Expenditure towards Corporate Social Responsibility (CSR) activities		2		11
Loss on sale of Fixed Assets		-		-
Bad Debts and Advances Written Off	133		47	
Add: Provision for Doubtful Debts & Advances	-		-	
Less: Provision for Doubtful Debts/Advances reversed	-	133	(39)	8
Miscellaneous Expenses		332		260
TOTAL		**2,839**		**1,730**
Payment to Auditors				
Statutory Audit Fees		8		8
Certification Fees				1
Management Consultancy Fees		-		-
Reimbursement of Travel Expenses		1		0
		9		**9**

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

28. Contingent Liabilities:

		As on 31-03-16	As on 31-03-15
a)	Penalty under FEMA Act*	90.00	90.00
b)	Demand by Sales Tax Department **	1258.69	1016.40

* 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. During the year, the Company has made a representation to the Central Government with respect to the excess managerial remuneration paid/ to be paid for the period June1, 2015 to May 31, 2018. However, the approval from Central Government is awaited.

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 Lakhs unless otherwise stated

(ii) Principal actuarial assumptions:

Particular	**2015-16**	2014-15	2013-14	2012-13	2011-12
Discount Rate	7.46%	7.77%	9.16%	8.57%	8.57 %
Rate of Return on Plan Assets	8.75%	9.00%	9.15%	9.15%	9.00 %
Salary Escalation Rate	10.00%	10.00%	10.00%	10.00%	10.00%

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:

Particulars	**2015-16**	2014-15	2013-14	2012-13	2011-12
Liability at the beginning of the year	104.51	73.04	68.01	43.15	19.98
Interest Cost	8.40	7.32	6.02	2.95	1.63
Current Service Cost	21.14	21.15	15.77	13.55	8.08
Benefit Paid	(1.97)	(0.82)	(0.61)	(17.30)	--
Actuarial (Gain) / Loss on Obligations	(15.89)	3.81	(16.15)	7.25	13.46
Liability at the end of the year	116.79	104.51	73.04	68.01	43.15
Fair Value of Plan Assets at the end of the year	81.60	74.33	61.91	52.26	40.77
Amount recognized in Balance Sheet as "Liabilities or (Assets)"	(34.59)	(30.18)	11.13	15.74	2.38

(iv) Reconciliation of Fair value of Plan Assets:

Particulars	**2015-16**	2014-15	2013- 14	2012-13	2011-12
Fair Value of Plan Assets at the beginning of the year	74.33	61.91	52.26	40.77	30.97
Adjustment to Opening Balance	(0.64)	(0.75)	3.77	--	--
Expected Return on Plan Assets	6.62	6.01	4.96	4.06	3.14
Contributions	3.04	7.96	5.64	24.71	6.68
Benefit Paid	(1.97)	(0.82)	(0.61)	(17.30)	--
Actuarial Gain / (Loss) on Plan Assets	0.22	0.02	(4.12)	0.01	(0.02)
Fair Value of Plan Assets at the end of the year	81.60	74.33	61.91	52.26	40.77

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

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

Particulars	2015-16	2014-15
Current Service Cost	21.14	21.15
Interest Cost	8.40	7.32
Net Actuarial Gain / (Loss) recognized	(16.11)	3.79
Adjustment to Opening Balance	0.64	0.76
Expected Return on Plan Assets	(6.62)	(6.01)
Expenses recognized in Profit & Loss A/c	7.45	27.01

b) Earnings per share is calculated as follows:

Particulars	2015-16	2014-15
Profit/(Loss) attributable to equity shareholders	303.39	269.61
Weighted average number of equity shares used in computing basic earnings per share	153.24	153.58
Basic Earnings per share (₹)	1.98	1.76
Weighted average number of equity shares used in computing diluted earnings per share	153.24	153.58
Diluted Earnings per share (₹)	1.98	1.76
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:

Particulars	2015-16	2014-15
Future minimum lease payments under non-cancelable operating lease		
- Not later than 1 year	100.44	102.78
- Later than 1 year and not later than 5 years	170.40	18.65
- Later than 5 years	---	---

d) Related Party Disclosures:

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

a) **Subsidiaries:** NIL

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

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

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 S. Lakhani, Ms. Bhagwanti P. Mulani and Ms. Pratima I. Gursahani

(ii) Details of Transactions with Key Management Personnel, relatives of Key Management Personnel and Other Related Parties.

	Particulars	Key Management Personnel	Relatives of Key Management Personnel	Total
1)	**FINANCE**			
a)	Loans Taken	1,295.00 (45.00)	NIL (NIL)	1,295.00 (45.00)
b)	Loan Repayment	1,145.00 (229.00)	NIL (20.00)	1,145.00 (249.00)
2)	**OTHER EXPENDITURE**			
a)	Rent Paid	NIL (NIL)	84.00 (84.00)	84.00 (84.00)
b)	Interest Paid	66.97 (20.98)	NIL (2.04)	66.97 (23.02)
c)	Legal & Prof. Fees paid	12.00 (12.00)	24.00 (31.50)	36.00 (43.50)
3)	**REMUNERATION PAID**	184.50 (184.50)	15.00 (7.50)	199.50 (192.00)
4)	**OUTSTANDING**			
a)	Payables Loans	200.00 (50.00)	NIL (NIL)	200.00 (50.00)
b)	Receivables Deposits	NIL (NIL)	500.00 (500.00)	500.00 (500.00)
5)	**REIMBURSEMENT RECEIVABLES**	160.00 (NIL)	NIL (11.00)	160.00 (11.00)
6)	**DEPOSITS REPAYMENT**	NIL (NIL)	NIL (100.00)	NIL (100.00)

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 Lakhs 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

	Particulars	Kumar Taurani	Ramesh Taurani	I T Gursahani	Bijal Patel
1)	**FINANCE**				
a)	Loans taken	670.00 (45.00)	625.00 (NIL)	NIL (NIL)	NIL (NIL)
b)	Loan Repayment	620.00 (79.00)	525.00 (150.00)	NIL (NIL)	NIL (NIL)
2)	**OTHER EXPENDITURE**				
a)	Interest Paid	37.15 (10.18)	29.83 (10.80)	NIL (NIL)	NIL (NIL)
b)	Legal & Professional Fees	NIL (NIL)	NIL (NIL)	12.00 (12.00)	NIL (NIL)
3)	**REMUNERATION PAID**	90.00 (90.00)	90.00 (90.00)	NIL (NIL)	4.50 (4.50)
4)	**OUTSTANDING**				
a)	Payable Loans	100.00 (50.00)	100.00 (NIL)	NIL (NIL)	NIL (NIL)
5)	REIMBURSEMENT RECEIVABLES	80.00 (NIL)	80.00 (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 Lakhs unless otherwise stated

B) Relatives of Key Management Personnel

	Particulars	Relatives of Key Management Personnel						
		Renu K Taurani	Varsha R Taurani	Kunal K Taurani	Girish K Taurani	Sneha R Taurani	Jaya R Taurani	Pratima I Gursahani
1)	**FINANCE**							
a)	Loans taken	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
b)	Repayment of Loans	NIL (NIL)	NIL (NIL)	NIL (10.00)	NIL (10.00)	NIL (NIL)	NIL (NIL)	NIL (NIL)
2)	**OTHER EXPENDITURE**							
a)	Rent Paid	42.00 (42.00)	42.00 (42.00)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
b)	Interest Paid	NIL (NIL)	NIL (NIL)	NIL (1.02)	NIL (1.02)	NIL (NIL)	NIL (NIL)	NIL (NIL)
c)	Legal & Prof. Fees Paid	NIL (NIL)	18.00 (18.00)	NIL (7.50)	NIL (NIL)	NIL (NIL)	NIL (NIL)	6.00 (6.00)
3)	**REMUNERATION PAID**	NIL (NIL)	NIL (NIL)	15.00 (7.50)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
4)	**OUTSTANDING**							
a)	Payables Loans	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
b)	Receivables Deposits	250.00 (250.00)	250.00 (250.00)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
5)	**REIMBURSEMENT RECIEVABLES**	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (11.00)	NIL (NIL)	NIL (NIL)	NIL (NIL)
6)	**DEPOSITS REPAYMENT**	NIL (50.00)	NIL (50.00)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

e. Segment Reporting :

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

	Particulars	Financial Year Ended	
		31-03-16	31-03-15
1	**Segment Revenue:**		
	Audio Product Sales	4,609.86	3,221.78
	Film Distribution	2,234.60	7,013.41
	Revenue from Operation	**6,844.45**	**10,235.19**
2	**Segment Results**		
	Profit (+) / Loss (-) before interest & Tax		
	- Audio Products	3,877.71	2,210.05
	- Film Distribution	(1,350.25)	54.35
	- Others		
	Less: Interest (Net)	1,260.98	1,154.62
	Less: Unallocable Corporate expenses	885.39	779.09
	Profit (+) / Loss (-) before Tax	**381.09**	**330.69**
3	**Capital Employed**		
	(Segment Assets - Segment Liabilities)		
	- Audio Products	625.30	325.58
	- Film Distribution	11,529.67	12,236.15
	- Un-allocable Corporate Assets Less Liabilities	(5,190.80)	(5,536.76)
	Total	**6,964.18**	**7,024.97**
4	**Capital Expenditure**		
	- Audio Products	NIL	NIL
	- Film Distribution	NIL	NIL
	- Un-allocable Corporate Assets Less Liabilities	5.56	19.16
	Total	**5.56**	**19.16**
5	**Depreciation and Amortization Expense**		
	- Audio Products	2.96	2.96
	- Film Distribution	3.30	3.30
	- Un-allocable Corporate Assets Less Liabilities	155.13	168.61
	Total	**161.39**	**174.87**
6	**Non Cash Expense other than depreciation**		
	- Audio Products	15.46	9.59
	- Film Distribution	NIL	NIL
	- Un-allocable Corporate Assets Less Liabilities	NIL	NIL
	Total	**15.46**	**9.59**

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

33. DEFERRED TAX ASSETS/ LIABILITIES

Considering the nature of the business of the Company, during the year ended March 31, 2016, Company had not recognised the deferred tax liability for current year and also for earlier years on the timing difference in accounting of inventory for which auditors have qualified their report for the same. Company has not recognised the Deferred tax liability on unamortised cost of production as in the opinion of the management the Company will have sufficient unabsorbed depreciation and business losses in the year in which timing differences will reverse.

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

(i) Turnover

Particulars	Unit	2015-16		2014-15	
		Quantity ('000)	**Value in Rupees**	Quantity ('000)	Value in Rupees
Pre recorded cassettes	Nos	NIL	NIL	NIL	NIL
Compact Discs	Nos	NIL	NIL	172	4.09
Total		**NIL**	**NIL**	**172**	**4.09**

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

(ii) Raw Materials Consumed

Particulars	Unit	2015-16		2014-15	
		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	NIL	NIL	1.77
Total		**NIL**	**NIL**	**NIL**	**1.77**

(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	NIL	NIL	NIL	NIL
Total	**NIL**	**NIL**	**NIL**	**NIL**

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

(iv) Value of Raw Materials Consumed

Particulars	2015-16		2014-15	
	Percentage to total consumption%	**Rupees**	Percentage to total consumption %	Rupees
Imported	NIL	NIL	NIL	NIL
Indigenous	NIL	1.40	NIL	1.77
Total	**NIL**	**1.40**	**NIL**	**1.77**

(v) Expenditure In Foreign Currency

Particulars	2015-16	2014-15
Travelling	NIL	00.34
Film Production Expenses	NIL	NIL
Audio Rights Expenses	NIL	00.59
Legal & Professional Fees	NIL	01.48
Advertisement	09.15	00.27
Dubbing & Matching Expenses	NIL	00.72
Music Expenses	NIL	09.00
Remake Rights	06.74	09.62
Gym Trainer Charges	00.43	NIL
Lyrics Writing Charges	00.25	NIL
Total	**16.57**	**22.02**

(vi) Earnings In Foreign Currency

Particulars	2015-16	2014-15
Film Distribution Revenue	NIL	NIL
Royalty	1,054.71	754.55
Misc. Income (Terrestrial TV Rights Receipts)	NIL	8.94
Audio Rights Receipts	300.00	NIL
Total	**1,354.71**	**763.49**

(vii) Cost of feature films incurred during the year and inventories include interest of ₹NIL (Previous Year ₹220.56) on Loans utilized for the production of the film as also insurance expenditure of ₹ 2.28 (Previous Year ₹ NIL)

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lakhs unless otherwise stated

35. Foreign Currency Exposure :

Particulars	2015-16	2014-15
Amount payable in foreign currency on account of import of Goods/services and its equivalent Indian Rupees.	₹ 0.30 (Euro 0.004)	NIL (NIL)
Amount receivable in Foreign Currency on export of goods / services and its equivalent Indian Rupees.	₹ 311.35 (GBP2.75) (US$ 0.76)	₹ 107.24 (GBP 0.72) (US$ 0.63)
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

Parag Ved
Partner
Membership No. 102432

Place: Mumbai
Date: May 25, 2016

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

Kumar S. Taurani
Chairman & Managing Director
DIN : 00555831

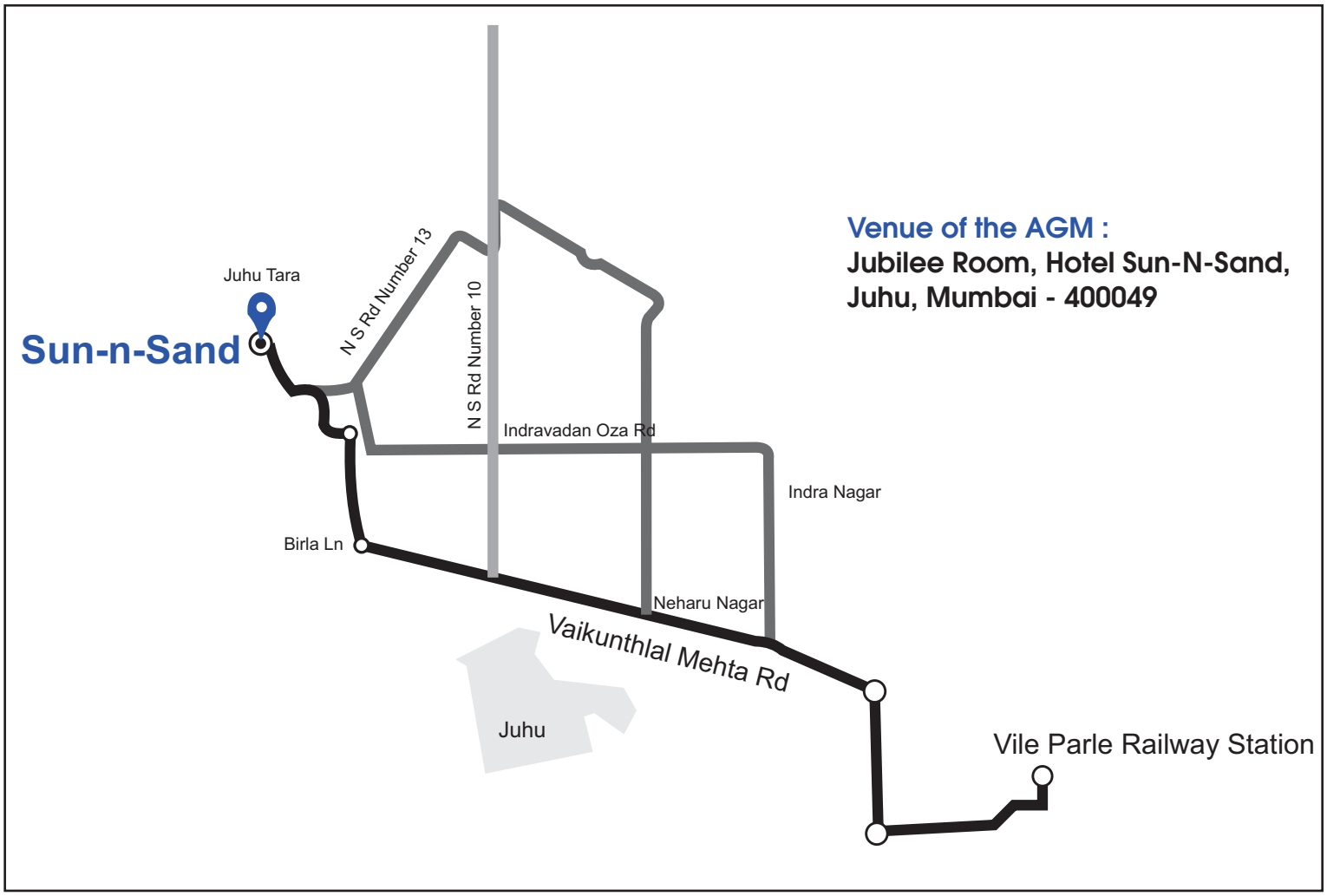
Ramesh S. Taurani
Managing Director
DIN : 00010130

I.T Gursahani
Chief Financial Officer

Bijal Patel
Company Secretary

Place: Mumbai
Date: May 25, 2016

Route Map


Venue of the AGM :
Jubilee Room, Hotel Sun-N-Sand,
Juhu, Mumbai - 400049
Juhu Tara
Sun-n-Sand
N S Rd Number 13
N S Rd Number 10
Indravadan Oza Rd
Indra Nagar
Birla Ln
Neharu Nagar
Vaikunthlal Mehta Rd
Juhu
Vile Parle Railway Station

TIPS INDUSTRIES LIMITED

CIN: L92120MH1996PLC099359
Regd. Office: 601, Durga Chambers, Linking Road, Khar (West), Mumbai – 400 052
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 **20th ANNUAL GENERAL MEETING of the Company at Jubilee Room, Hotel Sun-N-Sand, Juhu, Mumbai 400049, on Friday, September 16, 2016 at 11.00 a.m.**

Name of the Member: _____ Signature _____

Name of the Member: _____ 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

CIN: L92120MH1996PLC099359
Regd. Office: 601, Durga Chambers, Linking Road, Khar (West), Mumbai – 400 052
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 : _____ Address: _____

   Email ID: _____ Signature: _____ or failing him;

2. Name : _____ Address: _____

   Email ID: _____ Signature: _____ or failing him;

3. Name : _____ Address: _____

   Email ID: _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20th Annual General Meeting of the Company, to be held on the Friday, September 16, 2016 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
	ORDINARY BUSINESS
1	Adoption of Audited Financial Statements, Reports of the Board of Directors and Auditors for the financial year ended March 31, 2016.
2	Declaration of Dividend on Equity Shares for the financial year ended March 31, 2016.
3	Re-appointment of Mr. Ramesh Taurani, as a Director of the Company.
4	Appointment of M/s. SSPA & Associates, Chartered Accountants, as Statutory Auditors of the Company.
	SPECIAL BUSINESS
5	Appointment of Mr. Venkitaraman Subramanian Iyer as Independent Director of the Company.

Signed this _____ day of, _____ 2016

Signature of shareholder: _____

Signature of proxy holder(s): _____

Affix Revenue Stamp

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.

Notes

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Notes

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601, 6th Floor, Durga Chambers,
Linking Road, Khar (West),
Mumbai - 400 052
CIN: L92120MH1996PLC099359
Contact No.: 022-66431188 | Fax No.: 022-66431189
Email: response@tips.in
Website: www.tips.in

Concept, Content & Design
WYATTPrism COMMUNICATIONS (info@wyatt.co.in)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

[Rs. in lacs]

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	7 150.18	Not Applicable Refer Item II(d) below
	2.	Total Expenditure	6 769.09	
	3.	Net Profit/(Loss)	381.09	
	4.	Earnings Per Share	1.98	
	5.	Total Assets	17 377.15	
	6.	Total Liabilities	10 412.97	
	7.	Net Worth	6 964.18	
	8.	Any other financial item(s) (as felt appropriate by the management)	–	

II. Audit Qualification (each audit Qualification separately):

a. Details of Audit Qualification:

Qualified Opinion as reported in Auditors' Report dated May 25, 2016 on Standalone Financial Statement of the Company for the year ended March 31, 2016: (Basis for Qualified Opinion)

Non recognition of deferred tax liability on timing differences in accounting of inventory. In the absence of adequate information auditors unable to quantify its impact on the profits for the year and on the reserves as at March 31, 2016.

b. Type of Audit Qualification : Qualified Opinion

c. Frequency of qualification:

This has been subject matter of qualification in the Auditors' Report on the Standalone Financial Statement of the Company since the financial year ended March 31, 2015.

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: N.A

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification: No

(ii) If management is unable to estimate the impact, reasons for the same:

Considering the nature of business carried on by the Company, Deferred Tax Liability is not recognised on unamortised cost of production as in the opinion of the Management of the Company will have sufficient unabsorbed depreciation and business losses in the year in which timing difference will reverse.

(iii) Auditors' Comments on (i) or (ii) above:

There are no further comment excepted as disclosed under the item No. II(a) of Details of Audit Qualification.

III.	Signatories:	
	Mr. Kumar S. Taurani Chairman & Managing Director	
	Mr. Ishwar T. Gursahani Chief Financial Officer	
	Mr. Venkitaraman Subramanian Iyer* Audit Committee Chairman	
	Mr. Parag Ved **SSPA & Associates** Statutory Auditors Firm Registration No.: 131069W Partner Membership No.: 102432	Parag S. Ved SSPA & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

** Mr. Venkitaraman Subramanian Iyer was appointed as a Chairman of the Audit Committee Meeting of the Company held on May 25, 2016.*

Place: Mumbai
Date: June 13, 2016