

Tips Industries Limited
Annual Report 2016-17

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CORPORATE INFORMATION

BOARD OF DIRECTORS :

Mr. Kumar S. Taurani
Mr. Ramesh S. Taurani
Mr. Amitabh Mundhra
Mrs. Radhika Pereira
Mr. Venkitaraman S. Iyer

Chairman & Managing Director
Managing Director
Independent Director
Independent Director
Independent Director

CHIEF FINANCIAL OFFICER:

Mr. Ishwar T. Gursahani

COMPANY SECRETARY & COMPLIANCE OFFICER:

Ms. Bijal R. Patel

SENIOR MANAGEMENT:

Mrs. Varsha Taurani
Mr. Sunil Chellani
Mr. Girish Taurani
Mr. Kabir Chandra
Ms. Kavita Lakhani

Vice President – Administration
Sr. Vice President – Accounts
Sr. Vice President – Music Business
Vice President – Digital Business
Vice President – Film Production & Promotions

REGISTERED OFFICE:

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

ACCOUNTS OFFICE:

(Virkar Apartments), 17th Road,
Khar (West), Mumbai - 400052

STATUTORY AUDITORS:

M/s. SSPA & Associates
Chartered Accountants

Andheri (West), Mumbai – 400 058

INTERNAL AUDITORS:

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

SECRETARIAL AUDITORS:

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

REGISTRAR & SHARE TRANSFER AGENT:

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

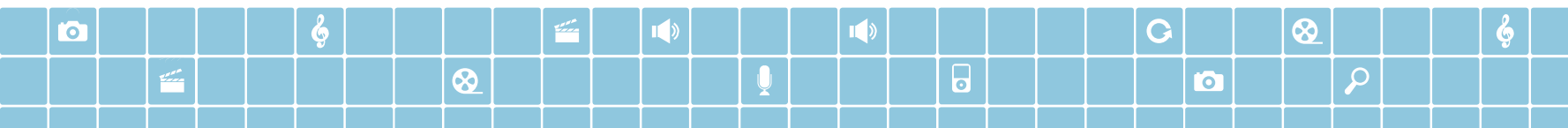
BANKERS:

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

Canara Bank
Maker Chambers-III, 7th Floor,
Nariman Point, Mumbai 400 021

2nd Floor, Maneckji Wadia Bldg.,
Nanik Motwane Marg, Fort,
Mumbai - 400 001

ICICI Bank Limited
Ground Floor, Indraprastha,
Linking Road, Santacruz West,
Mumbai - 400 054





We remain committed

provide wholesome family entertainment. We are renowned in the industry for our professional commitment and enjoy an excellent reputation with artistes, studios, directors and exhibitors.

Dear Shareholders,

It has been an interesting and intriguing year that had its share of surprises and shocks. On the global front, the two biggest

it sent across the global markets, followed by the unexpected

– an event whose impact is still to be absorbed or analysed or understood.

Not to be outdone, India too had its share of headline making events. The government took the bold step to demonetize ₹ 500 and ₹ 1,000 currency notes in November 2016, sending shockwaves not only in India, but all over the world. The last time currency was demonetized in India was thirty-nine years earlier. Expectedly, the move was met with a great deal of trepidation and anxiety, but by the beginning of the new year, things were almost back to normal. Another key development during the

Services Tax (GST) bill in the parliament, paving the way for a

Amidst these macro-developments, the Indian M&E industry continued to grow, overcoming the challenges of

quality content with the power to drive footfalls continued to

₹ 1 billion mark in domestic

continued to attract more audiences. In music, the digitisation revolution continues to power the sector, opening up newer revenue streams and models. What has made the sector very exciting is the fast emergence of data as the game-changer – with mobile phones becoming cheaper, data speeds rapidly increasing and more importantly, data rates falling.

These factors are creating a unique spiral that is driving music revenues strongly.

It was a quiet year for TIPS as we took a wait-and-watch approach in an obviously uncertain macro environment. On

by Dheeraj Rattan and starring Gippy Grewal, Monica Gill,

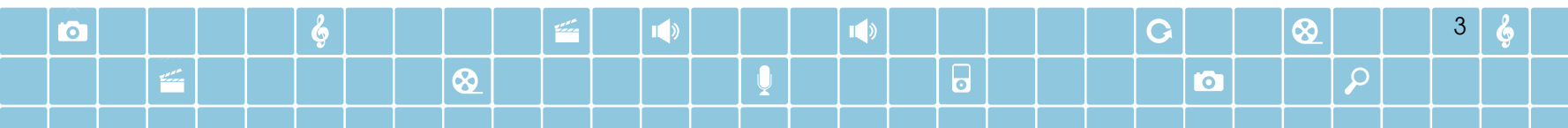
scripts that have the potential of being made into a wholesome

For the year 2016-17, our Total Income was ₹ 6,640.86 lacs compared to ₹ 7,151.45 lacs in the previous year. The ₹ 300.94 lacs compared to ₹ 303.39 lacs last year. The Company has proposed a dividend of 10%, i.e., ₹ 1/- per share of ₹ 10/- each, subject to approval of the shareholders.

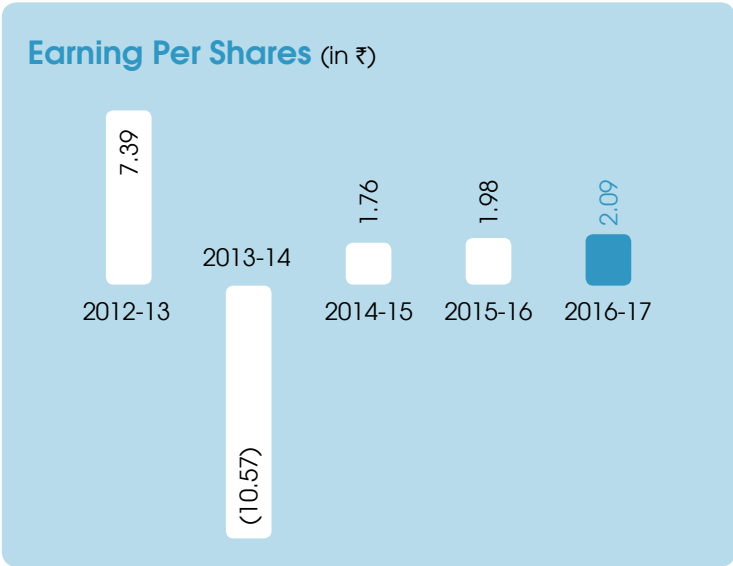
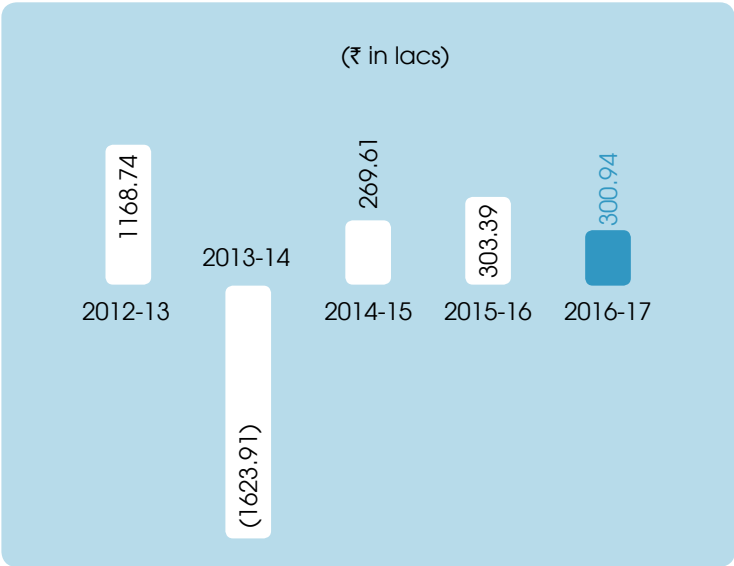
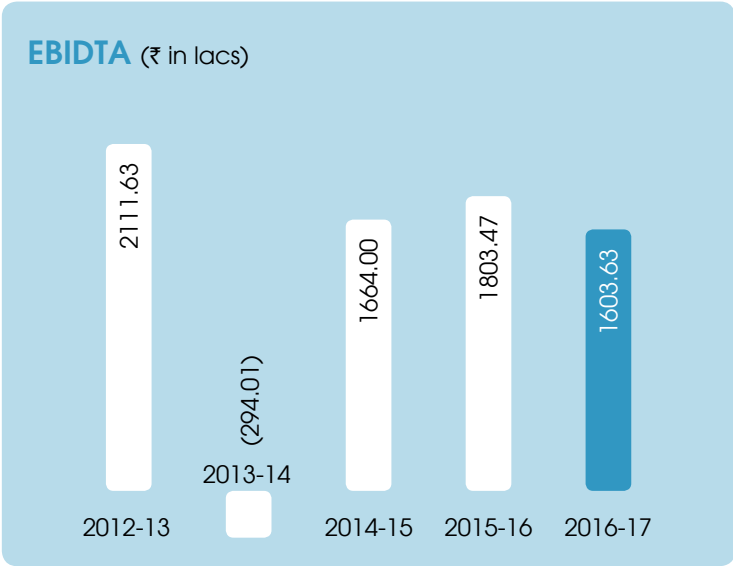
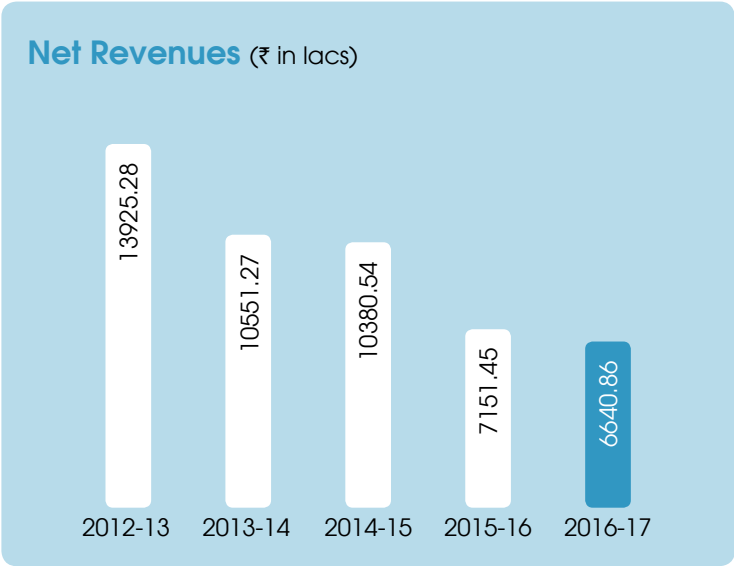
wholesome family entertainment. We are renowned in the industry for our professional commitment and enjoy an excellent reputation with artistes, studios, directors and exhibitors. In our music library, we have a long-term asset that continues to generate a regular revenue stream and which will continue to grow in line with increasing digitisation and content-consumption on mobile devices.

Yours sincerely,

Kumar S. Taurani



KEY FINANCIAL INDICATORS



NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 21st Annual General Meeting of the Members of Tips Industries Limited will be held on Wednesday, September 13, 2017 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, 2017 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, 2017.
3. To appoint a Director in place of Mr. Kumar Taurani (DIN: 00555831), who retires by rotation and being eligible, offers himself for re-appointment.
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 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. SSPA & Associates, Chartered Accountants (Firm Registration No. 131069W), be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this 21st Annual General Meeting till the conclusion of the 23rd Annual General Meeting to be held in 2019 (subject to annual ratification by the Members at the Annual General Meeting), at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company.”

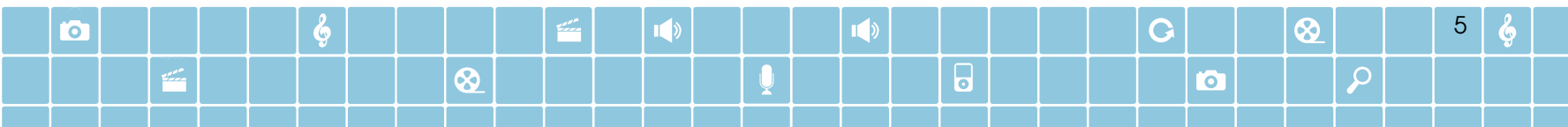
SPECIAL BUSINESS:

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

“RESOLVED THAT in partial modification of the Special Resolution passed by the members at the 19th Annual General Meeting of the Company held on August 14, 2015 and pursuant to provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules made thereunder, as amended from time to time, read with Schedule V of the Act and subject to the approval of Central Government, wherever required, if necessary, consent of the Members be and is hereby accorded to increase in remuneration to Rs.14 lacs per month i.e. Rs.168 lacs per annum of Mr. Kumar Taurani with effect from February 3, 2017 till his remaining term of his tenure i.e. upto May 31, 2018 as Chairman & Managing Director of the Company, as recommended by the Nomination and Remuneration Committee and the Board.

RESOLVED FURTHER THAT except for the aforesaid increase in remuneration, all other terms and conditions of his appointment and remuneration as Chairman & Managing Director of the Company, as approved by the members at the 19th Annual General Meeting of the Company held on August 14, 2015, shall remain unchanged.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year(s), during the tenure of Mr. Kumar Taurani as Chairman & Managing Director of the Company, the above mentioned remuneration be paid to him, as minimum remuneration and in accordance with the approval of the Central Government, wherever required, if necessary.



- RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the said revision in the remuneration as it may in its sole and absolute discretion deem fit and to delegate all or any of its powers herein conferred to any director(s) and/or officer(s) of the Company, to give effect to this resolution.”
6. To consider and, if thought fit, to pass the following resolution as **Special Resolution:**
- “RESOLVED THAT** in partial modification of the Special Resolution passed by the members at the 19th Annual General Meeting of the Company held on August 14, 2015 and pursuant to provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules made thereunder, as amended from time to time, read with Schedule V of the Act and subject to the approval of Central Government, wherever required, if necessary, consent of the Members be and is hereby accorded to increase in remuneration to Rs.14 lacs per month i.e. Rs.168 lacs per annum of Mr. Ramesh Taurani with effect from February 3, 2017 till his remaining term of his tenure i.e. upto May 31, 2018 as Managing Director of the Company, as recommended by the Nomination and Remuneration Committee and the Board.
- RESOLVED FURTHER THAT** except for the aforesaid increase in remuneration, all other terms and conditions of his appointment and remuneration as Managing Director of the Company, as approved by the members at the 19th Annual General Meeting of the Company held on August 14, 2015, shall remain unchanged.
- RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year(s), during the tenure of

Mr. Ramesh Taurani as Managing Director of the Company, the above mentioned remuneration be paid to him, as minimum remuneration and in accordance with the approval of the Central Government, wherever required, if necessary.

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

Place: Mumbai **By Order of the Board of Directors**
Date: May 30, 2017

Registered Office: **Bijal R. Patel**
601, Durga Chambers, Linking Road, Company Secretary
Khar (West), Mumbai 400 052

- Notes:**
1. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business under Item No. 5 and 6 are annexed hereto. The relevant details of the Directors seeking re-appointment/ appointment under Item Nos. 3, 5 and 6, 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. A Proxy shall not have a right to speak at the Meeting and shall not be entitled to vote except on a poll.
4. Body Corporate members intending to send their authorised 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.
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, Proxies and Authorised Representatives 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 21st AGM is given at the end of the Report.
8. The Register of Members and Share Transfer Books of the Company will remain closed from September 7, 2017 to September 13, 2017 (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 6, 2017 as per details furnished by the Company's Share Registrars and Transfer Agents and the Depositories for this purpose.
10. Members of the Company are requested to note that as per the provisions of Section 124 of the Companies Act, 2013, dividends not encashed/ claimed by the Members of the Company, within a period of 7 (seven) years from the date of declaration of dividend, shall be transferred by the Company to the Investor Education and Protection Fund (IEPF). **Members are requested to Contact Company or RTA to encash the unclaimed dividend.** The Company has uploaded the details of unpaid / unclaimed dividend on its website www.tips.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. 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.
14. 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.
15. **Electronic copy of the Annual Report for 2016-17 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 2016-17 are being sent in the permitted mode.**
16. 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.
17. **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 at the 21st AGM. 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 be made available at the venue of the 21st 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 6, 2017 ('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 6, 2017 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