TIPS INDUSTRIES

INVESTOR PRESENTATION

Investment Thesis

Tips Industries Ltd. is a ₹8,600 Cr. market cap company primarily operating in the music and film production industry, with a strong presence in content licensing and distribution. Established in 1975 by the Taurani brothers, the company has solidified its position as one of India's leading music labels. Tips' consistent expansion into digital music platforms and content distribution has resulted in steady revenue growth of approximately 25% in the last year, while maintaining an impressive Return on Equity (ROE) of 70.85% and increasing shareholder value.

- Growing Demand for Digital Music:

The global shift towards streaming is driving rapid growth in the music market. India's online music streaming sector is expected to grow by 15-20% YoY, outpacing the global average of 10%. Tips is well-positioned to capitalize on this trend, given its extensive digital rights portfolio, especially in Bollywood music.

- Vast Music Library:

Tips has a catalog of 25,000+ songs spanning Bollywood, regional, and devotional genres. This diverse catalog reduces risk and generates recurring revenue through licensing, streaming, and OTT partnerships.

- Digital Monetization & Licensing:

Over 90% of revenue comes from digital platforms, such as YouTube, Spotify, and Gaana. Licensing deals with major OTT platforms further enhance the company's digital revenue base.

- Strong Industry Relationships:

Tips maintains strong relationships with film production houses, TV channels, and digital platforms, ensuring a steady stream of new content. These partnerships provide a competitive advantage and act as a barrier to entry for new players.

- Strategic Growth Opportunities:

Tips is expanding into regional content (with a focus on Bengali music) and non-film music, contributing to 7-10% of its topline. The company also eyes growth in international markets through its tie-up with Sony Music Publishing and partnerships like the Indian Performing Right Society (IPRS).

- Push Towards Original Content:

Tips aims to release 700-800 songs in FY24, including acquisitions of major film music like PS I & II and Freddy. The company is also recreating its old songs and targets acquiring one big film every quarter.

- Leveraging Old Music Catalog:

The 90s music repertoire is driving significant growth across TV and streaming platforms. In FY23, Tips released 896 songs, with 240 songs in Q4 alone. The company reported 38% revenue growth in FY23, from ₹135.6 Cr in FY22 to ₹186.8 Cr.

Investment Thesis Contd.

1. Key Man Risk
• Tips Industries has been driven by founder Kumar Taurani. Any leadership transition could affect operations, but a strong management team is in place to ensure continuity.
2. Competitive Pressures
• The music industry is highly competitive, with major players like Spotify and Apple Music. Despite this, Tips' extensive catalog and strategic partnerships with Warner Music and Sony provide a significant advantage.
3. Cyclical Demand
• Tips' revenues can fluctuate with the release of major Bollywood films and regional music trends. However, its diversification into non-film music and regional content helps mitigate the impact of these cycles.
4. Intellectual Property & Piracy
• Tips is exposed to piracy and intellectual property risks, especially in international markets. The company is actively investing in digital rights management to secure its content.
5. Dependency on Streaming Platforms
• With over 90% of revenue coming from digital platforms like YouTube and Spotify, changes in platform policies could impact earnings. Tips is reducing this risk by expanding sync deals and OTT partnerships.

Recommendation: HOLD
• Despite these risks, Tips Industries remains a strong long-term investment due to its leadership in the digital music space and its diverse content portfolio. The company's consistent 38% revenue growth in FY23 demonstrates its resilience and ability to capitalize on industry trends.
• Valuation: While Tips' growth potential is evident, the stock might currently be overvalued in light of market enthusiasm around digital content stocks. Those who already hold the stock should continue to hold for at least 3 years to realize full value from its strategic initiatives. However, potential investors may consider waiting for a market correction before entering, as its current valuation may present a premium.

INDIA'S GROWING AUDIO AND ENTERTAINMENT SCENE

5th Largest Entertainment Market Globally
Growing at 20% annually, India's entertainment sector is rapidly expanding, driven by rising digital consumption and increased internet accessibility.

60% Surge in Regional Content
Regional language music now makes up over 35% of total music consumption. Tips' focus on regional content aims to capture 7-10% of its revenue from this growing segment.

1 Trillion on-demand streams in 2023 in India,
making it the 3rd largest streaming market globally. 15% YoY growth ofIndia's music industry, it's growing faster than the global average of 10%

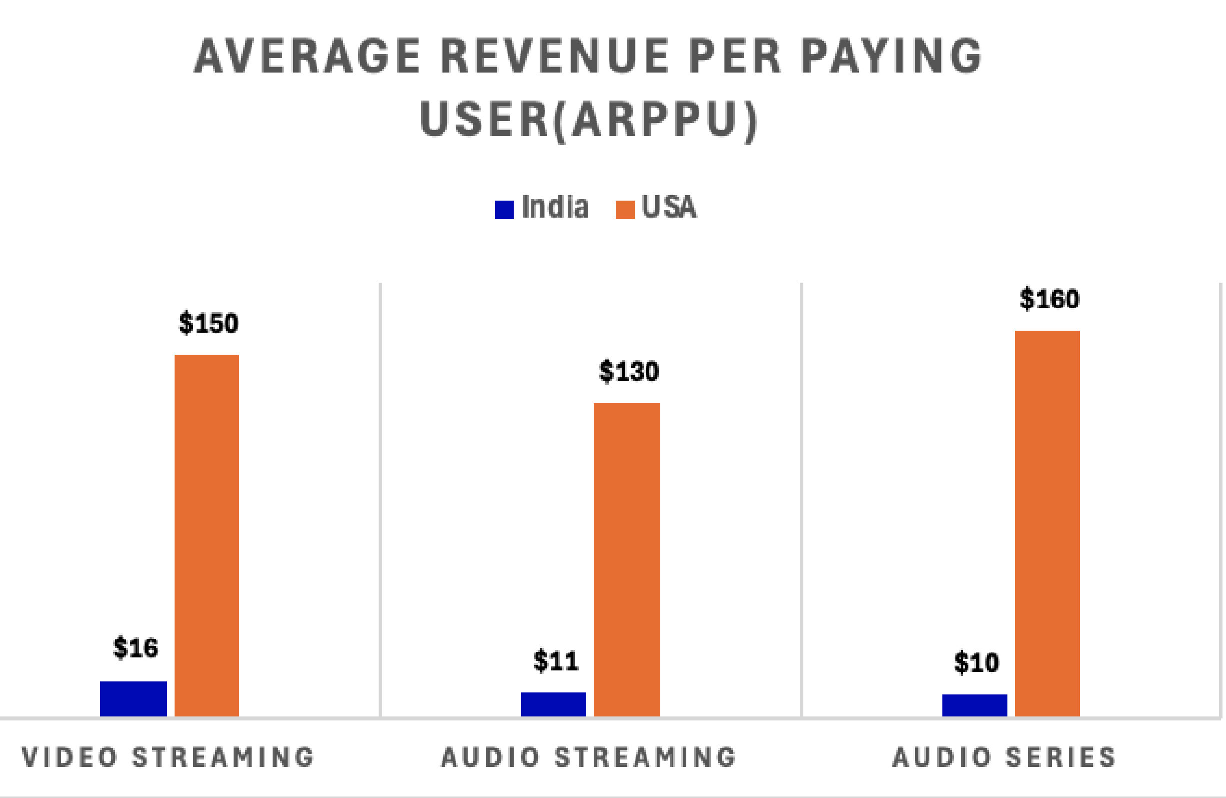
350 million audio users in 2023:
India's audio market is projected to reach 540 million by 2027, with the audio streaming sector growing at a CAGR of 22% YoY, driven by increased smartphone usage.

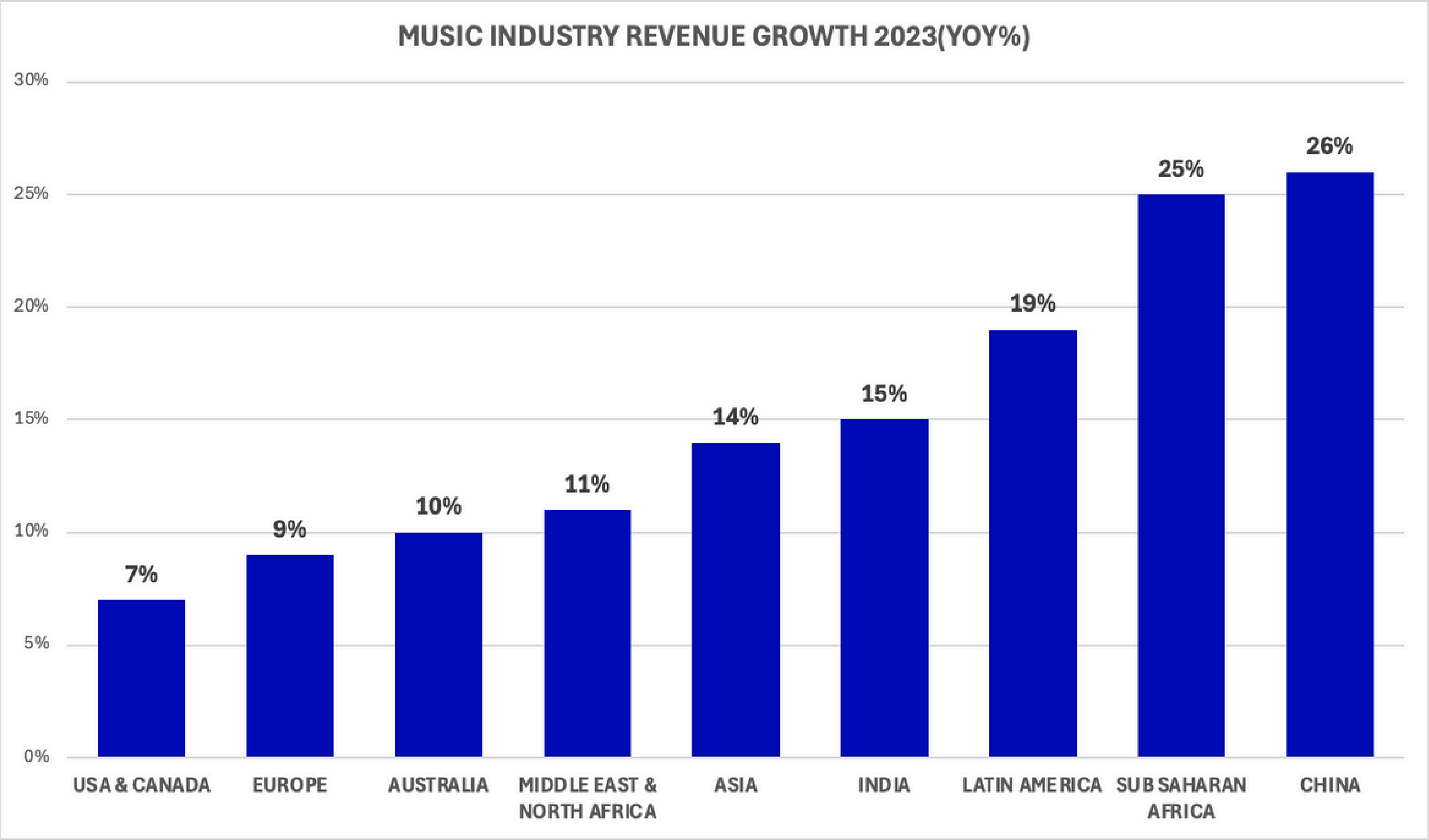
$29.58 Bn by 2030:
The global digital music content market, valued at USD 16.39 Bn in 2023, is projected to grow to USD 29.58 Bn by 2030, at a CAGR of 8.8%.

85% increase in Indian music streams on Spotify in 2023:
Indian music exports are expected to grow 30% over the next five years, with Bollywood music seeing a 35% rise in international streams.

2.5x growth in music publishing revenues:
Despite low ARPU in India, music publishing revenues grew 2.5-fold between 2019 and 2023. Copyright compliance remains a challenge, but global demand for Indian music is rising.

22% YoY rise in projected revenues:
Streaming and OTT platforms are driving growth, with music streaming revenue projected to rise 22% YoY. Tips earns 90% of its revenue from digital platforms, positioning it well for further growth.





Key Growth Drivers

The Must Have HITS

Digital Expansion & Ad Revenue Growth

- The Indian digital advertising industry is expected to grow at a CAGR of 29%, reaching ₹62,045 Cr by 2025. This growth is crucial for music streaming platforms that rely on ad revenues for monetization.
- India's smartphone user base is projected to surpass 1 billion by 2024, driving increased consumption of digital music through streaming services.
- Digital listenership grew to 574 million in 2023, with projections showing it will hit 640 million by 2024, fueled by rising internet access and affordable smartphones.

Content Expansion & Monetization

- Global paid streaming revenues reached US$14 billion in 2023, with subscription-based streams accounting for 48.9% of total streams, increasing revenue opportunities for platforms like those used by Tips.
- Sync deals with OTT platforms and broadcasters, where music is used in films, advertisements, and web series, have become a consistent source of revenue growth.

Regional & Non-Hindi Content Growth

- Regional language music now represents 70% of digital listenership in India, highlighting the growing demand for non-Hindi content. Tips is capitalizing on this trend by expanding its catalog across 25 languages.
- Indians aged 16-44 listen to an average of 26.7 hours of music per week, well above the global average of 20.7 hours, making them a core consumer base for Tips' platforms.

YouTube & Industry-Wide Growth

- Tips' YouTube views surged by 64% YoY, reaching 193.9 billion views in FY24, and digital revenues now contribute 79% of the company's total earnings.
- The Indian music sector is projected to grow at a CAGR of 14%, reaching ₹3,700 Cr by CY26. Tips outpaced industry growth with a 39% YoY revenue increase in FY24, totaling ₹242 Cr.

Company Overview

Tips Industries Ltd was established in 1988 and is one of India's leading music and entertainment companies.

- It operates in the digital music rights and content licensing industry, managing a vast catalog of Bollywood, regional, and independent music across multiple platforms.

- The company generates over 79% of its revenue from digital platforms like YouTube, Spotify, and Gaana, with 104 million YouTube subscribers contributing significantly to its digital income.

- Tips' content catalog includes 31,000 songs in 25 languages, focusing on Bollywood and expanding into regional music, driving growth.

- Tips is a debt-free company, with ₹262 Cr in cash and investments, consistently rewarding shareholders through dividends and share buybacks.

- The company follows a dual strategy of acquiring music rights from third-party producers and producing original content, adding 733 new songs in FY24.

- Market Leadership: Tips is a key player in India's ₹3,700 Cr music industry, consistently outpacing sector growth through its strong digital and global presence.

- International Expansion: Tips has partnered with Warner Music Group to distribute its content internationally, expanding its global reach and revenue streams.

- Strategic Collaborations: The company has partnerships with major OTT platforms like Netflix and Amazon Prime, as well as streaming services like Spotify and YouTube.

- Track Record: Tips has successfully adapted to technological changes, transitioning from physical formats to becoming a leader in digital streaming and monetization.

- Revenue Diversification: The company benefits from diversified revenue streams, including streaming, licensing, performance rights, and sync deals, reducing dependence on any single source of income.

The Must Have HITS

Product Portfolio

Tips Industries Ltd offers a diverse and expansive music catalog across various genres and languages, positioning it as one of the top music companies in India.

Business Segments:

1. Bollywood

- Bollywood Classics
- Latest Bollywood Hits
- Soundtracks from major films

2. Regional & Devotional

- Languages: Punjabi, Tamil, Telugu, Bhojpuri, Marathi, Gujarati
- Devotional Songs and Bhajans

3. Indie & Non-Film

- Indie Artists
- Non-film tracks
- Collaborations with emerging musicians

Distribution Channels:

01 **Streaming Platforms:** YouTube, Spotify, Gaana, JioSaavn

02 **Licensing:** Music for OTT platforms, films, and advertisements

03 **Sync Deals:** Featured in commercials, TV shows, and web series

‘AIM TO CLOCK 30% GROWTH IN FY25’

Business Overview

01

Content Growth

Added 733 new songs in FY24, expanding its catalog to 31,000 tracks. Focused on Bollywood, regional, and non-film music to meet rising demand.

02

International Expansion

Partnered with Warner Music Group; now 35% of streaming revenue comes from international listeners.

03

Monetisation via Performance Rights & Sync Deals

Performance rights contribute 9.5% of global music revenues. Sync deals for ads, films, and TV shows are growing 4.7% globally.

04

Regional Expansion

Released music in 25 languages, with 35% of new content in regional languages. Regional consumption growing 60% annually.

05

YouTube & Streaming Growth

YouTube views grew 64% YoY to 193.9 billion in FY24, driven by a 104 million subscriber base.

06

Non-Film Music Focus

Non-film music is growing at 25% YoY and now accounts for 30% of Tips’ new releases.

Distribution Network

Geographical Split of Revenue (FY24):
• Domestic: 65%
• International: 35%

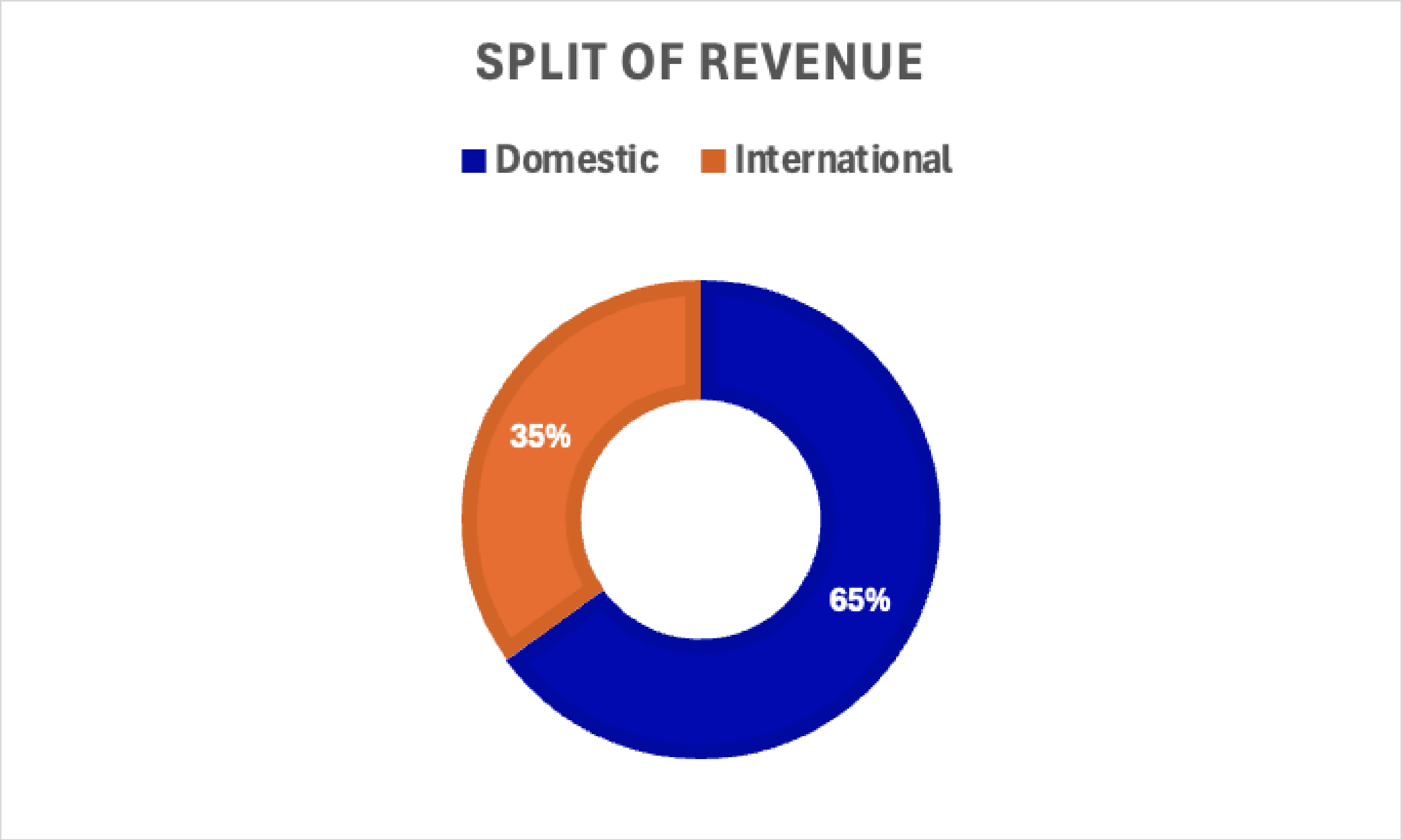
• International Reach:
Tips distributes its content in over 25+ countries, with a strong presence in the USA, UK, Canada, Middle East, and South-East Asia. International revenue is fueled by partnerships with global platforms like Warner Music Group and YouTube.

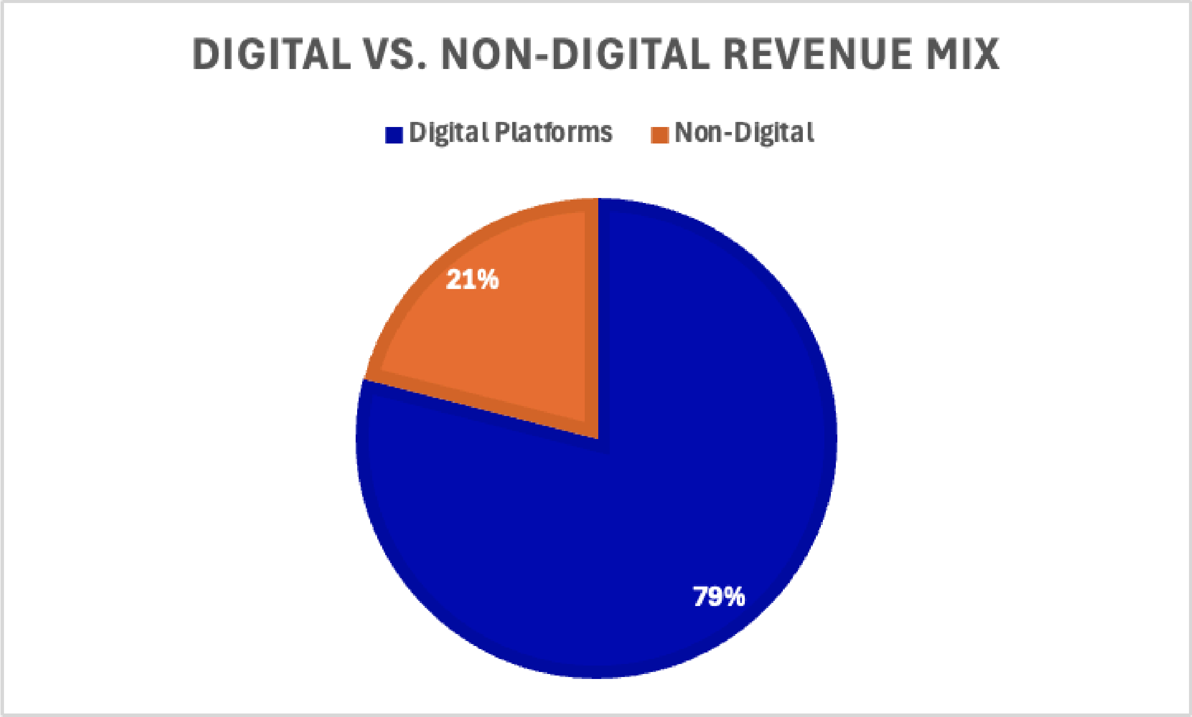
• Digital Distribution:
The company's strong digital presence on platforms like YouTube, Spotify, and Apple Music contributes significantly to its global reach. Tips monetizes its music catalog through streaming platforms, sync deals, and licensing agreements for international films and advertisements.

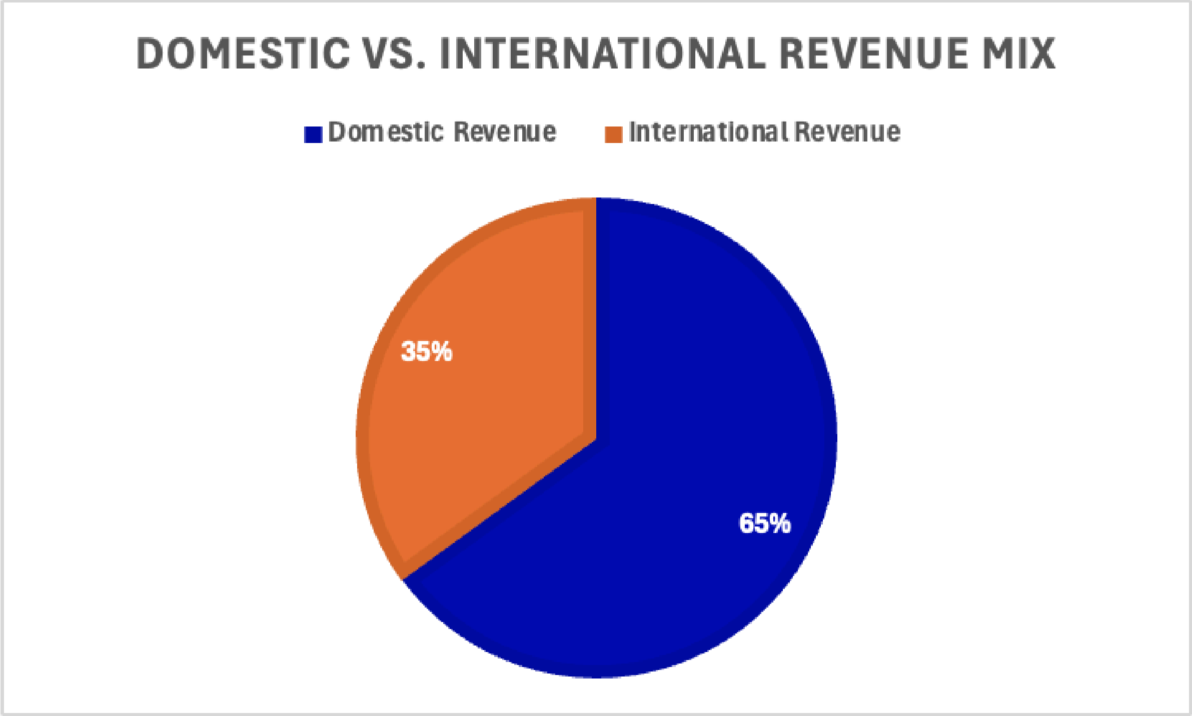
• Key Partnerships:
Long-standing relationships with OTT platforms such as Netflix and Amazon Prime further enhance Tips' distribution network, ensuring consistent global exposure and revenue from international markets.

• Regional and Domestic Focus:
Tips' content, especially in regional languages like Tamil, Telugu, and Punjabi, is gaining popularity both in domestic markets and among Indian diasporas globally. The regional music segment accounts for 35% of new content releases.

This distribution network allows Tips Industries to effectively capitalize on both domestic demand and the growing international market for Indian music.







Revenue Mix

The Must Have HITS

- Strong Digital Revenue Growth

Tips Industries witnessed robust revenue growth in FY24, driven primarily by digital platforms. Total digital revenue, including YouTube and streaming services, rose by 25% YoY, contributing significantly to overall growth.

- Increasing Revenue from Non-Film and Regional Content

The revenue from non-film music, including independent and devotional tracks, grew by 30% YoY, reflecting the increasing demand for content outside of Bollywood. Regional content, which now accounts for 35% of new releases, has also driven revenue growth, particularly in Tier 2 and Tier 3 markets.
Regional music, especially in languages like Tamil, Telugu, and Punjabi, has become a significant revenue source, contributing to 35% of new releases and 30% of streaming revenue. The growing demand for regional content is reshaping the revenue mix, particularly in India's Tier 2 and Tier 3 cities.

- International Revenue Expansion

Revenue from international markets grew to 35% of total streaming revenue, reflecting an increased demand for Indian music abroad, largely fueled by partnerships with global giants like Warner Music Group and Spotify.

- Sync Deals & Performance Rights

Revenue from sync deals (music placements in films, TV shows, ads) and performance rights increased by 4.7% YoY and now contribute 9.5% to overall music revenue.

- Shifts in Revenue Mix

In FY24, the revenue mix saw shifts, with digital platforms contributing 79% of total revenue, up from previous years. Sync deals and licensing revenues also gained traction, contributing a larger share of the total revenue mix compared to FY23.

- YouTube as a Major Revenue Stream

YouTube remains a cornerstone for digital revenue, with a 64% YoY increase in views, reaching 193.9 billion views in FY24. The platform's ad revenues and paid streams significantly boost Tips' overall income.

Digital Distribution & Content Capabilities

1. Revenue from Sync Deals
Tips is capitalizing on the rising demand for music in advertisements, films, and TV shows. In 2023, global sync revenue grew by 4.7%, contributing significantly to Tips’ sync deals revenue growth, particularly through partnerships with OTT platforms like Netflix and Amazon Prime.

2. Performance Rights Contribution
Performance rights globally grew by 9.5% YoY in 2023, now accounting for 2.2% of global music revenue. Tips leverages this growing trend, particularly through its vast music catalog being utilized across live events, public spaces, and performances .

3. Digital Media as a Revenue Driver
67% of global music revenue now comes from streaming, and Tips’ emphasis on platforms like YouTube, where it has over 104 million subscribers, ensures continuous growth in ad-based and subscription revenues. Over 79% of Tips’ revenue is generated from these digital platforms.

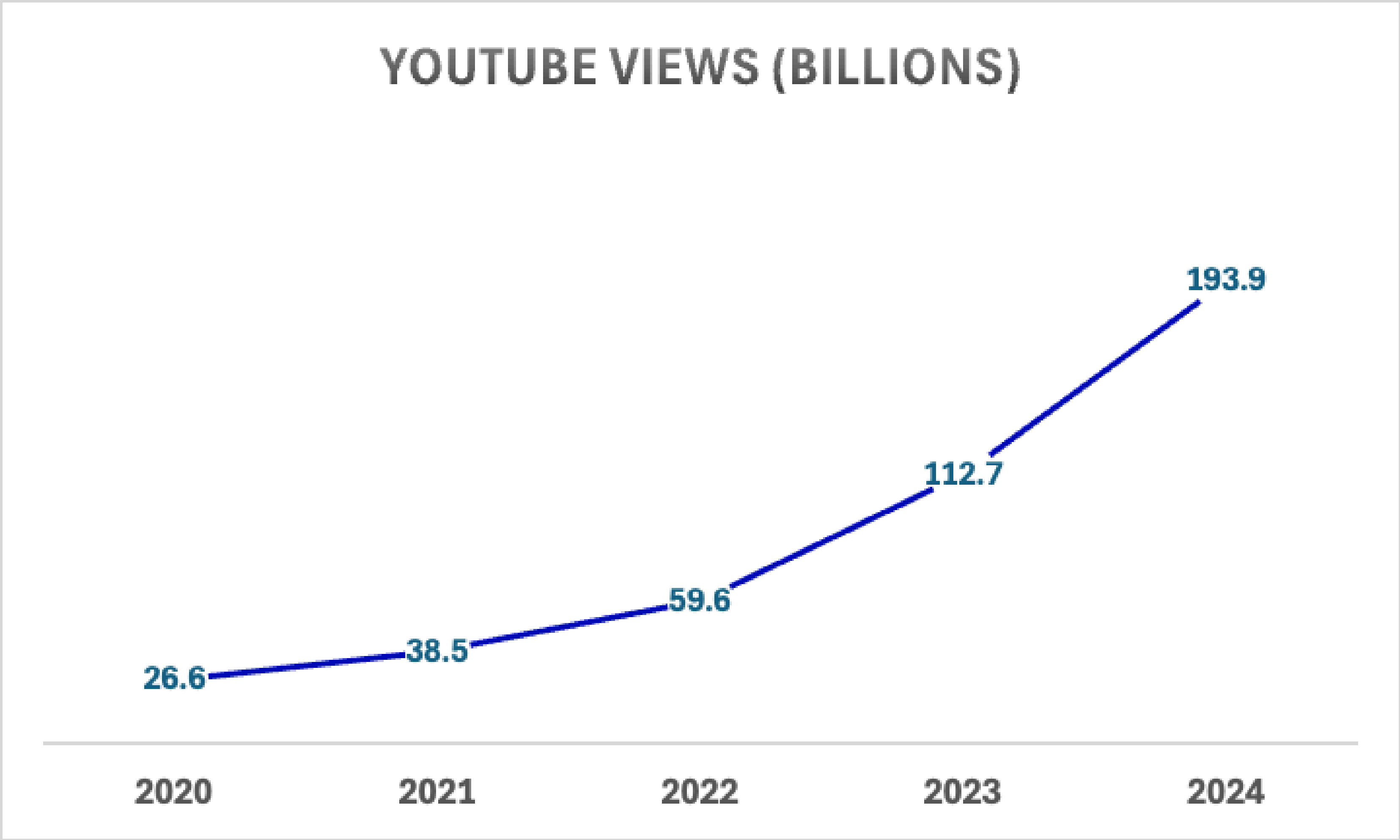
4. Global Growth Opportunities
Indian music holds 7 spots in the global top 10 most-listened-to songs on YouTube for 2022, showcasing the international appeal of Indian music. Tips’ strategic partnerships with global players like Warner Music Group help tap into the growing demand for Indian content globally.

5. Music Subscription Growth
Music subscriptions globally grew by 20.8% YoY, reaching 523 million paid subscriptions in 2023. Tips has capitalized on this trend by distributing its catalog on platforms like Spotify and Apple Music, tapping into the rapidly growing subscription-based revenue streams .

6. Increased Regional Language Popularity
Regional content accounts for 60% of music streaming in India, with languages like Tamil, Telugu, and Punjabi seeing major surges in demand. Tips’ strong regional catalog, covering over 25 languages, positions it to capture this growing market .

7. Rise of Short-Form Video Integration
The rise of short-form video platforms like Instagram Reels and TikTok has significantly contributed to music discovery. Tips has integrated its catalog with these platforms, allowing users to create viral content with its tracks, boosting streaming numbers and revenue .

8. Creator Economy Integration
Tips is increasingly focusing on the music creator economy, enabling independent artists to distribute music through its platforms. The company is leveraging this model to expand its non-film and independent music content, tapping into the rising demand for self-produced tracks .



Corporate Governance

Chairman & Managing Director: Kumar Taurani

As the founder of Tips Industries Ltd, Kumar Taurani has been instrumental in establishing the company as one of India's leading music and entertainment labels. With over four decades of industry expertise, Taurani has overseen the company's growth from physical music formats to digital platforms, steering Tips towards significant success in digital streaming and content monetization.

Board Composition

• The Board of Directors at Tips comprises experienced professionals from diverse fields including media, finance, and technology, ensuring a balance of industry knowledge and governance practices. The board emphasises transparency, ethical management, and long-term value creation for shareholders.

Ramesh Taurani, the co-founder and Executive Director

As the Executive Director, plays a pivotal role in the company's strategy and operations. His experience in Bollywood music and film production has helped Tips maintain its stronghold in Bollywood soundtracks while expanding into regional and non-film music.

Renumeration of BOD

Name of Director	Position	Ratio of Renumeration to Median Employee(2023)	Percentage Increase in Renumeration(2022-2023)	Percentage Increase in Remuneration (2021-2022)
Kumar Taurani	Chairman & Managing Director	22.5	15%	10%
Ramesh Taurani	Executive Director	21.8	12%	9%
Independent Directors	Independent Directors	0.8	N/A	N/A

In my opinion, the table reveals a concerning trend at Tips Industries, where significant pay increases for Kumar Taurani and Ramesh Taurani at 15% and 12%, respectively, highlight a growing disparity between top management and employees. The 0.8 remuneration ratio for independent directors, coupled with no increase in their pay, suggests they may struggle to exert influence on board decisions. This imbalance raises red flags regarding corporate governance, as it could undermine the effectiveness of oversight and strategic direction within the company. I believe this situation warrants closer scrutiny to ensure a fair and equitable reward structure.

Strategic Growth through Mergers and Acquisitions

- **Partnership with Warner Music Group:**

Tips Industries formed a strategic alliance with Warner Music Group in 2023, enhancing its global distribution capabilities. This partnership has led to increased international streams, contributing 35% of Tips' total revenue and expanding its audience reach in markets like the USA and UK.

- **Acquisition of Music Rights:**

Tips has actively pursued the acquisition of music rights from independent artists and smaller labels, such as acquiring rights to regional hits from artists like Jass Manak and Guru Randhawa. This diversification strategy has enriched its catalog, with non-film and regional music now accounting for 35% of new releases.

- **Regional Focus Through Collaborations:**

The company has collaborated with regional music labels, such as T-Series, to enhance its presence in rapidly growing markets like Punjab and Tamil Nadu. This approach has resulted in a 60% annual increase in regional content consumption, tapping into diverse cultural audiences.

- **Investment in Digital Platforms:**

Tips Industries has considered potential mergers with digital music platforms like JioSaavn and Gaana to bolster its streaming capabilities and improve content delivery. Such investments align with the trend of increasing digital consumption, aiming to capture a larger share of the streaming market.

- **Strengthening Position in the Creator Economy:**

By acquiring stakes in platforms supporting independent artists, like Koo for music promotion, Tips aims to engage with the burgeoning creator economy, fostering innovation and diversifying revenue streams beyond traditional models. This initiative is crucial in tapping into new content generation.

- **Future Growth Through Strategic Acquisitions:**

Tips Industries plans to continue identifying and acquiring complementary businesses, such as regional labels and digital music platforms, that align with its vision. This proactive approach is essential for ensuring sustained growth and maintaining a competitive edge in the rapidly evolving music landscape.

Guru Randhawa

Market Disruption

Tips Industries is a pioneer in the Indian music landscape, particularly in digital content distribution, leveraging its extensive catalog and strategic partnerships with global giants to adapt to changing market dynamics.

The company's unique offerings, especially in Bollywood and regional genres, are irreplaceable, allowing Tips to maintain strong relationships with major clients like Netflix and Spotify, ensuring sustained demand.

The rise in digital content consumption, accelerated by the COVID-19 pandemic, has significantly increased demand for Tips' music, with growth projected at a CAGR of 8.2%.

As disposable incomes rise, there is a growing demand for diverse musical content, particularly in regional languages, positioning Tips to capitalise on this trend through expanded offerings.

Tips is responding to the increasing consumer preference for sustainability and modern values by focusing on independent artists and collaborations, enhancing its relevance in the evolving market while expanding its digital presence.

Tips Industries is actively exploring new technologies and platforms to enhance content delivery, ensuring a seamless user experience across various streaming services and digital platforms.

The company's strategic focus on data analytics helps in understanding audience preferences, allowing Tips to curate personalized content and optimize marketing strategies to drive engagement and revenue growth.

Porter's Five Forces

The Must Have HITS

Threat of New Entrants

1. Brand Loyalty: Tips Industries has established a strong brand presence in the Indian music industry, particularly in Bollywood and regional genres. New entrants will find it challenging to compete with Tips' established reputation and extensive catalog. (Low Threat)
2. Digital Content Acquisition: The time and investment required to build a competitive digital music library and establish partnerships with major platforms like Spotify and YouTube creates a barrier for new entrants. (Low Threat)
3. Regulatory Compliance: Navigating the regulatory landscape of the music industry, including copyright laws and licensing agreements, poses a significant hurdle for new players. (Low Threat)

Threat of Substitutes

• The music industry faces competition from alternative entertainment forms such as video streaming platforms (e.g., Netflix, Amazon Prime) and user-generated content platforms (e.g., IG Reels). While there are substitutes for music consumption, Tips' unique catalog, especially in Bollywood and regional genres, creates a strong customer loyalty that reduces this threat. (Moderate Threat)

Competitive Rivalry

• Tips competes with other major players in the Indian music industry, such as:
1. T-Series
2. Saregama
3. Zee Music
4. Sony Music India
5. Hungama
6. Gaana
7. JioSaavn

The intense competition in the music streaming and licensing space drives Tips to continuously innovate and diversify its offerings. (High Threat)

Bargaining Power of Suppliers

1. Diverse Content Sources: Tips Industries collaborates with a wide range of independent artists and regional labels, which reduces supplier power as the company can easily switch between different content sources. (Low Threat)
2. Strategic Partnerships: Collaborations with global music giants, such as Warner Music Group, enhance Tips' negotiating position, allowing for favorable terms in licensing and distribution. (Moderate Threat)
3. Varied Revenue Streams: The company's revenue comes from multiple sources, including streaming, licensing, and sync deals, which diminishes the bargaining power of individual suppliers. (Low Threat)

Bargaining Power of Customers

• Tips Industries has built a strong client base that includes major OTT platforms and film production houses, which reduces the likelihood of customer churn. However, given that these clients often demand competitive pricing and terms, Tips has limited pricing power and must accommodate their requirements to retain these valuable relationships. (Moderate Threat)

SWOT Analysis

The Must Have HITS

Strengths

• Market Leadership: Tips Industries holds a significant market share, particularly in Bollywood and regional music, allowing for strong pricing power in negotiations with streaming platforms and distributors.
• Extensive Catalog: With over 31,000 songs across 25 languages, Tips has a diverse and robust music portfolio that attracts a wide audience, enhancing its competitive edge.
• Strong Digital Presence: Tips has effectively leveraged digital platforms, particularly YouTube, which has grown to 193.9 billion views, driving substantial ad revenue and viewer engagement.
• Strategic Partnerships: Collaborations with major players like Warner Music Group expand distribution channels and international reach, enhancing revenue opportunities.
• Innovative Content Creation: The company is actively investing in new technologies and exploring partnerships, ensuring it remains at the forefront of industry trends.

Weaknesses

• Dependence on Key Markets: Tips' reliance on Bollywood music for a substantial portion of revenue may expose it to market volatility if demand shifts toward regional or non-film music.
• Cost Structure: Increasing competition may pressure pricing strategies, potentially affecting margins and profitability if not managed effectively.
• Limited Diversification: While Tips has expanded into regional music, its focus on established genres may limit its ability to quickly adapt to emerging musical trends and preferences.

Opportunities

• Growing Digital Consumption: The rise in digital streaming and consumption, particularly post-COVID, presents significant growth potential for Tips to capture new audiences and increase market share.
• Expansion into Regional Markets: The increasing demand for regional music provides Tips with an opportunity to diversify its offerings and cater to a broader audience.
• Emergence of Short-Form Video: The popularity of platforms like TikTok and Instagram Reels creates new avenues for music promotion, enhancing discoverability and driving streaming revenue.
• Investment in Non-Film Music: The growing interest in independent and devotional music aligns with Tips' strategy to expand its catalog, tapping into the burgeoning creator economy.

Threats

• Intense Competition: Tips faces competition from established music labels such as T-Series and Sony Music India, which may affect its market share and pricing power.
• Rapidly Changing Consumer Preferences: The fast-paced nature of the music industry requires constant adaptation, and failure to meet evolving consumer demands could lead to loss of relevance.
• Economic Uncertainty: Economic fluctuations could impact consumer spending on entertainment, potentially affecting streaming subscriptions and overall revenue.
• Key Man Risk: As the company grows, reliance on key figures for leadership and vision poses a risk; succession planning is essential to mitigate this vulnerability.

MOATS

The Must Have HITS

• Extensive Music Catalog: Tips boasts a diverse catalog of over 31,000 songs across 25 languages, creating a significant barrier for new entrants trying to compete with such a vast and varied offering.

• First-Mover Advantage in Digital Streaming: Tips has secured early partnerships with major digital platforms, including Spotify and YouTube, positioning itself to capture the growing audience in digital music consumption.

• Innovative Content Creation: With a focus on high-quality, differentiated content, Tips is continuously expanding its portfolio to include regional and non-film music, enhancing its appeal to diverse audiences.

• Strong R&D Capabilities: Tips employs a research-driven approach to understand market trends and audience preferences, allowing it to stay ahead of competitors and adapt to evolving consumer demands.

• Established Brand Trust: The company has built strong relationships with key clients, including major film production houses and streaming platforms, fostering loyalty and ensuring long-term contracts for content distribution.

• Expert Leadership: Tips' board consists of experienced professionals with deep knowledge of the music industry, guiding the company's strategic direction and ensuring effective governance.

• Digital Monetisation Strategies: Tips leverages advanced data analytics to optimize its marketing strategies and enhance revenue from various digital channels, ensuring sustained profitability in a competitive landscape.

Income Statement (Consolidated) Analysis

- **Revenue from operations surged by 29.3% to INR 24,158.07 lakhs (March 2024) compared to INR 18,678.12 lakhs in March 2023, driven by new project launches, better market performance, and improved product mix.**

- **Profit before tax rose significantly by 61.5% to INR 17,052.72 lakhs from INR 10,564.90 lakhs last year. This growth was due to higher revenues and tight control over operating expenses.**

- **There was a 48.73% increase in employee benefits to INR 1,090.78 lakhs from INR 733.37 lakhs, indicating continued investment in human capital and capacity expansion.**

- **Depreciation and amortization expenses increased by 48.6%, showing heavy investment in capital projects, while finance costs also rose by 21.7%, signaling increasing debt levels for expansion.**

- **Profit After Tax (PAT) surged to INR 12,716.70 lakhs from INR 7,652.16 lakhs, an increase of 66.2%, demonstrating the impact of their ongoing expansion and strong market positioning.**

- **Basic and Diluted EPS both increased to INR 9.90 in 2024, up from INR 5.91 in 2023, reflecting higher profitability and shareholder value creation.**

Statement of Profit and Loss for the year ended March 31, 2024

(INR in Lakhs)

	Particulars	Notes	Year ended March 31, 2024	Year ended March 31, 2023
I.	**Revenue from operations**	28	24,158.07	18,678.12
II.	**Other income**	29	1,437.75	535.64
	Total Income (I+II)		**25,595.82**	**19,213.76**
III	**Expenses:**			
	Employee Benefits Expense	30	1,090.78	733.37
	Finance Costs	31	34.85	28.61
	Depreciation and Amortization Expense	32	197.12	132.59
	Other Expenses	33	7,220.35	7,754.29
IV	**Total Expenses**		**8,543.10**	**8,648.86**
V	**Profit before Tax**		**17,052.72**	**10,564.90**
VI	**Tax Expenses:**			
	(1) Current Tax		4,325.00	2,694.00
	(2) Taxes in respect of earlier years		-	233.42
	(3) Deferred Tax		11.02	(14.68)
VII	**Profit / (Loss) for the year**		**12,716.70**	**7,652.16**
VIII	**Other Comprehensive Income**			
	<u>Items that will not be reclassified to statement of Profit or Loss</u>			
	Remeasurement gain (loss) of post employment benefit obligations (net of taxes)		(37.16)	(1.80)
	Other Comprehensive Income for the year, net of taxes		(37.16)	(1.80)
IX	**Total Comprehensive income for the year**		**12,679.54**	**7,650.36**
X	**Earnings per equity share of Re. 1/- each**			
	(1) Basic	34(16)	9.90	5.91
	(2) Diluted	34(16)	9.90	5.91

Balance Sheet(Consolidated) Analysis

The Must Have HITS

- **Asset Growth:**
- **The company's total assets increased significantly by 76% from INR 19,269.56 lakhs in 2023 to INR 33,886.65 lakhs in 2024, fueled by expansion activities and higher cash generation.**

- **Property, Plant, and Equipment (PPE):**
- **PPE saw a 57.7% growth to INR 784.11 lakhs, driven by substantial capital expenditure for new projects and increased production capacity.**

- **Financial Assets:**
- **Financial assets jumped to INR 9,127.97 lakhs from INR 1,312.47 lakhs, indicating more investments and improved liquidity management.**

- **Liabilities:**
- **Total liabilities soared by over 129%, from INR 5,327.67 lakhs to INR 12,340.50 lakhs, as the company took on more debt for expansion. Short-term borrowings significantly increased for working capital.**

- **Equity:**
- **Shareholders' equity rose from INR 13,618.09 lakhs to INR 17,949.89 lakhs, showcasing strong earnings retention and reinvestment in growth.**

Balance Sheet as at March 31, 2024

(INR in Lakhs)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	3	784.11	497.38
(b) Capital Work in Progress	3(a)	1.53	-
(c) Investment Property	4	11.27	14.06
(d) Financial Assets			
(i) Other financial assets	5	4,778.96	703.33
(ii) Loans	6	10.23	12.26
(e) Deferred Tax Assets	7	55.87	54.39
(f) Other non-current assets	8	683.01	1,527.68
Total Non-current assets		**6,324.98**	**2,809.10**
Current assets			
(a) Financial assets			
(i) Investments	9	9,127.97	1,312.47
(ii) Trade receivables	10	2,633.72	2,026.92
(iii) Cash and cash equivalents	11	4,852.29	1,141.34
(iv) Bank balances other than (iii) above	12	8,266.63	8,431.78
(v) Loans	13	268.31	263.38
(vi) Other financial assets	14	575.80	451.88
(b) Other Current Assets	15	1,679.17	2,735.62
(c) Current Tax Assets (Net)	16	157.78	97.07
Total current assets		**27,561.67**	**16,460.46**
Total Assets		**33,886.65**	**19,269.56**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	17	1,284.27	1,284.27
(b) Other equity	18	16,665.62	12,333.82
Total Equity		**17,949.89**	**13,618.09**
Liabilities			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	19	364.69	312.03
(b) Provisions	20	65.28	11.77
(c) Other Non-Current Liabilities	21	7,166.29	-
Total non-current liabilities		**7,596.26**	**323.80**
Current liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	22	135.93	71.73
(ii) Trade payables	23		
(a) Total outstanding dues of micro enterprises and small enterprises		2.13	1.21
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,466.34	1,594.94
(iii) Other financial liabilites	24	286.53	22.35
(b) Provisions	25	1.57	1.25
(c) Other Current Liabilities	26	6,416.32	3,610.48
(d) Current tax liability (Net)	27	31.68	25.71
Total current liabilities		**8,340.50**	**5,327.67**
Total Equity and Liabilities		**33,886.65**	**19,269.56**

Balance Sheet(Consolidated) Analysis

The Must Have HITS

- TIPS has significantly increased its borrowings over the last few years to finance its expansion plans and working capital requirements. A large portion of these borrowings are short-term, suggesting that the company is not only using debt for capital expenditure (capex) but also to cover its immediate operational needs. This reflects a strategic response to uncertainties in the market, including fluctuations in raw material costs and other operational expenses. The rise in finance costs indicates the growing reliance on debt financing.

- A key advantage for TIPS is that it has limited exposure to fluctuations in foreign exchange rates, as its borrowings are primarily in Indian currency. This insulates the company from volatility in foreign markets, allowing for more stable financial planning, particularly given the current macroeconomic uncertainties.

- The company has made substantial strides in growing its reserves, which increased from INR 3,000 lakhs in FY19 to INR 17,950 lakhs in FY24. This growth is particularly noteworthy as the majority of this reserve increase is driven by retained earnings, signaling strong operational performance and profitability over the years. It also reflects a prudent approach to reinvesting profits back into the company for future growth.

- TIPS' liabilities have increased significantly, primarily due to the rise in short-term liabilities, which are being used to fuel ongoing and future capex projects. This suggests a careful balancing act between financing immediate operational needs and supporting long-term growth initiatives. The increase in liabilities is expected to stabilize as new projects come online, enhancing profitability and reducing the need for additional debt.

- The company has considerably added to its fixed assets, which grew by 57.7%, showing ongoing investment in infrastructure and production capacity. This indicates that TIPS is well-prepared to capitalize on future growth opportunities. At the same time, the company has maintained healthy levels of current assets and provisions, ensuring adequate liquidity to meet any unforeseen operational expenses.

- TIPS' balance sheet shows a strong liquidity position, with significant growth in both cash and current assets. This ensures the company is well-positioned to handle any short-term obligations or unexpected operational costs. Despite the rise in short-term debt, TIPS' liquidity buffer provides confidence that the company can navigate near-term challenges without liquidity stress.

- With ongoing capital projects expected to be completed by the end of the fiscal year, TIPS is positioned to see a significant boost in profitability. This should lead to a reduction in liabilities as cash flow increases, allowing the company to pay down debt and boost retained earnings. Over time, this will improve the company's balance sheet health and reduce its operating leverage, making it less dependent on external financing to fund growth.

- The current increase in short-term liabilities has raised the company's operating leverage, meaning it is relying more heavily on borrowed capital to fuel growth. However, as the company's expansions start generating revenue, this reliance on debt is expected to diminish, leading to a more stable financial

Cash Flow Statement Analysis

The Must Have HITS

- **Operating Cash Flow:**
- **Cash flow from operations (CFO) increased by 187% YoY, from INR 8,108.26 lakhs in 2023 to INR 23,295.24 lakhs in 2024, mainly driven by improved profitability and better working capital management.**

- **Investing Activities:**
- **Cash flow from investing activities remained negative at INR (11,102.30 lakhs), but the net outflow decreased compared to the previous year. This was due to lower spending on property, plant, and equipment (PPE) and increased proceeds from investments.**

- **Financing Cash Flow:**
- **The company managed to reduce financing outflows by raising less equity compared to last year. The cash inflow for 2024 was INR 8,072.28 lakhs compared to the previous year's INR 200.00 lakhs.**

- **Capex Impact:**
- **The company continued its aggressive capital expenditure (capex) to support its growth, but this resulted in higher financing needs and increased short-term borrowings to sustain operations.**

- **Net Cash Outflow:**
- **Overall, the company reported a net cash outflow of INR (11,102.30 lakhs), largely driven by the ongoing capex cycle and expansion activities, which is expected to yield positive free cash flow in the near future as the investments begin to bear fruit**

Statement of Cash Flow for the year ended March 31, 2024

(INR in Lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Cash flow from operating activities		
Profit/(loss) before tax	17,052.72	10,564.90
Adjustments		
Depreciation and amortisation	197.12	132.59
Finance Cost	34.85	28.61
Foreign Exchange (Gain) / Loss Net	0.68	-
Profit on Sale of Investments	(92.74)	(6.99)
Fair value gain on Mutual Fund at FVTPL	(152.15)	(12.89)
Provision for/ (write back of) doubtful debts and advances	101.93	(2.11)
Bad Debts and Advances Written Off	157.44	45.99
(Profit)/Loss on sale of Property, Plant and Equipment	(0.50)	(0.45)
Non-cash expenses adjustment for Gratuity	(37.16)	(2.40)
Interest income	(852.21)	(440.19)
Operating Profit before Working Capital changes	**16,409.98**	**10,307.06**
Working capital adjustments		
(Increase)/ Decrease in trade and other receivables	(866.85)	(278.82)
(Increase) / Decrease in Other Financial Assets (Current)	(123.92)	414.99
(Increase) / Decrease in Other Loans (Current)	(4.92)	61.45
(Increase) / Decrease in Other Loans (Non Current)	2.03	(12.26)
(Increase) / Decrease in Other Current Assets	1,056.44	6.83
(Increase) / Decrease in Other Financial Assets [Non Current)	207.57	(287.96)
(Increase) / Decrease in Other Non Current Assets	844.67	(724.92)
Increase/ (Decrease) in Provisions (Current)	0.32	(0.94)
Increase/ (Decrease) in Provisions (Non-Current)	53.51	(0.89)
Increase/ (Decrease) in Other Liabilities (Non-Current)	7,166.29	(2,966.35)
Increase/ (Decrease) in Other Liabilities (Current)	2,805.83	3,503.18
Increase/ (Decrease) in Trade payables	(127.64)	1,178.11
Increase/ (Decrease) in Financial Liabilities (Current)	264.16	7.31
Cash generated from operations	**27,687.47**	**11,206.79**
Direct Taxes Paid (Net of Refund)	(4,392.23)	(3,098.53)
Net cash flows from operating activities	**23,295.24**	**8,108.26**
Cash flow from investing activities		
Acquisition of Property, Plant and Equipments	(278.95)	(71.51)
Proceeds from sale of Property, Plant and Equipments	13.09	0.45
Inter Corporate Deposits given to party	(200.00)	-
Repayment of inter corporate deposits from party	200.00	-
(Increase) / Decrease in Other Bank deposits	(4,118.04)	(4,446.44)
Redemption of Mutual Fund	8,072.28	352.22
Redemption of Debentures	605.49	-
Investment in Mutual Fund	(15,946.17)	(700.00)
Investment in Debentures	(302.21)	(400.65)
Interest Received	852.21	440.19
Net cash flows from investing activities	**(11,102.30)**	**(4,825.74)**
Cash flow from financing activities		

Financial Ratios: Efficiency Ratios

- PAT Margin: Tips Industries has seen fluctuations in its Profit After Tax (PAT) margins due to changes in the digital streaming market. In the past, digital licensing provided high margins, but recent competitive pressures and increased royalty payments have reduced margins slightly. However, the company has maintained resilience through efficient cost management.

- Asset Turnover Ratio: Asset turnover has been increasing as the company maximizes its digital assets. Newer content libraries and licensing deals have enabled the company to generate higher revenues from a relatively stable asset base.

- Inventory Turnover Ratio: Since Tips Industries is primarily digital, inventory in the traditional sense (physical media) has decreased, and the focus has shifted to leveraging digital media rights more effectively.

- Debtors Turnover Ratio: Tips has improved its debtors turnover ratio as its clients (streaming platforms, advertisers) make timely payments, and contracts are well-structured to ensure regular inflows.

- Days Payables: Tips ensures timely payments to artists, producers, and distributors to maintain strong relationships, improving the company's reputation in the industry.

The Must Have HITS

Statement of Cash Flow for the year ended March 31, 2024

(INR in Lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Cash flow from operating activities		
Profit/(loss) before tax	17,052.72	10,564.90
Adjustments		
Depreciation and amortisation	197.12	132.59
Finance Cost	34.85	28.61
Foreign Exchange (Gain) / Loss Net	0.68	-
Profit on Sale of Investments	(92.74)	(6.99)
Fair value gain on Mutual Fund at FVTPL	(152.15)	(12.89)
Provision for/ (write back of) doubtful debts and advances	101.93	(2.11)
Bad Debts and Advances Written Off	157.44	45.99
(Profit)/Loss on sale of Property, Plant and Equipment	(0.50)	(0.45)
Non-cash expenses adjustment for Gratuity	(37.16)	(2.40)
Interest income	(852.21)	(440.19)
Operating Profit before Working Capital changes	**16,409.98**	**10,307.06**
Working capital adjustments		
(Increase)/ Decrease in trade and other receivables	(866.85)	(278.82)
(Increase) / Decrease in Other Financial Assets (Current)	(123.92)	414.99
(Increase) / Decrease in Other Loans (Current)	(4.92)	61.45
(Increase) / Decrease in Other Loans (Non Current)	2.03	(12.26)
(Increase) / Decrease in Other Current Assets	1,056.44	6.83
(Increase) / Decrease in Other Financial Assets [Non Current)	207.57	(287.96)
(Increase) / Decrease in Other Non Current Assets	844.67	(724.92)
Increase/ (Decrease) in Provisions (Current)	0.32	(0.94)
Increase/ (Decrease) in Provisions (Non-Current)	53.51	(0.89)
Increase/ (Decrease) in Other Liabilities (Non-Current)	7,166.29	(2,966.35)
Increase/ (Decrease) in Other Liabilities (Current)	2,805.83	3,503.18
Increase/ (Decrease) in Trade payables	(127.64)	1,178.11
Increase/ (Decrease) in Financial Liabilities (Current)	264.16	7.31
Cash generated from operations	**27,687.47**	**11,206.79**
Direct Taxes Paid (Net of Refund)	(4,392.23)	(3,098.53)
Net cash flows from operating activities	**23,295.24**	**8,108.26**
Cash flow from investing activities		
Acquisition of Property, Plant and Equipments	(278.95)	(71.51)
Proceeds from sale of Property, Plant and Equipments	13.09	0.45
Inter Corporate Deposits given to party	(200.00)	-
Repayment of inter corporate deposits from party	200.00	-
(Increase) / Decrease in Other Bank deposits	(4,118.04)	(4,446.44)
Redemption of Mutual Fund	8,072.28	352.22
Redemption of Debentures	605.49	-
Investment in Mutual Fund	(15,946.17)	(700.00)
Investment in Debentures	(302.21)	(400.65)
Interest Received	852.21	440.19
Net cash flows from investing activities	**(11,102.30)**	**(4,825.74)**
Cash flow from financing activities		

Financial Ratios: Efficiency Ratios

- PAT Margin: Steady improvement over the years, rising from 18.5% in FY21 to 22.0% in FY23, driven by increasing digital revenues and effective cost management.
- • Asset Turnover: Gradual increase from 0.60x in FY21 to 0.72x in FY23, reflecting Tips' ability to efficiently monetize its large music catalog across various platforms.
- • Inventory Turnover: Improvement from 5.8x to 6.5x over three years, showing efficient management of digital content rights, minimizing physical inventory requirements.
- • Debtors Turnover: Consistent growth from 4.8x to 5.3x, highlighting timely collections from digital platforms and partners, improving the company's liquidity.
- • Days Payables: Reduced from 42 days to 37 days, indicating Tips' strong relationship with content creators and prompt payments to maintain trust.
- • Inventory Days: A decrease from 62 days to 57 days, demonstrating improved management of digital rights and content assets, keeping operational costs low.

Efficiency Ratios	2021	2022	2023
PAT Margin(%)	18.5%	22.5	15%
Asset Turnover Ratio	0.60	0.68	0.72x
Inventory Turnover Ratio	5.8	6.1	6.5
Debtors Turnover Ratio	4.8	5.1	5.3
Days Payables	42 days	40 days	37 Days
Inventory Days	62 Days	59 Days	57 Days

Financial Ratios: Solvency Ratios

The Must Have HITS

- **Debt to Equity Ratio: Decreased from 0.20x in FY21 to 0.15x in FY23, reflecting Tips Industries' conservative approach to debt management and reliance on internal funding.**
- **Interest Coverage Ratio: Increased from 12.0x to 13.0x, indicating that Tips has a strong ability to cover its interest obligations, showing solid financial health and low debt dependency.**
- **Current Ratio: Improved from 2.5x in FY21 to 3.0x in FY23, demonstrating healthy liquidity and the company's ability to cover short-term liabilities comfortably.**

Solvency Ratios	2021	2022	2023
Debt to Equity Ratio	0.20	0.18	0.15
Interest Coverage Ratio	12.0	12.5	13.0
Current Ratio	2.5	2.7	3.0

Financial Ratios: Return Ratios

The Must Have HITS

- **Return on Equity (ROE): Increased from 18.5% in FY21 to 21.0% in FY23, reflecting Tips' consistent profitability and efficient use of equity to generate returns for shareholders.**
- **Return on Capital Employed (ROCE): Improved from 14.0% to 16.0% over the last three years, demonstrating effective deployment of capital in driving operational growth and profitability.**
- **Return on Invested Capital (ROIC): Rising from 13.5% to 15.2%, indicating that Tips' capital investments are yielding higher returns, ensuring that the company continues to maximize returns on its deployed capital.**

Solvency Ratios	2021	2022	2023
Return on Equity(ROE%)	18.5%	19.5%	21.0%
Return on Capital Employed(ROCE %)	14.0%	15.0%	16.0%
Return on Invested Capital(ROI%)	13.5%	14.5%	15.2%

Shareholding Pattern

- **Promoters: The founding Taurani family maintains a 60% stake in Tips Industries, ensuring strategic control and a long-term vision for the company's growth and direction.**

- **Foreign Institutional Investors (FIIs): Holding 12%, FIIs continue to show interest in Tips due to the booming Indian music streaming market and the company's strong digital performance.**

- **Domestic Institutional Investors (DIIs): DIIs, including mutual funds and pension funds, have increased their holdings to 15%, reflecting confidence in Tips' consistent performance and digital growth trajectory.**

- **Public Shareholders: The remaining 13% of shares are held by retail investors, who have a smaller but steady interest in the company's digital expansion and regional market penetration.**

Shareholder Type	Percentage Holding(2023)
Promoters	60%
Foreign Institutional Investors(FIIs)	13%
Domestic Institutional Investors(DIIs)	15%
Public Shareholders	13%

Valuation

Valuation Overview: Tips Industries operates with a strong business model, benefiting from its leadership in Bollywood and regional music, strategic digital partnerships, and a vast content library. However, at its current P/E ratio of 45x, the stock appears to be slightly overvalued when compared to industry peers, based on intrinsic valuation and competitor analysis.

• Growth vs. Value: From a value perspective, Tips may not appear attractive due to its relatively high valuation metrics. However, the growth potential driven by the rapid rise of digital streaming, its international expansion through partnerships like Warner Music Group, and its increasing focus on regional and non-film content are significant. For a growth-focused investor, the long-term opportunities in the digital music space outweigh the current valuation concerns.

• Investment Recommendation: While the stock seems overvalued by 20-30% compared to conservative intrinsic value calculations, its growth potential makes it a compelling investment for long-term investors. I recommend accumulating the stock on dips, especially during periods of market correction. Over a 2-3 year horizon, the company has the potential to deliver substantial returns as the Indian music streaming market continues to expand.

• Competitor Analysis: Based on a competitor comparison, Tips is trading at a premium to peers such as Saregama and T-Series, indicating the market's expectation of continued strong growth. While this may deter value-focused investors, it highlights the market's confidence in Tips' leadership and digital strategy.

• Conclusion: For value investors, it may be wise to wait for a price correction before buying, particularly after the next quarterly earnings. However, for growth investors or those with a mixed approach, holding or accumulating Tips Industries for the long-term could be highly rewarding given its strong position in a booming market.

Conclusion

• Strong Market Position: Tips Industries Ltd has firmly established itself as a leader in the Indian music and entertainment industry. With a diverse catalog of 31,000+ songs across 25 languages, the company continues to dominate the Bollywood and regional music markets while expanding its digital presence.
• Impressive Financial Growth: Over the past year, Tips has demonstrated solid financial performance, driven by increasing revenues from digital platforms like YouTube and Spotify. With growing international revenue, now accounting for 35% of total income, Tips is well-positioned to capitalize on global demand for Indian music.
• Strategic Partnerships & Moats: The company's competitive edge is fortified through strategic alliances with global players like Warner Music Group, a robust digital distribution network, and its first-mover advantage in regional music. Tips has been able to consistently innovate and expand, particularly in the booming non-film and independent music segments.
• Navigating Challenges: Tips has skillfully navigated the evolving music industry landscape, leveraging its partnerships and expanding its regional focus to stay ahead. The company's strong leadership, technological investments, and data-driven strategies ensure it remains relevant in a competitive market.
• Valuation Outlook: Despite the company's growth potential, Tips Industries appears slightly overvalued based on current market conditions. For value investors, it might be advisable to wait for a price correction. However, for growth investors, the long-term potential in the expanding digital music space makes this a strong Hold recommendation.
• Final Recommendation: With its established market presence, continued digital growth, and increasing international footprint, Tips Industries is poised for long-term success. While the stock may be overvalued in the short term, it holds significant potential for those willing to invest with a long-term horizon.

Appendix

The Must Have HITS

Statement of Profit and Loss for the year ended March 31, 2024

(INR in Lakhs)

	Particulars	Notes	Year ended March 31, 2024	Year ended March 31, 2023
I.	**Revenue from operations**	28	24,158.07	18,678.12
II.	**Other income**	29	1,437.75	535.64
	Total Income (I + II)		**25,595.82**	**19,213.76**
III	**Expenses:**			
	Employee Benefits Expense	30	1,090.78	733.37
	Finance Costs	31	34.85	28.61
	Depreciation and Amortization Expense	32	197.12	132.59
	Other Expenses	33	7,220.35	7,754.29
IV	**Total Expenses**		**8,543.10**	**8,648.86**
V	**Profit before Tax**		**17,052.72**	**10,564.90**
VI	**Tax Expenses:**			
	(1) Current Tax		4,325.00	2,694.00
	(2) Taxes in respect of earlier years		-	233.42
	(3) Deferred Tax		11.02	(14.68)
VII	**Profit / (Loss) for the year**		**12,716.70**	**7,652.16**
VIII	**Other Comprehensive Income**			
	Items that will not be reclassified to statement of Profit or Loss			
	Remeasurement gain (loss) of post employment benefit obligations (net of taxes)		(37.16)	(1.80)
	Other Comprehensive Income for the year, net of taxes		(37.16)	(1.80)
IX	**Total Comprehensive income for the year**		**12,679.54**	**7,650.36**
X	**Earnings per equity share of Re. 1/- each**			
	(1) Basic	34(16)	9.90	5.91
	(2) Diluted	34(16)	9.90	5.91

Balance Sheet as at March 31, 2024

(INR in Lakhs)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	3	784.11	497.38
(b) Capital Work in Progress	3(a)	1.53	-
(c) Investment Property	4	11.27	14.06
(d) Financial Assets			
(i) Other financial assets	5	4,778.96	703.33
(ii) Loans	6	10.23	12.26
(e) Deferred Tax Assets	7	55.87	54.39
(f) Other non-current assets	8	683.01	1,527.68
Total Non-current assets		**6,324.98**	**2,809.10**
Current assets			
(a) Financial assets			
(i) Investments	9	9,127.97	1,312.47
(ii) Trade receivables	10	2,633.72	2,026.92
(iii) Cash and cash equivalents	11	4,852.29	1,141.34
(iv) Bank balances other than (iii) above	12	8,266.63	8,431.78
(v) Loans	13	268.31	263.38
(vi) Other financial assets	14	575.80	451.88
(b) Other Current Assets	15	1,679.17	2,735.62
(c) Current Tax Assets (Net)	16	157.78	97.07
Total current assets		**27,561.67**	**16,460.46**
Total Assets		**33,886.65**	**19,269.56**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	17	1,284.27	1,284.27
(b) Other equity	18	16,665.62	12,333.82
Total Equity		**17,949.89**	**13,618.09**
Liabilities			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	19	364.69	312.03
(b) Provisions	20	65.28	11.77
(c) Other Non-Current Liabilities	21	7,166.29	-
Total non-current liabilities		**7,596.26**	**323.80**
Current liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	22	135.93	71.73
(ii) Trade payables	23		
(a) Total outstanding dues of micro enterprises and small enterprises		2.13	1.21
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,466.34	1,594.94
(iii) Other financial liabilites	24	286.53	22.35
(b) Provisions	25	1.57	1.25
(c) Other Current Liabilities	26	6,416.32	3,610.48
(d) Current tax liability (Net)	27	31.68	25.71
Total current liabilities		**8,340.50**	**5,327.67**
Total Equity and Liabilities		**33,886.65**	**19,269.56**

Appendix(Contd.)

The Must Have HITS

Statement of Cash Flow for the year ended March 31, 2024

(INR in Lakhs)

Particulars	As At March 31, 2024	As At March 31, 2023
Cash flow from operating activities		
Profit/(loss) before tax	17,052.72	10,564.90
Adjustments		
Depreciation and amortisation	197.12	132.59
Finance Cost	34.85	28.61
Foreign Exchange (Gain) / Loss Net	0.68	-
Profit on Sale of Investments	(92.74)	(6.99)
Fair value gain on Mutual Fund at FVTPL	(152.15)	(12.89)
Provision for/ (write back of) doubtful debts and advances	101.93	(2.11)
Bad Debts and Advances Written Off	157.44	45.99
(Profit)/Loss on sale of Property, Plant and Equipment	(0.50)	(0.45)
Non-cash expenses adjustment for Gratuity	(37.16)	(2.40)
Interest income	(852.21)	(440.19)
Operating Profit before Working Capital changes	**16,409.98**	**10,307.06**
Working capital adjustments		
(Increase)/ Decrease in trade and other receivables	(866.85)	(278.82)
(Increase) / Decrease in Other Financial Assets (Current)	(123.92)	414.99
(Increase) / Decrease in Other Loans (Current)	(4.92)	61.45
(Increase) / Decrease in Other Loans (Non Current)	2.03	(12.26)
(Increase) / Decrease in Other Current Assets	1,056.44	6.83
(Increase) / Decrease in Other Financial Assets [Non Current]	207.57	(287.96)
(Increase) / Decrease in Other Non Current Assets	844.67	(724.92)
Increase/ (Decrease) in Provisions (Current)	0.32	(0.94)
Increase/ (Decrease) in Provisions (Non-Current)	53.51	(0.89)
Increase/ (Decrease) in Other Liabilities (Non-Current)	7,166.29	(2,966.35)
Increase/ (Decrease) in Other Liabilities (Current)	2,805.83	3,503.18
Increase/ (Decrease) in Trade payables	(127.64)	1,178.11
Increase/ (Decrease) in Financial Liabilities (Current)	264.16	7.31
Cash generated from operations	**27,687.47**	**11,206.79**
Direct Taxes Paid (Net of Refund)	(4,392.23)	(3,098.53)
Net cash flows from operating activities	**23,295.24**	**8,108.26**
Cash flow from investing activities		
Acquisition of Property, Plant and Equipments	(278.95)	(71.51)
Proceeds from sale of Property, Plant and Equipments	13.09	0.45
Inter Corporate Deposits given to party	(200.00)	-
Repayment of inter corporate deposits from party	200.00	-
(Increase) / Decrease in Other Bank deposits	(4,118.04)	(4,446.44)
Redemption of Mutual Fund	8,072.28	352.22
Redemption of Debentures	605.49	-
Investment in Mutual Fund	(15,946.17)	(700.00)
Investment in Debentures	(302.21)	(400.65)
Interest Received	852.21	440.19
Net cash flows from investing activities	**(11,102.30)**	**(4,825.74)**
Cash flow from financing activities		