



TIPS FILMS LIMITED

Our Company was incorporated on June 05, 2009 as a Public Unlisted Company under the Companies Act, 1956 with the Registrar of Companies, Mumbai, Maharashtra. The Corporate Identification Number of our Company is U74940MH2009PTC193028. For other details of the Company, please refer to "History and certain Corporate Matters" beginning on page 58.

Registered Office: 501, Durga Chambers, 5th Floor, Linking Road, Khar (West), Mumbai- 400052 MH IN

Tel.: +91-022-66431188, Fax : +91-022-66431189

Contact Person: Mr. Vinit Bhanushali, Company Secretary and Compliance Officer

Website: www.tipsfilms.in; **Email:** cs@tipsfilms.in


OUR PROMOTERS: MR. KUMAR TAURANI AND MR. RAMESH TAURANI	
INFORMATION MEMORANDUM FOR LISTING OF 43,22,886 EQUITY SHARES OF RS.10/- EACH ISSUED BY TIPS FILMS LIMITED ("COMPANY"/ "OUR COMPANY" / "TFL") PURSUANT TO THE SCHEME OF ARRANGEMENT AND DEMERGER ("SCHEME")	
NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM	
GENERAL RISK	
Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Equity Shares of the Company unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Equity Shares of the Company. For taking an investment decision, investors must rely on their own examination of the Company including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Information Memorandum. Specific attention of investors is invited to the section titled "Risk Factors" beginning on page 11.	
ABSOLUTE RESPONSIBILITY OF OUR COMPANY	
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that the Information Memorandum contains all information with regard to the Company, which is material, and that the information contained in the Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omissions of which makes the Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.	
LISTING	
The Equity Shares of the Company are proposed to be listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"). For the purposes of listing of our Equity Shares pursuant to the Scheme, BSE is the Designated Stock Exchange. The Company has submitted the Information Memorandum with BSE and NSE and the same has been made available on the Company's website viz. www.tipsfilms.in . The Company has received in-principle approval for listing from BSE and NSE on July 28, 2022 and July 26, 2022 respectively. The Information Memorandum would also be made available on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com).	
REGISTRAR AND SHARE TRANSFER AGENT	
	LINK INTIME INDIA PRIVATE LIMITED C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra, India Tel: +91 22 4918 6000 Email: Ashok.sherugar@linkintime.co.in Website: www.linkintime.co.in Contact Person: Mr. Ashok Sherugar SEBI Registration No.: INR000004058

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SECTION I — GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Information Memorandum and references to any statute or regulations or policies shall include amendments thereto, from time to time.

Company and Scheme Related Terms:

Term	Description
"Resulting Company" or "Tips Films Limited" or "TFL" or "the Company" or "our Company" or "we" or "us" or "our"	Unless the context otherwise requires, refers to Tips Films Limited, a Company incorporated under the Companies Act, 1956.
Appointed Date	April 01, 2021
Articles / Articles of Association / AOA	The Articles of Association of our Company, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as the Company's Audit Committee in accordance with the SEBI Listing Regulations and the Companies Act, 2013. For details, see the chapter titled " <i>Our Management</i> " on page 63
Auditor or Statutory Auditor	The Statutory Auditors of our Company, M/s. SSPA & Associates (Firm Registration No. 131069W) Chartered Accountants, having office at 1st Floor, Arjun, V.P. Road, Andheri (West), Mumbai 400058.
Board of Directors / the Board /our Board	The Board of Directors of Tips Films Limited and includes its committees.
Demerged Company	Tips Industries Limited
Demerged Undertaking	means the Film Division undertaking (as defined in the Scheme) of the Demerged Company, comprising, inter-alia, of all the properties, assets, liabilities, permits licenses, registrations, approvals, contracts and employees, on a going concern basis, representing an undertaking in compliance with Explanation 1 to Section 2(19AA) of the IT Act. For complete definition, please refer to the section titled "Scheme of Arrangement and Demerger" on Page 60 of this Information Memorandum.
Director/ Our Directors	The Director(s) of Tips Films Limited, unless otherwise specified
Information Memorandum	The Information Memorandum dated September 26, 2022 filed with the Stock Exchanges
Eligible Shareholders	Shall mean eligible holder(s) of the equity shares of TIL as on the Record Date.
Equity Shares	Unless otherwise specified, fully paid-up equity shares of our Company of face value of Rs.10 each
Effective Date	March 23, 2022
Financial information / Financial Statement	The financial information of our Company which comprises of audited statements of assets and liabilities as at March 31, 2022 and March 31, 2021, the audited statements of profit and loss (including other comprehensive income), cash flow statement and statement of changes in equity for the year ended March 31, 2022 and March 31, 2021 of the Company together with the summary statement of significant

	accounting policies, and other explanatory information thereon, derived from audited financial statements as at March 31, 2022 and March 31, 2021 prepared in accordance with Ind AS.
Memorandum /Memorandum of Association /MOA	The Memorandum of Association of our Company, as amended from time to time.
Promoter(s)	Mr. Kumar Taurani and Mr. Ramesh Taurani
Record Date	May 21, 2022
Registrar and Share Transfer Agent / RTA	Link Intime India Private Limited
Remaining Business /Remaining Undertaking	Means all business undertaking of the Demerged Company other than the Demerged Undertaking. For more information, please refer to the section titled “Scheme of Arrangement and Demerger” on page 60 of this Information Memorandum.
Scheme / Scheme of Arrangement and Demerger	Scheme of Arrangement and Demerger between Tips Industries Limited (Demerged Company) and Tips Films Limited (Resulting Company) and their respective shareholders under sections 230 to 232 and Section 66 and other related provisions of the Companies Act, 2013.
For definitions of the terms used herein, if not defined please refer to the Scheme / section titled “Scheme of Arrangement and Demerger on page 60	

Conventional and General Terms / Abbreviations:

Term	Description
Act / Companies Act/ Companies Act, 2013	The Companies Act, 2013, as amended.
AGM	Annual General Meeting
Applicable Laws	Any statute, notification, by-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, schemes, notices, orders or instructions enacted or issued or sanctioned by any appropriate authority, including any modification or re-enactment thereof for the time being in force
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository / Depositories	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 2018, as amended from time to time, in this case being NSDL and CDSL
Depository Participant / DP	Depository participant as defined under the Depositories Act, 1996
DIN	Director Identification Number
EGM	Extraordinary General Meeting
EPS	Earnings per Equity Share
Equity Shares	Equity Shares of our Company of face value Rs.10/- each, unless otherwise specified in the context thereof
Financial Year / Fiscal Year/ Fiscal / FY	Twelve months ending on March 31 of a particular year
GST	Goods and Services Tax

HUF	Hindu Undivided Family
Ind AS	Indian Accounting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
Information Memorandum	This document dated September 26, 2022 filed with BSE and NSE and referred to as the Information Memorandum
MOU	Memorandum of Understanding
NCLT	The National Company Law Tribunal (in this case NCLT, Mumbai)
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent Account Number
SCRA	Securities Contracts (Regulation) Act, 1956 as amended from time to time
SCRR	Securities Contracts (Regulations) Rules, 1957 as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI (LODR) Regulations	SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 as amended.
SEBI (ICDR) Regulation	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
Stock Exchange	Shall refer to the BSE and the NSE where the Equity Shares of Tips Films Limited are proposed to be listed

Industry /Business Related Terms:

Terms	Description
BFSI	Banking, Financial Services and Insurance
BPO	Business Process Outsourcing
CAGR	Compounded Annual Growth Rate
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GOI	The Government of India
IT/ITES	Information Technology / Information Technology Enabled Services
MNCs	Multinational Corporations
NBFCs	Non-Banking Financial Companies
RERA	The Real Estate (Regulation and Development) Act, 2016
SEZ	Special Economic Zone

CURRENCY OF FINANCIAL PRESENTATION AND USE OF MARKET DATA

Currency of Financial Presentation

In the Information Memorandum, the terms "we", "us", "our", the "Company", "our Company", "TFL", unless the context otherwise indicates or implies, refers to Tips Films Limited. In the Information Memorandum, unless the context otherwise requires, all references to one gender also refers to another gender and the word "Lakh/Lac" means one hundred thousand", the word "million (mn)" means "ten lakh", the word "Crore" means "ten million" and the word "billion (bn)" means "one hundred crore".

Throughout the Information Memorandum, unless otherwise stated, all figures have been expressed in Lakhs/Lacs. Unless indicated otherwise, the financial data in the Information Memorandum is derived from our financial statements prepared in accordance with Ind AS and included in the Information Memorandum.

There may be some differences between Ind AS and IFRS and/or US GAAP; accordingly, the degree to which the Ind AS financial statements included in the Information Memorandum will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices and Ind AS. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Information Memorandum should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

For additional definitions used in the Information Memorandum, please see the section titled "*Definitions and Abbreviations*" on page 3 of the Information Memorandum. In the section titled "*Main Provisions of the Articles of Association*" on page 151, defined terms have the meaning given to such terms in the Articles of Association of our Company.

Financial Data

Use of Market Data

Unless stated otherwise, market data used in this Information Memorandum has been obtained from internal Company reports, data, websites and industry publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although, we believe market data used in this Information Memorandum is reliable, it has not been independently verified. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source.

FORWARD LOOKING STATEMENTS

This Information Memorandum includes statements which contain words or phrases such as "will", "would", "aim", "aimed", "will likely result", "is likely", "are likely", "believe", "expect", "expected to", "will continue", "will achieve", "anticipate", "estimate", "estimating", "intend", "plan", "contemplate", "seek to", "seeking to", "trying to", "target", "propose to", "future", "objective", "goal", "project", "should", "can", "could", "may", "will pursue", or other words or phrases of similar expressions or variations of such expressions, that are "forward-looking statements". Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements.

Our forward- looking statements contain information regarding, among other things, our financial condition, future plans and business strategy. We have based these forward-looking statements on our current expectations and projections about future events. Although we believe that these expectations and projections are reasonable, such forward-looking statements are inherently subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. This may be due to risks or uncertainties associated with our expectations with respect to, but not limited to:

- The impact of an outbreak of any contagious diseases (including the prolonged outbreak of COVID-19);
- Our ability to predict the popularity of our films, or changing consumer tastes;
- Our dependence on the Indian box office success of our films;
- Our dependence on our relationships with theatre operators and other industry participants to exploit our film content;
- Our ability to successfully implement our strategy, our growth and expansion strategy, and respond to technological changes;
- Our ability to respond to competitive pressures;
- Fluctuation of the operating cost;
- Any adverse outcome in the legal proceedings in which the Company is involved;
- General political, social and economic conditions in India and other countries;
- Accidents and natural disasters;
- The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally; and
- Regulatory changes and the Company's ability to respond to them

Future-looking statements speak only as of the date of this Information Memorandum. We undertake no obligation to publicly update or revise any forward- looking statements, whether as a result of new information, future events or otherwise. In light of the foregoing, and the risks, uncertainties and assumptions discussed in the section titled "*Risk Factors*" beginning on page 11 and elsewhere in this Information Memorandum, any forward- looking statement discussed in this Information Memorandum may change or may not occur, and our actual results could differ materially from those anticipated in such forward-looking statements. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not regard such statements to be a guarantee of our future performance.

SECTION II — INFORMATION MEMORANDUM SUMMARY

This section is a summary of specific disclosures included in this Information Memorandum and is not exhaustive nor does it purport to contain a summary of all disclosures or details relevant to prospective investors. For additional information and further details with respect to any of the information summarized below, please refer to the time relevant sections of this Information Memorandum.

Summary of the Industry

The film industry or motion picture industry comprises the technological and commercial institutions of filmmaking, i.e., film production companies, film studios, cinematography, animation, film production, screenwriting, pre-production, post production, film festivals, distribution and actors. Though the expense involved in making films almost immediately led film production to concentrate under the auspices of standing production companies, advances in affordable filmmaking equipment, as well as an expansion of opportunities to acquire investment capital from outside the film industry itself, have allowed independent film production to evolve.

The industry is segmented by language. In 2019, the Hindi film industry represented 44% of box office revenue, followed by the Tamil and the Telugu film industries, each representing 13%. Other prominent film industries include Malayalam and Kannada film industries representing 5% each, as well as Bengali, Marathi, Punjabi and Bhojpuri film industries, representing the 5% combined. By 2020, the combined revenue of all regional film industries has surpassed that of the Hindi film industry. In 2021, Telugu cinema was the largest film industry of India in terms of box-office.

Indian cinema is a global enterprise and the films have a following throughout Southern Asia and across Europe, North America, Asia, the Greater Middle East, Eastern Africa, China and elsewhere, reaching over 90 countries. Films like Bahubali: The Beginning were dubbed in more than three languages, thus starting a Pan-India films movement. Millions of Indians overseas watch Indian films, accounting for some 12% of revenues (Source: Wikipedia.org)

Summary of our Business

Prior to the Scheme of Arrangement and Demerger approved by Hon'ble NCLT, Mumbai Bench, our Company has not commenced any business operations. Pursuant to the Scheme becoming effective, the Film Business Division of Tips Industries Limited has been transferred and vested into our Company from the Appointed Date of the Scheme i.e. April 01, 2021.

Pursuant to the vesting of aforesaid business of Tips Industries Limited in our Company, our Company will engage in the business of Production and Distribution of motion pictures. (For further details, please see section titled "Our Business" beginning on page 46 of the Information Memorandum.

Our Promoters

The Promoters of our Company are Mr. Kumar Taurani and Mr. Ramesh Taurani. For further details, see the chapter titled "*Our Promoters and Promoter Group*" on page 75.

Size of Issue

No Equity Shares are sold or offered pursuant to this Information Memorandum.

Objects of Issue

There are no objects of issue except listing of 43,22,886 Equity Shares allotted pursuant to Scheme.

Shareholding of our Promoters and Members of our Promoter Group

As on the date of this Information Memorandum, the shareholding of the Promoters and the members of our Promoter Group are detailed below:

Sr. No.	Shareholder's Name	Category	No. of shares	% of total shares
1	Mr. Kumar Taurani	Promoter	8,76,600	20.28
2	Mr. Ramesh Taurani	Promoter	8,74,761	20.24
3	Mrs. Varsha Taurani	Promoter Group	7,43,880	17.21
4	Mrs. Renu Taurani	Promoter Group	7,42,042	17.17
5	Mr. Shyam Lakhani	Promoter Group	3,833	0.09
		Total	32,41,116	74.98

Financial Information

Following are details as per the audited financial statement of the Company for the financial year ended 31, 2022 and year ended March 31, 2021:

(Rs. In lakhs)

Particulars	March 31, 2022	March 31, 2021
Equity Share Capital	0.00	5.00
Equity Share Capital Suspense	432.29	0.00
Net Worth	6,766.04	0.09
Total Income	7,336.85	0.00
Profit after Tax	695.35	(0.04)
Earnings per Share (basic and diluted) (in Rs.)	16.09	(0.08)

For further details, please see section titled "Financial Statements" beginning on page 83 of the Information Memorandum.

Auditors Qualification

There have been no qualifications or adverse remarks by our Auditors in the Financial Statements.

Outstanding Litigations

The summary of outstanding or pending litigations involving our Company, our Directors, our Promoters and subsidiaries, as applicable, on the date of this Information Memorandum is set out below:

Nature of Cases	Number of Cases	Amount (₹ lakhs)
<i>Litigations against our Company</i>		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil
<i>Litigations by our Company</i>		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil
<i>Litigations against our Promoters</i>		
Criminal proceedings	Nil	Nil
Others	Nil	Nil
Others	Nil	Nil
<i>Litigations by our Promoters</i>		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil
<i>Litigations against our Directors</i>		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil

Others	Nil	Nil
<i>Litigations by our Directors</i>		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil
<i>Litigations against our Subsidiaries</i>		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil
<i>Litigations by our Subsidiaries</i>		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil

For further details, please see section titled "Outstanding Litigations and Material Developments" beginning on page 143 of the Information Memorandum.

Risk Factors

For details of the risks applicable to our Company, please see section titled "Risk Factors" beginning on page 11 of the Information Memorandum.

Contingent Liabilities

For details on Contingent Liabilities, please refer to the Point No. 28(1) of the Audited Financial Statements for the Financial Year Ended March 31, 2022.

Related Party Transactions

For details on Related Party Transactions, please refer to the Point No. 28(8) of the Audited Financial Statements for the Financial Year Ended March 31, 2022.

Financing Arrangements

There are/have been no financing arrangements whereby the Promoter, member of Promoter Group, the Directors/partners of our Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of this Information Memorandum.

Weighted average price of Equity Share by our Promoters in last 1 year

Except pursuant to the Scheme, our Promoters have not acquired any Equity Shares of the Company during last 1 (one) year preceding the date of this Information Memorandum.

Average cost of acquisition of Equity Shares

Not applicable

Issue of Equity Share for consideration other than cash

Other than pursuant to the Scheme, our Company has not issued any Equity Shares during last 1 (one) year preceding the date of this Information Memorandum for consideration other than cash.

Split or consolidation of Equity Shares

Our Company has not undertaken a split or consolidation of the Equity Shares during last 1 (one) year preceding the date of Information Memorandum.

SECTION III - RISK FACTORS

RISK FACTORS

An investment in equity securities involves a high degree of risk. You should carefully consider all of the information in this Information Memorandum, including the risks and uncertainties described below, before making an investment in the Equity Shares.

Any of the following risks could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of the Equity Shares to decline, which could result in the loss of all or part of your investment. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial condition. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in such risk factors. You should not invest in the Equity Shares unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.

INTERNAL RISK FACTORS

- 1. We require certain approvals, permits and licenses in the ordinary course of business, and any failure or delay to obtain or renew them may adversely affect our operations.**

We require certain statutory and regulatory permits and approvals for our business. Additionally, we may need to apply for more approvals in the future including renewal of approvals that may expire from time to time. There can be no assurance that the relevant authorities will issue such permits or approvals in the timeframe anticipated by us or at all. Failure by us to renew, maintain or obtain the required permits or approvals within the requisite time may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations. Further, these permits, licenses and approvals are subject to several conditions, and we cannot assure you that we shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, which may lead to cancellation, revocation or suspension of relevant permits/licenses/approvals. Any such failure or delay in obtaining such approvals permits and licenses may have an adverse effect on our business and results of operations.

- 2. We cannot predict or forecast if a film will be successful. In addition, changing consumer tastes further compromise our ability to predict which films will be popular with audiences in India and internationally.**

We create filmed content, demand for which depends substantially on consumer tastes or preferences that often change in unpredictable ways. There is no formula that will predict whether a given film will be successful. The success of our business depends on our ability to consistently create and distribute filmed entertainment that meets the changing preferences of the broad consumer market both within India and internationally. The popularity and economic success of our films depends on many factors including general public tastes, the actors and other key talent involved, the promotion and marketing of the film, the quality and acceptance of other competing programmes released into, or channels existing in, the marketplace at or near the same time, the availability of alternative forms of entertainment and leisure time activities, general economic conditions, the genre and specific subject matter of the film, its critical acclaim, the breadth and format of its initial release and other tangible and intangible factors all of which can change, are factors that we cannot predict with certainty and which may be beyond our control.

3. We are dependent on the Indian box office success of our films from which a significant portion of our revenues are derived.

In India, a relatively high percentage of a film's overall revenues tends to be derived from theatre box office sales and, in particular, from such sales in the first week of a film's release. Indian domestic box office receipts may also be an indicator of a film's expected success in other distribution channels. As such, poor box office receipts from our films could have a significant adverse impact on our results of operations in both the year of release of the relevant films and in the future for revenues expected to be earned through other distribution channels. Where we are unable to ensure a wide release for our films, or where we are unable to provide theatre operators with sufficient prints of our films to allow them to maximise screenings in the first week of a film's release, it may have an adverse impact on our revenues. There can be no assurance that we will in future be able to maximise box office receipts, that industry revenues will in future be less dependent on theatre box office receipts, particularly those from the first week of release, than they have been in the past, or that there will be less correlation between box office success and success in other distribution channels. Accordingly, any failure by our films to achieve domestic box office success could have a material adverse effect on our business, prospects, financial condition and results of operations.

4. We may fail to source film content through acquisitions, co-productions or own productions.

We earn revenues by exploiting Indian film content that we produce, co-produce or acquire from third parties, and then distribute through various distribution channels. Our ability to successfully complete own productions, to enter into co-productions and to acquire content depends on our ability to maintain existing relationships, and form new ones, with creative talent and other industry participants. In particular, the pool of creative talent in India is limited and, as a result, there is significant competition to secure the services of writers, actors, directors and producers, among others. This, in turn, can cause the cost of contracting such creative talent, and hence the cost of film content, to increase as market participants offer higher fees to creative talent to secure their services. We believe maintaining existing relationships is key to enabling us to continue to secure content and to exploit such content in the future. While we have benefited from long-standing relationships with certain industry participants in the past, there can be no assurance that we will be able to successfully maintain these relationships and continue to have access to content and/or creative talent through such means. If any such relationship were to be adversely affected, or we are unable to form new relationships or our access to quality Indian film content otherwise deteriorates, or if any party fails to perform under its agreements or arrangements with us, it could have a material adverse effect on our business, prospects, financial condition and results of operations.

5. We depend on our relationships with theatre operators and other industry participants to exploit our film content.

We generate revenues from the exploitation of film content in various distribution channels through agreements with commercial theatre operators, in particular multiplex operators, and with retailers, television operators, telecommunications companies and others. Our failure to maintain these relationships, or to establish and capitalise on new relationships, could harm our business or prevent our business from growing, which could have a material adverse effect on our business, prospects, financial condition and results of operations.

6. Piracy of our content may adversely impact our revenues and business.

Our business is highly dependent on maintenance of intellectual property rights in the entertainment products and services we create. Piracy of media products, including digital and internet piracy and the sale of counterfeit consumer products, may decrease revenue received from the exploitation of our products. Consumer awareness of illegally accessed content and the consequences of piracy is lower in India than in

Western countries and the move to digital formats has facilitated high-quality piracy in particular through the internet and cable television. Monitoring infringement of our intellectual property rights is difficult and the protection of intellectual property rights in India may not be as effective as in other countries. Existing copyright and trademark laws in India afford only limited practical protection and the lack of internet-specific legislation relating to trademark and copyright protection creates a further challenge for us to protect our content delivered through such media. Notwithstanding the anti-piracy measures we take, there can be no assurance that we will be able to prevent piracy of our products. Piracy of our films and music content could result in lost revenue, result in significantly reduced pricing power and could have a material adverse effect on our business, prospects, financial condition and results of operations.

7. Our ability to remain competitive may be adversely affected by rapid technological changes and our ability to access such technology.

The Indian film, media and entertainment industry continues to undergo significant technological developments, including the ongoing transition from film to digital media. We may not be successful in adopting new digital distribution methods or may lose market share to our competitors if the methods that we adopt are not as technologically sound, user-friendly, widely accessible or appealing to consumers as those adopted by our competitors. Further, advances in technologies or alternative methods of product delivery or storage, or changes in consumer behaviour driven by these or other technologies, could have a negative effect on our home entertainment market in India. Other larger entertainment distribution companies may have bigger budgets to exploit growing technological trends than the budgets we can make available. If we fail to successfully exploit digital and other emerging technologies, it could have a material adverse effect on our business, prospects, financial condition and results of operations.

We also rely on third party licenses for the software tools and techniques developed in the industry for the creation of cutting edge visual effects. We cannot guarantee that such licenses will be available or, once obtained, will continue to be available on commercially reasonable terms, or at all. Furthermore, our competitors may develop, license or acquire software and other technology that is superior to ours, which could enable our competitors to produce films of a higher quality than ours, or at a lower cost. In order to remain competitive we could be required to upgrade our technology, and any failure to do so could have a material adverse effect on our business, prospects, financial condition and results of operations.

8. Our financial position and results of operations fluctuate from period to period due to film delivery schedules and other factors and may not be indicative of results for future periods.

Our financial position and results of operations for any period are significantly dependent on the number, timing and commercial success of films delivered or made available to various media in that period, none of which can be predicted with certainty. Theatre attendance in India has traditionally been highest during school holidays, national holidays and festivals and we typically aim to release big-budget films at these times. Consequently, our financial position and results of operations may fluctuate materially from period to period and the results of any one period are not necessarily indicative of results for future periods. The delivery schedules of films are difficult to predict and not consistent from year to year, which may cause our revenue to fluctuate from period to period, which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

9. The success of film depend on our artists and technicians and their loss or unavailability could adversely affect our business.

Film and its success largely depend upon creativity and individual skills of few people like the artists and other technicians, which are not readily replaceable. Thus, the entire success of our operations depends upon the creativity of these few people . Unavailability of these artists and technicians could also delay our

projects. Further in case of any dispute with or loss of any of these people for any reason may adversely effect the completion of the project, which in turn could materially adversely affect results of our operations.

10. The Registered Office of Our Company is not owned by us.

We operate from our registered office situated at 501, Durga Chambers, 5th Floor, Linking Road, Khar (West), Mumbai- 400052 MH IN. The registered office of our Company belongs to Mrs. Varsha R. Taurani and we have taken the same on leave and license basis from her. Any discontinuance of such arrangement will lead us to relocate to any other premises. Our inability to identify the new premises may adversely affect the operations, finances and profitability of our Company.

11. Public Image of lead artists working in films produced / events managed by Our Company may affect the success of film and event.

Since the lead artists are usually public figures, their image in public is very crucial to their popularity. Any dent to their public image for any reason whatsoever may impact the performance of the film and event and consequently our financials may be affected.

12. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.

The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. There can be no assurance that we will be able to pay dividends. Additionally, we may be restricted by the terms of any future debt financing in relation to the payment of dividends.

13. The requirements of being a listed company may strain our resources.

We were not a listed Company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies which may adversely affect the financial position of our Company.

EXTERNAL RISK FACTORS

14. Natural calamities and force majeure events may have an adverse impact on our business.

Natural disasters may cause significant interruption to our operations, and damage to the environment that could have a material adverse impact on us. The extent and severity of these natural disasters determines their impact on the Indian economy. Prolonged spells of deficient or abnormal rainfall and other natural calamities could have an adverse impact on the Indian economy, which could adversely affect our business and results of operations.

15. Political instability or changes in the Government could adversely affect economic conditions in India generally and our business in particular.

Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Elimination or substantial change of policies or the introduction of policies that negatively affect the Company's business could cause its results of operations to suffer. Any significant change in India's economic policies could disrupt business and economic conditions in India generally and the Company's business in particular.

16. Financial instability in other countries, particularly countries with emerging markets, could disrupt Indian markets and our business and cause the trading price of the Equity Shares to decrease.

The Indian financial markets and the Indian economy are influenced by the economic and market conditions in other countries. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in other financial systems may cause volatility in Indian financial markets, including with respect to the movement of exchange rates and interest rates in India, and, indirectly, in the Indian economy in general. Any such continuing or other significant financial disruption could have an adverse effect on our business, financial results and the trading price of the Equity Shares.

17. There are restrictions on daily / weekly / monthly movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time

Once listed, we would be subject to circuit breakers imposed by all stock exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on circuit breakers is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker in effect from time to time, and may change it without our knowledge. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

18. The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.

Prior to this Issue, there has been no public market for our Equity Shares. Our Company will appoint Market Makers to the Issue. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market performance of our competitors, the Indian capital markets and Finance industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnership, joint ventures, or capital commitments.

19. Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

20. Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the Mumbai terrorist attacks and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

21. Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse effect on our business, financial condition and results of operations.

Taxes and other levies imposed by the Central or State Governments in India that affect our industry include GST, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. Imposition of any other taxes by the Central and the State Governments may adversely affect our results of operations.

22. Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.

Any adverse revisions to India's rating by an independent international rating agency may adversely affect our ability to raise additional financing due to increased interest rates and stringent commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares

SECTION IV- INTRODUCTION

SUMMARY OF FINANCIAL INFORMATION

Audited Financial Statement for the Financial Year Ended March 31, 2022

Balance Sheet of the Company for the financial year ended March 31, 2022.

(Rs. In Lakhs)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	3	106.10	-	-
(b) Investment Property	4	1,208.45	-	-
(c) Financial Assets				
(i) Other Financial Assets	5	19.11	-	-
(d) Other Non current assets	6	932.36	-	-
Total Non-current assets		2,266.02	-	-
Current assets				
(a) Financial assets				
(i) Investments	7	19.86	-	-
(ii) Cash and cash equivalents	8	468.65	0.09	0.15
(iii) Bank balances other than (ii) above	9	1,427.34	-	-
(iv) Loans	10	3.31	-	-
(v) Other financial assets	11	255.40	-	-
(b) Other Current Assets	12	4,346.50	-	-
Total current assets		6,521.06	0.09	0.15
Total Assets		8,787.08	0.09	0.15
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	13	-	5.00	5.00
(b) Equity Share Capital Suspense	13A	432.29	-	-
(c) Other Equity	14	6,333.75	-4.91	-4.87
Total Equity		6,766.04	0.09	0.13
Liabilities				
Non-current liabilities				
(a) Deferred Tax Liabilities	15	258.91	-	-
(b) Employee Benefit Obligations	16	28.92	-	-
Total non-current liabilities		287.83	-	-
Current liabilities				
(a) Financial Liabilities				
(i) Trade payables	17			
(a) Total outstanding dues of micro enterprises and small enterprises		-	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		527.12	-	-
(ii) Other Financial Liabilities	18	923.23	-	-

(b) Employee Benefit Obligations	19	0.35	-	-
(c) Other Current Liabilities	20	0.71	-	0.02
(d) Current Tax (Net)	21	281.80	-	-
Total current liabilities		1,733.21	-	0.02
Total Equity and Liabilities		8,787.08	0.09	0.15

Statement of Profit and Loss of the Company for the financial year ended March 31, 2022

(Rs. In Lakhs)

Particulars		Notes	Year ended March 31, 2022	Year ended March 31, 2021
I.	Revenue from operations	22	6683.00	-
II.	Other income	23	653.85	-
	Total Income (I+II)		7336.85	-
III	Expenses:			
	Cost of Production of films	24	5542.22	-
	Employee Benefits Expense	25	306.53	-
	Depreciation and Amortization Expense	26	45.09	-
	Other Expenses	27	493.29	0.04
IV	Total Expenses		6387.13	0.04
V	Profit before Tax		949.72	(0.04)
VI	Tax Expenses:			
	(1) Current Tax		282.00	-
	(2) Deferred Tax		(27.63)	-
VII	Profit / (Loss) for the year		695.35	(0.04)
VII I	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)		(0.24)	-
	Other Comprehensive Income for the year, net of taxes		(0.24)	-
IX	Total Comprehensive income for the year		695.11	(0.04)
X	Earnings per equity share of Rs. 10/- each			
	(1) Basic	28(15)	16.09	(0.08)
	(2) Diluted	28(15)	16.09	(0.08)

Cash Flow Statement of the Company for the financial year ended March 31, 2022

(Rs. In Lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Cash flows from operating activities		
Profit/(Loss) before Tax	949.72	(0.04)
Adjustment for		
Depreciation and amortization expense	45.09	-
Bad debts and advances written off	9.80	-
Fair value gain on Mutual Fund at FVTPL	(5.18)	-
Provision for/ (write back of) doubtful debts and advances	(12.94)	-
Non-cash expenses adjustment for Gratuity	(0.33)	-
Interest income	(71.04)	-
Operating profit before working capital changes	915.12	(0.04)
Working capital adjustments		
(Increase)/decrease in trade and other receivables	(3.07)	-
(Increase) / Decrease in Loans (Current)	2.99	-
(Increase) / Decrease in Other Financial Assets (Current)	4.50	-
(Increase) / Decrease in Other Current Assets	(1080.14)	-
(Increase) / Decrease in Other Financial Assets (Non Current)	(1.64)	-
(Increase) / Decrease in Other Non Current Assets	(40.36)	-
Increase/ (Decrease) in Employees Benefit Obligations (Current)	0.07	-
Increase/ (Decrease) in Employees Benefit Obligations (Non-Current)	3.60	-
Increase/ (Decrease) in Other Liabilities (Current)	(8.27)	-
Increase/ (Decrease) in Financial Liabilities (Current)	908.23	-
Increase/(Decrease) in Trade payables	341.14	-
Cash generated from operations	127.05	-
Direct Taxes Paid (Net of Refund)	(0.20)	-
Net cash from operating activities	1041.97	(0.04)
Cash flows from investing activities		
Acquisition of Property, Plant & Equipment	(122.35)	-
Maturity of Fixed Deposits	4737.70	-
Investment in Fixed Deposits	(6165.03)	-
Redemption of Mutual Funds	80.96	-
Investment in Mutual Funds	(20.00)	-
Interest received	71.04	-
Net cash used in investing activities	(1417.68)	-
Net cash flow from financing activities	-	-
Net (decrease)/increase in cash and cash equivalents	(375.71)	(0.04)
Cash and cash equivalents at the beginning of the year	0.09	0.13
Add: Amount transferred on account of Composite Scheme of Arrangement {Ref Note No 28(16)}	844.27	-
Cash and cash equivalents at the end of the year	468.65	0.09
Reconciliation of Cash and Cash equivalents with the Balance Sheet		
Cash and Cash Equivalents as per Balance Sheet		
In Current Account	460.67	-
Cash on Hand	7.98	0.09
Cash and Cash equivalents as restated as at the year end	468.65	0.09

GENERAL INFORMATION

Tips Films Limited was incorporated on June 05, 2009, under the Companies Act, 1956, in the State of Maharashtra. The CIN of the Company is U74940MH2009PTC193028. For further details, please refer to section titled "History and Certain Corporate Matters" on page 58 of this Information Memorandum.

Registered Office

501, Durga Chambers, 5th Floor, Linking Road, Khar (West), Mumbai- 400052, Maharashtra, India

Registrar of Companies

Registrar of Companies, Mumbai, Maharashtra
100, Everest, Marine Lines,
Mumbai-400 002
Phone: 022-22812627
Email: roc.mumbai@mca.gov.in

Board of Directors of our Company

Sr. No.	Name	Address	DIN	Designation
1	Mr. Kumar Taurani	901-1001, Vivendi Bldg, C.T.S. NO.- 576, Sarojini Road, Santacruz (West), Mumbai 400054	00555831	Chairman and Executive Director
2	Mr. Ramesh Taurani	12th and 13th Floor, XVI Avenue, 16th Road, Opp. Anand Ashram, Khar (West), Mumbai 400052	00010130	Managing Director
3	Ms. Jaya R. Taurani	12th and 13th Floor, XVI Avenue, 16th Road, Opp. Anand Ashram, Khar (West), Mumbai 400052	08209186	Executive Director
4	Ms. Radhika Dudhat	72, Buena Vista, J. Bhosale Marg Nariman Point, Mumbai – 400021	00016712	Additional Director (Non-Executive Independent)
5	Mr. Venkitaraman Iyer	902, Vishnu Tower, Bhakti Dham Complex, P. K. Road, Mulund (West) Mumbai 400080	00730501	Additional Director (Non-Executive Independent)
6	Mr. Vinode Thomas	1906 C, Oberoi Splendor, JVLR, Opp. Majas Bus Dept., Jogeshwari East, Mumbai - 400060	01893613	Additional Director (Non-Executive Independent)

For details of our Directors, please refer to section titled "Our Management" on page 63 of this Information Memorandum.

Company Secretary and Compliance Officer

Mr. Vinit Bhanushali
501, Durga Chambers, 5th Floor, Linking Road, Khar (West), Mumbai- 400052 MH IN
Tel.: +91-22-66431188
Email: cs@tipsfilms.in

Registrar and Share Transfer Agent

Link Intime India Private Limited
C-101, 247 Embassy Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra, India
Tel: +91 22 4918 6000
Email: Ashok.sherugar@linkintime.co.in
Website: www.linkintime.co.in

Contact Person: Mr. Ashok Sherugar
SEBI Registration No.: INR000004058

Bankers to our Company

Equitas Small Finance Bank Limited
Ground Floor, Part Unit No. 2, Wallfort House, S.V Road, Goregaon West, Mumbai 400062
Tel: 9769736322
Email: vinayakmohankamat@equitasbank.com

Statutory Auditors to our Company

SSPA & Associates
1st Floor, Arjun, V.P. Road, Andheri (West), Mumbai 400 058
Tel : +91-022- 2670 4376, 2670 3682
Email: parag@sspa.in
Firm Reg. No.: 131069W
Peer Review Certificate No: 012017
Contact Person: Mr. Parag Ved

Change in Statutory Auditors

M/s. Abichandani & Associates., Chartered Accountants (Firm Reg. No. 145188W), were appointed as first Statutory Auditors of our Company. Due to the pre-occupation, M/s. Abichandani & Associates had resigned as Statutory Auditors of our Company w.e.f. December 31, 2021.

M/s. SSPA & Associates, Chartered Accountants (Firm Reg. No. 131069W) were appointed as Statutory Auditors of the Company, with effect from January 24, 2022, to fill the casual vacancy caused by the resignation of M/s. Abichandani & Associates, to hold the office from the conclusion of the Extraordinary General Meeting held on March 2, 2022, until the conclusion of the ensuing Annual General Meeting, to conduct the statutory Audit for the period ended March, 31, 2022.

Except as above, there has been no change in the Auditors of our Company since its incorporation.

Authority of Listing

The Hon'ble National Company Law Tribunal, Mumbai Bench vide its order dated March 03, 2022 had approved the Scheme between Tips Industries Limited and Tips Films Limited and their respective shareholders for Demerger of the Film Business (Demerged Undertaking) of Tips Industries Limited ("Demerged Company") and transfer and vesting of it, as a going concern, to Tips Films Limited ("Resulting Company") under sections 230 to 232 read with section 66 and other applicable provisions of the Companies Act, 2013. For more details relating to the Scheme, please refer to section titled "Scheme of Arrangement and Demerger" on page 60.

In accordance with the said Scheme, the Equity Shares of our Company shall be listed and admitted to trading on BSE and NSE. Such listing and admission for trading is not automatic and will be subject to relaxation under Rule 19(2)(b) of the SCRR being granted by SEBI and compliance with the requirements of SEBI Circular and fulfilment of listing criteria by our Company as specified by BSE and NSE for such listing and also subject to such other terms and conditions as may be prescribed by BSE and NSE at the time of the application for listing by our Company. Observations letters from BSE and NSE in relation to the Scheme were granted vide their letters each dated July 29, 2021.

Eligibility Criteria

There being no initial public offering or rights issue, the eligibility criteria in terms of Chapter 11 and III of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 are not applicable; however, SEBI vide its circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended from time to time, if any, has subject to certain conditions permitted unlisted issuer companies to make an application for relaxing from the strict enforcement of Rule 19(2)(b) of SCRR, as amended. Our Company has submitted this Information Memorandum along with application for relaxation from the strict enforcement of Rule 19(2)(b) of SCRR, containing information about itself, making disclosure in line with the

disclosure requirement for public issues as applicable to BSE and NSE for making the said Information Memorandum available to public through websites www.bseindia.com. and www.nseindia.com. Our Company has made the said Information Memorandum available on its website www.tipsfilms.in. Our Company will publish an advertisement in the newspapers containing details as per the above-mentioned circular. The advertisement will draw specific reference to the availability of this Information Memorandum on its website.

Prohibition by SEBI

The Company, its directors, its promoter and promoter group, other companies promoted by the promoter and companies with which the Company's directors are associated as director have not been prohibited from accessing the capital market under any order or direction passed by SEBI.

General Disclaimer from the Company

The Company accepts no responsibility for statements made otherwise than in this Information Memorandum or in the advertisements to be published in terms of SEBI circular no. CED/DIL3/CIR/2017/21 dated March 10, 2017 as amended from time to time, if any, or any other material issued by or at the instance of the Company. Anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

CAPITAL STRUCTURE

1. The details of the capital structure of our Company is as follows:

A. Pre-Scheme capital structure of our Company:

Authorised Share Capital	Amount (Rs. In lakhs)
50,000 Equity Shares of Rs. 10/- each	5.00
Total	5.00
Issued, Subscribed and Paid-up Share Capital	Amount (Rs. In lakhs)
50,000 Equity Shares of Rs. 10/- each	5.00
Total	5.00

B. Post-Scheme capital structure of our Company:

Authorised Share Capital	Amount (Rs. In lakhs)
50,00,000 Equity Shares of Rs. 10/- each	500.00
Total	500.00
Issued, Subscribed and Paid-up Share Capital	Amount (Rs. In lakhs)
43,22,886 Equity Shares of Rs. 10/- each	432.29
Total	432.29

Pre-Scheme Authorised Share Capital of the Company was Rs.5,00,000/- (Rupees Five Lakh only) consisting of 50,000 equity shares of Rs.10/- each. Pursuant to the Scheme becoming effective, the Authorised Share Capital of the Company has been increased to Rs.5,00,00,000/- (Rupees Five Crore only) consisting of 50,00,000 equity shares of Rs.10/- each.

Pre-Scheme Issued, Subscribed & Paid up Share Capital of the Company was Rs. 5,00,000/- (Rupees Five Lakh only) consisting of 50,000 equity shares of Rs.10/- each, which stands cancelled with issuance of new shares by our Company to the shareholders of Tips Industries Limited, pursuant to the Scheme.

NOTES TO THE CAPITAL STRUCTURE:

1. Equity Share Capital History of our Company

Date of Allotment	Name of the allottee	No. of Equity Shares	Face Value (in Rs.)	Premium (in Rs.)	Cumulative No. of Equity Shares	Cumulative Equity Paid-up Capital	Nature of Allotment	Nature of Consideration
June 05, 2009 [#]	Refer note 1	50,000	10	-	50,000	5,00,000	Subscription to the Memorandum of Association	Cash

May 27, 2022*	Refer note 2	(50,000)	10	-			Cancellation of initial share capital, pursuant to the Scheme sanctioned vide NCLT order dated March 03, 2022 (certified true copy of the order was received on March 17, 2022)	Pursuant to the Scheme
May 27, 2022**	Refer note 3	43,22,886	10	-	43,22,886	4,32,28,860	Allotment pursuant to the Scheme sanctioned vide NCLT order dated March 03, 2022 (certified true copy of the order was received on March 17, 2022)	Pursuant to the Scheme

Note 1 – Allotment of 50,000 Equity Shares to Ramesh S. Taurani, Varsha R. Taurani, Shyam M. Lakhani, Jaya R. Taurani, Sneha, R. Taurani, Raveena R. Taurani, and Jay P. Shewakramani for ensuring minimum 7 shareholders.

*Note 2 – Upon the Scheme becoming effective from the Appointed Date, the issued, subscribed and paid-up Equity Share Capital of our Company constituting 50,000 Equity Shares of Rs. 10/- each aggregating to Rs. 5,00,000 was cancelled. For further details of the Scheme refer Scheme of Arrangement and Demerger on page 60

** Note 3 – Allotment to the Eligible Shareholders of the Demerged Company. For further details of the Scheme, see Scheme of Arrangement and Demerger on page 60

- Other than allotment of 43,22,886 Equity Shares to the Eligible Shareholders of the Demerged Company as on the Record date of May 21, 2022 as disclosed below, or Company has not allotted any Equity Shares for consideration other than cash.

Shareholding pattern of the Company prior and post allotment:

3.

Pre-allotment shareholding pattern of the Company

I - Summary Statement holding of specified securities

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held(b)	No.	As a % of total Shares held(b)	
								Class eg: X	Class eg: y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V) + (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI) = (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	8	50,000	0	0	50,000	100.00	50,000	0	50,000	100.00	0	0.00	0	0	0	0	0
(B)	Public	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0
(C)	Non Promoter - Non Public				0	0	0.00	0	0			0			0	NA	NA	
(C1)	Shares Underlying DRs	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0
(C2)	Shares Held By Employee Trust	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0
	Total	8	50,000	0	0	50,000	100.00	50,000	0	50,000	100.00	0	0.00	0	0	0	0	0

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group																			
Category & Name of the shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	Shareholder Type	
							No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)			
							Class eg: X	Class eg: y	Total										
(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C 2)	(IX)				(X)	(XI) = (VII)+(X) As a % of (A+B+C 2)	(XII)		(XIII)		(XIV)		
(a) Individuals / Hindu Undivided Family	8	50,000	0	0	50000	100	50000	0	50000	100	0	0	0	0	0	0	0	0	
Ramesh S. Taurani	1	25,000	0	0	25,000	50.00	25,000	0	25,000	50.00	0	0.00	0	0.00	0	0	0	0	Promoter
Kumar S. Taurani	0	0	0	0	0	0	0	0	0	0.00	0	0.00	0	0.00	0	0	0	0	Promoter
Varsha R. Taurani	1	24,500	0	0	24,500	49.00	24,500	0	24,500	49.00	0	0.00	0	0.00	0	0	0	0	Promoter Group
Jaya R. Taurani	1	100	0	0	100	0.20	100	0	100	0.20	0	0.00	0	0.00	0	0	0	0	Promoter Group
Sneha R. Taurani	1	100	0	0	100	0.20	100	0	100	0.20	0	0.00	0	0.00	0	0	0	0	Promoter Group
Raveena R. Taurani	1	100	0	0	100	0.20	100	0	100	0.20	0	0.00	0	0.00	0	0	0	0	Promoter Group
Jay Shewakramani	1	100	0	0	100	0.20	100	0	100	0.20	0	0.00	0	0.00	0	0	0	0	Promoter Group
Shyam Lakhani	1	100	0	0	100	0.20	100	0	100	0.20	0	0.00	0	0.00	0	0	0	0	Promoter Group

(b)	Central Government / State Government(s)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	-
(c)	Financial Institutions / Banks	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	-
(d)	Any Other (Specify)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	-
	Sub Total (A)(1)	8	50,000	0	0	50,000	100.00	50,000	0	50,000	100.00	0	0.00	0	0.00	0	0	0	-
2	Foreign	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	-
	Sub Total (A)(2)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	-
	Total Shareholding Of Promoter And Promoter Group (A)=(A)(1)+(A)(2)	8	50,000	0	0	50,000	100.00	50,000	0	50,000	100.00	0	0.00	0	0.00	0	0	0	-

Table III - Statement showing shareholding pattern of the Public shareholder

	Category & Name of the shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	
								No of Voting Rights					Total as a % of (A+B+C)	No. (a)	As a % of total Shares held (b)	No. (a)		As a % of total Shares held (b)
								Class eg: X	Class eg: Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C 2)	(IX)			(X)	(XI) = (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)	(XIV)		
1	Institutions																	

	Sub Total (B)(1)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
2	Central Government/ State Government(s)/ President of India	0	0	0	0	0	0.00		0	0	0.00	0	0.00	0	0.00	NA	NA	0
	Sub Total (B)(2)	0	0	0	0	0.00	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0
3	Non-Institutions																	
	Sub Total (B)(3)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder																		
	Category & Name of the shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: X	Class eg: Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI) = (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
1	Custodian/DR Holder	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0.00	NA	NA	0	

2	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	NA	NA	0
	Total Non-Promoter-Non Public Shareholding (C)= (C)(1)+(C)(2)	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	NA	NA	0

Post-allotment shareholding pattern of the Company as on allotment date: May 27, 2022

Table I - Summary Statement holding of specified securities																		
Category	Category of shareholder	Nos. of shareholders #	No. of fully paid up equity shares held*	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: X	Class eg: y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI) = (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	5	32,41,116	0	0	32,41,116	74.98	32,41,116	0	32,41,116	74.98	0	0.00	0	0	0	0	32,41,116
(B)	Public	17323	10,81,770	0	0	10,81,770	25.02	10,81,770	0	10,81,770	25.02	0	0.00	0	0	NA	NA	10,81,770
(C)	Non Promoter - Non Public	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0

(C1)	Shares Underlying DRs	0	0	0	0	0	0.00	0.00	0	0.00	0.00	0	0	0	0	NA	NA	0
(C2)	Shares Held By Employee Trust	0	0	0	0	0	0.00	0.00	0	0.00	0.00	0	0	0	0	NA	NA	0
	Total	17328	43,22,886	0	0	43,22,886	100.00	43,22,886	0	43,22,886	100.00	0	0.00	0	0	0	0	43,22,886

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group																			
	Category & Name of the shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	Shareholder Type
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
								Class eg: X	Class eg: y	Total									
(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI) = (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)		
(a)	Individuals / Hindu Undivided Family	5	32,41,116	0	0	32,41,116	74.98	32,41,116	0	32,41,116	74.98	0	74.98	0	0	0	0	32,41,116	
	Kumar S Taurani	1	8,76,600	0	0	8,76,600	20.28	8,76,600	0	8,76,600	20.28	0	20.28	0	0	0	0	8,76,600	Promoter
	Ramesh S Taurani	1	8,74,761	0	0	8,74,761	20.24	8,74,761	0	8,74,761	20.24	0	20.24	0	0	0	0	8,74,761	Promoter

	Varsha R Taurani	1	7,43,880	0	0	7,43,880	17.21	7,43,880	0	7,43,880	17.21	0	17.21	0	0	0	0	7,43,880	Promoter Group
	Renu Kumar Taurani	1	7,42,042	0	0	7,42,042	17.17	7,42,042	0	7,42,042	17.17	0	17.17	0	0	0	0	7,42,042	Promoter Group
	Shyam M Lakhani	1	3,833	0	0	3,833	0.09	3,833	0	3,833	0.09	0	0.09	0	0	0	0	3,833	Promoter Group
(b)	Central Government / State Government(s)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	-
(c)	Financial Institutions / Banks	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	-
(d)	Any Other (Specify)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0	-
	Sub Total (A)(1)	5	32,41,116	0	0	32,41,116	74.98	32,41,116	0	32,41,116	74.98	0	74.98	0	0	0	0	32,41,116	
2	Foreign																		
	Sub Total (A)(2)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0	0
	Total Shareholding Of Promoter And Promoter Group (A)= (A)(1)+(A)(2)	5	32,41,116	0	0	32,41,116	74.98	32,41,116	0	32,41,116	74.98	0	74.98	0	0	0	0	32,41,116	-

Table III - Statement showing shareholding pattern of the Public shareholder

Category & Name of the shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid up equity	No. of shares under Depos	Total nos. shares held	Shareholding % calculated as	Number of Voting Rights held in each class of securities		No. of Shares Underlying	Shareholding, as a % assuming full conversion	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in
							No of Voting Rights				No. (a)				

				ty shar es held	itory Recei pts		per SCRR, 1957 As a % of (A+B+ C2)	Class eg: X	Class eg: y	Total	Total as a % of (A+B+C)	Outst andin g conve rtible securi ties (inclu ding Warr ants)	of convertible securities (as a percentage of diluted share capital)	No. (a)	As a % of total Shares held (b)	As a % of total Shares held(b)	demateriali sed form	
	(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+ C2)	(IX)			(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)	
1	Institutions																	
(a)	Mutual Fund	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0
(b)	Venture Capital Funds	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0
(c)	Alternate Investment Funds	1	1,466	0	0	1,466	0.03	1466	0	1,466	0.03	0	0.03	0	0	NA	NA	1,466
(d)	Foreign Venture Capital Investors	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0
(e)	Foreign Portfolio Investor	5	34,647	0	0	34,647	0.80	34647	0	34,647	0.80	0	0.80	0	0	NA	NA	34,647
(f)	Financial Institutions / Banks	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0
(g)	Insurance Companies	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0
(h)	Provident Funds/ Pension Funds	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0

(i)	Any Other (Specify)	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0	NA	NA	0
	Sub Total (B)(1)	6	36,113	0	0	36,113	0.84	36,113	0	36,113	0.84	0	0.84	0	0	NA	NA	36,113
2	Central Government/ State Government(s)/ President of India	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0
	Sub Total (B)(2)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0
3	Non-Institutions																	
(a)	Individuals																	
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	16,521	6,61,306	0	0	6,61,306	15.30	6,61,306	0	6,61,306	15.30	0	15.30	0	0	NA	NA	6,61,306
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	4	1,52,823	0	0	1,52,823	3.54	1,52,823	0	1,52,823	3.54	0	3.54	0	0	NA	NA	1,52,823
	Avinash Parsram Wadhwa		61,000	0	0	61,000	1.41	61,000	0	61,000	1.41	0	1.41	0	0	NA	NA	61,000
(b)	NBFCs registered with RBI	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0
(c)	Trust Employee	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0
(d)	Overseas Depositories (holding DRs)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	NA	NA	0

	(balancing figure)																	
(e)	Any Other (Specify)	792	2,31,528	0	0	2,31,528	5.36	2,31,528	0	2,31,528	5.36	0	5.36	0	0	NA	NA	2,31,528
	IEPF	1	5,696	0	0	5,696	0.13	5,696	0	5,696	0.13	0	0.13	0	0	NA	NA	5,696
	Trusts	3	7,851			7,851	0.18				0.18		0.18	0	0	NA	NA	7,851
	Hindu Undivided Family	235	73,451	0	0	73,451	1.70	73,451	0	73,451	1.70	0	1.70	0	0	NA	NA	73,451
	Sundeep C Patel Huf	1	43,299	0	0	43,299	1.00	43,299	0	43,299	1.00	0	1.00	0	0	NA	NA	43,299
	Non Resident Indians (Non Repat)	160	7,172	0	0	7,172	0.17	7,172	0	7,172	0.17	0	0.17	0	0	NA	NA	7,172
	Non Resident Indians (Repat)	192	8,983	0	0	8,983	0.21	8,983	0	8,983	0.21	0	0.21	0	0	NA	NA	8,983
	Body Corp-Ltd Liability Partnership	15	4,577	0	0	0	0.00	0	0	0	0	0	0	0	0	0	0	0
	Clearing Member	22	786	0	0	786	0.02	786	0	786	0.02	0	0.02	0	0	NA	NA	786
	Bodies Corporate	164	1,23,012	0	0	1,23,012	2.85	1,23,012	0	1,23,012	2.85	0	2.85	0	0	NA	NA	1,23,012
	Sub Total (B)(3)	17,317	10,45,657	0	0	10,45,657	24.19	10,45,657	0	10,45,657	24.19	0	24.19	0	0	NA	NA	10,45,657
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	17,323	10,81,770	0	0	10,81,770	25.02	10,81,770	0	10,81,770	25.02	0	25.02	0	0	NA	NA	10,81,770

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder													
Category & Name of the	Nos. of share	No. of fully paid	Partly paid-up equity	No. of shares underlying	Total nos. shares held	Shareholding % calculate d as per	Number of Voting Rights held in each class of securities	No. of Shares Underlying Outstandin	Shareholding , as a % assuming full conversion of	Number of Locked in shares	Number of Shares pledged or otherwise	Number of equity shares	

	shareholders	holders	equity shares held	shares held	Depository Receipts		SCRR, 1957 As a % of (A+B+C2)					convertible securities (including Warrants)	convertible securities (as a percentage of diluted share capital)			encumbered		held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: X	Class eg: Y	Total								
(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)	
1	Custodian/D R Holder	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	NA	NA	0
2	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	NA	NA	0
	Total Non-Promoter-Non Public Shareholding (C)= (C)(1)+(C)(2)	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	NA	NA	0

4. **Major shareholders of our Company 2 (two) years prior to the date of this Information Memorandum**
Details of major shareholders holding more than 1% of our Company 2 (two) years prior to existence as on the date of this Information Memorandum is as below:

Sr. No.	Name of Shareholders	Number of Equity Shares held	% to the total Equity Share Capital
01	Ramesh S. Taurani	25,000	50.00
02.	Varsha R. Taurani	24,500	49.00
	Total	49,000	99.00

5. **Major shareholders of our Company 1 (one) year prior to the date of this Information Memorandum**
The details of the major Shareholders holding 1% or more of the paid-up share capital of the Company 1 (one) year prior to the date of this Information Memorandum is as below:

Sr. No.	Name of Shareholders	Number of Equity Shares held	% to the total Equity Share Capital
01	Ramesh S. Taurani	25,000	50.00
02.	Varsha R. Taurani	24,500	49.00
	Total	49,000	99.00

6. **Major shareholders of our Company 10 (ten) days prior to the date of this Information Memorandum**
The details of the Shareholders holding 1% or more of the paid-up share capital of the Company as on 10 (ten) days prior to the date of this Information Memorandum is as below:

Sr. No.	Name of Shareholders	Number of Equity Shares held	% to the total Equity Share Capital
01	Kumar S. Taurani	8,76,600	20.28
02	Ramesh S. Taurani	8,74,761	20.24
03.	Varsha R. Taurani	7,43,880	17.21
04.	Renu K. Taurani	7,42,042	17.17
05.	Avinash Parsram Wadhwa	61,000	1.41
06.	Sundeep C Patel Huf	43,299	1.00
	Total	33,41,582	77.31

7. **Major shareholders of our Company as on the date of this Information Memorandum**
The details of the Shareholders holding 1% or more of the paid-up share capital of the Company, as on the date of this Information Memorandum is as below:

Sr. No.	Name of Shareholders	Number of Equity Shares held	% to the total Equity Share Capital
01	Kumar S. Taurani	8,76,600	20.28
02	Ramesh S. Taurani	8,74,761	20.24
03.	Varsha R. Taurani	7,43,880	17.21
04.	Renu K. Taurani	7,42,042	17.17
05.	Avinash Parsram Wadhwa	61,000	1.41

06.	Sundeep C Patel Huf	43,299	1.00
	Total	33,41,582	77.31

8. Details of Equity Shares held by our Directors Except as stated below, there are no other Directors who hold Equity Share in our Company as on the date of this Information Memorandum:

Sr. No.	Name of Directors	Number of Equity Shares held	% to the total Equity Share Capital
01	Kumar S. Taurani	8,76,600	20.28
02	Ramesh S. Taurani	8,74,761	20.24
	Total	17,51,361	40.52

9. Details of Equity Shares held by our Promoter as on the date of this Information Memorandum is set forth below:

Name of the Promoter	Nature of the Issue	Date of allotment / Transfer	No. of Equity Shares	Face value per Equity Share (INR)	Issue Price/ Transfer Price per Equity Share (INR)	Nature of Consideration	Date when the equity shares were made fully paid-up	Percentage of the pre Scheme capital (%)	Percentage of the Post Scheme capital (%)
Kumar S. Taurani	Pursuant to the Scheme	May 27, 2022	8,76,600	10	Pursuant to the Scheme	Pursuant to the Scheme	May 27, 2022	0.00	20.28
Ramesh S. Taurani	Pursuant to the Scheme	May 27, 2022	8,74,761	10	Pursuant to the Scheme	Pursuant to the Scheme	May 27, 2022	50.00	20.24
		Total	17,15,361					50.00	40.52

All of the Equity Shares held by our Promoters are fully paid up and none of such Equity Shares have been pledged in any manner. Further, all Equity shares held by our Promoters are in dematerialized form.

10. Details of Equity Shares held by the members of our Promoter Group (other than Promoters) as on the date of this Information Memorandum is set forth below:

Sr. No.	Name of person/ entity	Number of Equity Shares held	% to the total Equity Share Capital
01.	Mrs. Varsha Taurani	7,43,880	17.21
02.	Mrs. Renu Taurani	7,42,042	17.17
03.	Mr. Shyam Lakhani	3,833	0.09
	Total	14,89,755	34.47

11. As on the date of this Information Memorandum, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares.

12. Except for the allotment of the Equity Shares pursuant to the Scheme, no Equity Shares have been issued pursuant to a scheme approved under Sections 230 to 232 of the Companies Act, 2013.

13. Our Company has not had an employee stock option scheme since incorporation.
14. Our Company has not issued any Equity Shares out of revaluation reserves.
15. Our Company, our Directors and our promoters have not entered into any buy-back, standby or similar arrangements to purchase equity shares of our Company from any person.
16. There shall be only one denomination of equity shares of our Company, subject to applicable regulations and our Company shall comply with such disclosure and accounting norms, as specified by SEBI from time to time.
17. Other than pursuant to the Scheme, the members of the Promoter Group, the directors of the Company which is a promoter of the Company and/or our Directors and their relatives have not purchased or sold or financed, directly or indirectly, any Equity Shares in the six months immediately preceding the date of filing of this Information Memorandum.
18. There are/have been no financing arrangements whereby any member of our Promoter Group and/or our Directors and their relatives have financed the purchase by any other person of securities of our Company from the date of approval of the Scheme by the NCLT on March 03, 2022 (certified true copy of the order was received on March 17, 2022), till the date of submission of this Information Memorandum.
19. There shall be no further issue of capital by our Company whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of approval of the Scheme till listing of the Equity Shares allotted as per the Scheme.
20. Our Company has Equity Shareholders as on date of filing of this Information Memorandum.

SSPA & ASSOCIATES

Chartered Accountants

1st Floor, " Arjun", Plot No. 6 A,

V. P. Road, Andheri (W),

Mumbai - 400 058. INDIA.

Tel. : 91 (22) 2670 4376

91 (22) 2670 3682

Fax : 91 (22) 2670 3916

Website : www.sspa.in

To,
The Board of Directors,
Tips Films Limited
501, Durga Chambers,
Khar Linking Road, Khar(W),
Mumbai- 400052

Dear Sir/ Madam,

Re: Proposed Listing of Equity Shares of Re 10/- each of Tips Films Limited ('the Company') pursuant to the Scheme of Arrangement and Demerger being approved by National Company Law Tribunal (NCLT), Mumbai Bench vide its order dated March 3, 2022, in Company petition no: CP NO. 222 of 2021 ('Scheme') and upon the Scheme becoming effective from March 23, 2022.

1. This report is issued in accordance with the terms of our engagement letter.
2. The accompanying Statement of Possible Tax Benefits summarises the special tax benefits available to the Company and their Shareholders upon the Scheme becoming effective (herein after referred to as ' the Statement') under the Income Tax Act, 1961 read with Rules, Circulars, notifications issued thereunder and as amended by the Finance Act 2022, the Central Goods and Services Act 2017 (read with Central Goods and Services Tax rules, circular, notifications), respective State Goods and Services Act 2017 (read with State Goods and Services Tax rules, circular, notifications), Integrated Goods and Services Act 2017 (read with Integrated Goods and Services Tax rules, circular, notifications) (together referred to as ' Indirect Tax Regulations') (collectively referred as 'Tax Laws") has been prepared by the Management of the Company in connection with the Proposed Listing of 43,22,886 Equity Shares, which we have initiated for identification purpose.

Management Responsibility

3. The preparation of this Statement as of the date of our report which is to be included in the Information Memorandum is the responsibility of the Management of the Company.
4. The Management's responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

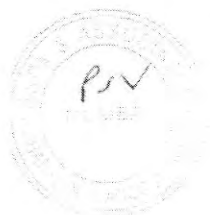


Auditors' Responsibility

5. Our work had been carried out in accordance with Standards on Auditing, the Guidance Note on reports or Certificates for Special Purpose (Revised 2016) and other applicable authoritative pronouncements issued by Institute of Chartered Accountants of India.
6. Pursuant to the SEBI (Issue of Capital and Disclosure Requirement) Regulation 2018 ('the Regulations'), it is our responsibility to report whether the Statement prepared by the Company, upon the Scheme becoming effective, presents, in all material respects, the possible special tax benefits available to the Company, the shareholders, in accordance with the Income Tax Regulations and Indirect Tax Regulations.
7. The contents of the enclosed Statement are based on information, explanations and representations obtained from the Company and based on our understanding of the business activities and operations of the Company.
8. We have complied with the relevant applicable requirements of Standard on Quality Control (SQC) 1, Quality control for firms that perform Audits and reviews of historical Financial Information, and other Assurance and Related Service Engagements.
9. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with Regulations in connection with the Proposed Listing of 43,22,886 Equity Shares of the Company.

Inherent Limitations

10. We draw attention to the fact that the Statement includes certain inheritance limitation that can influence the reliability of the information.
 - a) Several of the benefits mentioned in the accompanying statement are dependent on the Company and/or its shareholders fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company and/or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled.
 - b) The benefits discussed in the accompanying statement covers only special tax benefits available to Company and its shareholders and do not cover any general tax benefits available to Company. The benefits discussed in the enclosed Statement are not exhaustive.
 - c) The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute of professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult its or his/her own tax consultant with respect to the specific tax implication arising out of the issuance of shares by the Company to the respective shareholders.



- d) Further, we give no assurance that the Revenue Authorities/ Courts will concur with our views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

Opinion

11. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special tax benefits available, upon the Scheme becoming effective, to the Company, in accordance with the Income tax Regulations and Indirect Tax Regulations.

Considering the matter referred to in paragraph 10 above, we are unable to express any opinion or provide any assurance as to whether:

- i. The Company and /or its shareholders will continue to obtain the benefits as per the Statement in future; or
- ii. The conditions prescribed for availing the benefits as per the Statement have been/ would be met with; and
- iii. The revenue authorities/courts will concur with the views expressed herein

Restriction of Use

12. This report has been issued solely at the request of the Company in connection with the Proposed Listing of 43,22,886 Equity Shares by the Company and this report or its contents thereof may accordingly be used in the corresponding document for the purpose of submission to the Stock Exchanges or any other regulators or statutory authority in relation to the Proposed Listing of aforesaid Equity Shares. This report should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent.

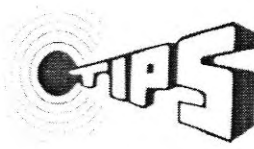
For SSPA & Associates
Chartered Accountants
Firm Registration No.131069W

Parag S. Ved

Parag Ved
Partner
Membership No.:102432
UDIN: 22102432AKFPPA7733



Place: Mumbai
Date: June 3, 2022



STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO TIPS FILMS LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS UNDER APPLICABLE DIRECT AND INDIRECT TAXES ('TAX LAWS')

Outlined below are the Possible Special Tax Benefits available to the Company, its shareholders under the Tax Laws. These Possible Special Tax Benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the Tax Laws. Hence, the ability of the Company and its shareholders to derive the Possible Special Tax Benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill.

UNDER THE TAX LAWS

A. *Special tax benefits available to the Company*

There are no special tax benefits available to the Company under the Tax Laws.

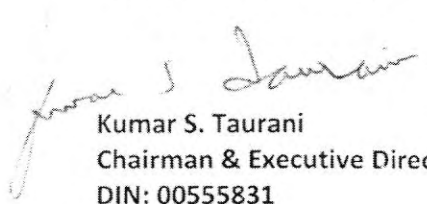
B. *Special tax benefits available to Shareholders*

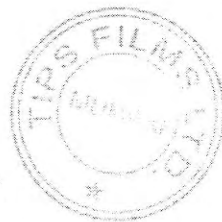
There are no special tax benefits available to the Shareholders under the Tax Laws.

NOTES:

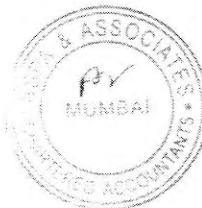
1. The above is as per the current Tax Laws.
2. The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.
3. With regard to block of assets received pursuant to demerger, as per Explanation 2B to Section 43(6), the written down value of the block of assets in the case of the resulting company shall be the written down value of the transferred assets of the demerged company immediately before the demerger.
4. This Statement does not discuss any tax consequences in any country outside India of an investment in the equity shares of the Company. The shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.

For TIPS FILMS LIMITED


Kumar S. Taurani
Chairman & Executive Director
DIN: 00555831



Place: Mumbai
Date: June 3, 2022



TIPS FILMS LTD.

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SECTION V- ABOUT US

INDUSTRY OVERVIEW

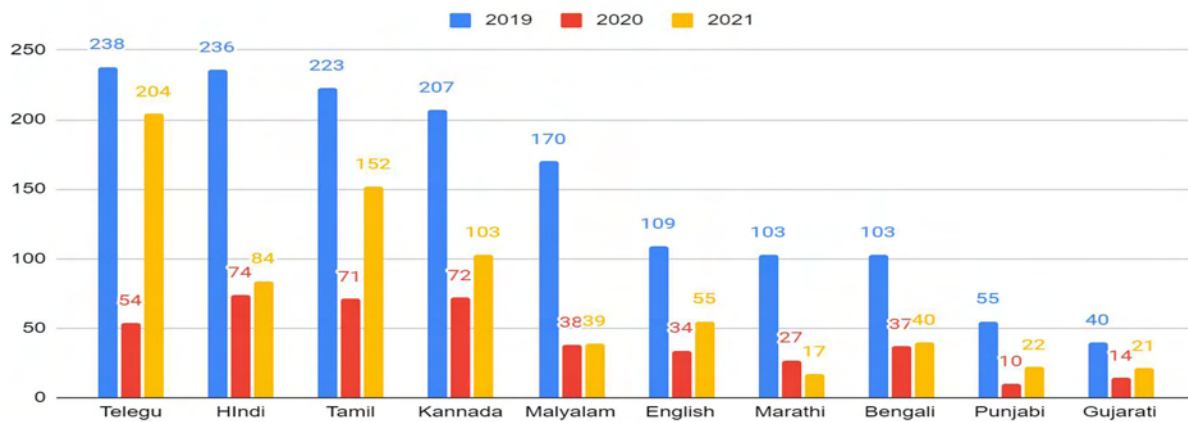
Investment in new original content shows no sign of slowing as we move into 2022. Content is the fuel that drives consumer interest and engagement across platforms – streaming, broadcast, and cable networks.

Content discovery is becoming increasingly difficult for consumers as they bounce between streaming services searching for new series and old hits among the avalanche of available programming. Technology is becoming increasingly critical to all media businesses including film production.

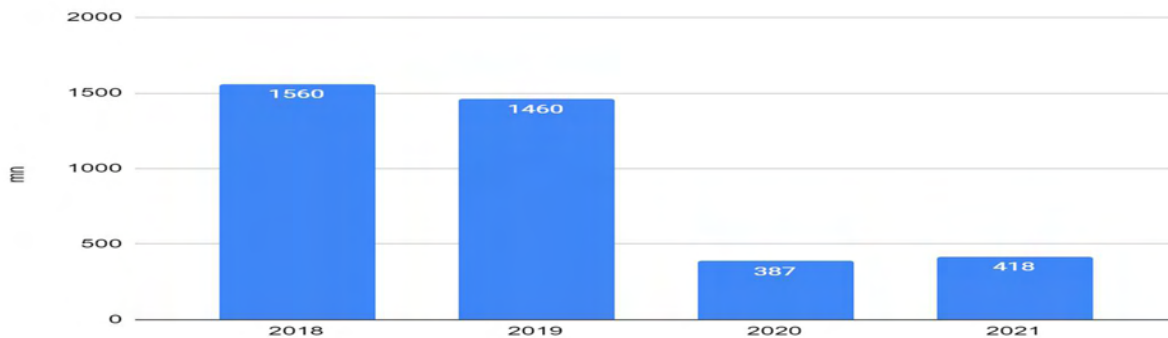
The effects of the pandemic on the movie business have been severe. Cinema owners struggled to remain open as moviegoers stayed away because of virus concerns and limited availability of fresh film product. While the re-emergence of the Omicron COVID-19 variant is adding uncertainty, there are signals pointing to a constructive path forward for the box office in 2022.

In 2021, 13 films grossed over \$100 million according to Box Office Mojo, down from over 30 in 2019. Nonetheless, results in 2021 indicated an enduring audience appetite for “blockbuster” features as reopening across the country gained steam, prompted in part by the distribution of effective vaccines. Looking ahead, a robust slate of long-anticipated big budget movies should help drive the recovery in theatre admissions.

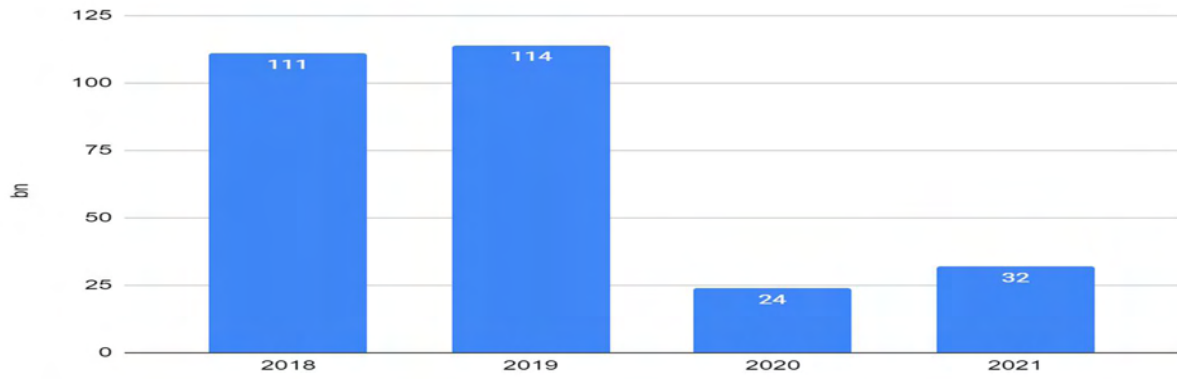
2021 saw 56% more film releases in theatres over the previous year with 878 movies releasing during the year. Among regional language films Odia and Telugu film releases clocked the highest growth of 260% and 254% respectively. Total film releases across all languages grew 71% in 2021 compared to 2020 but remained below 50% of the number of releases in 2019.



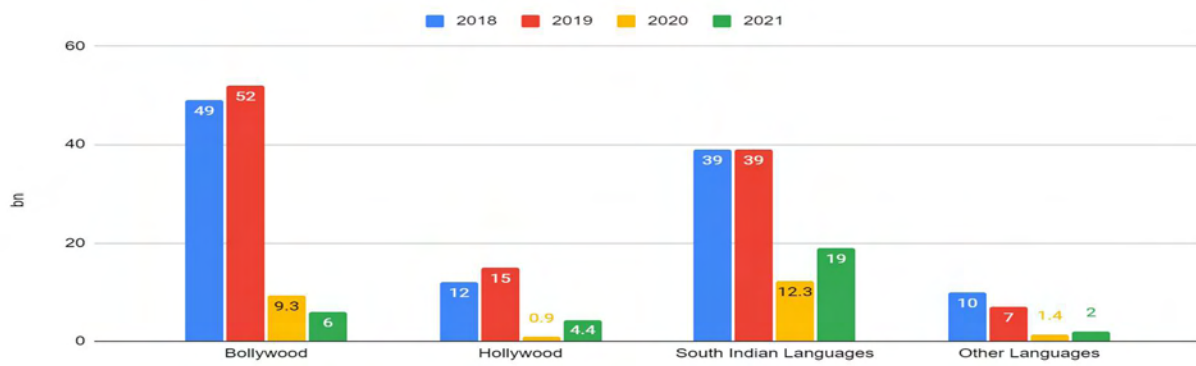
Although footfalls improved over 2020, they remained substantially below previous years



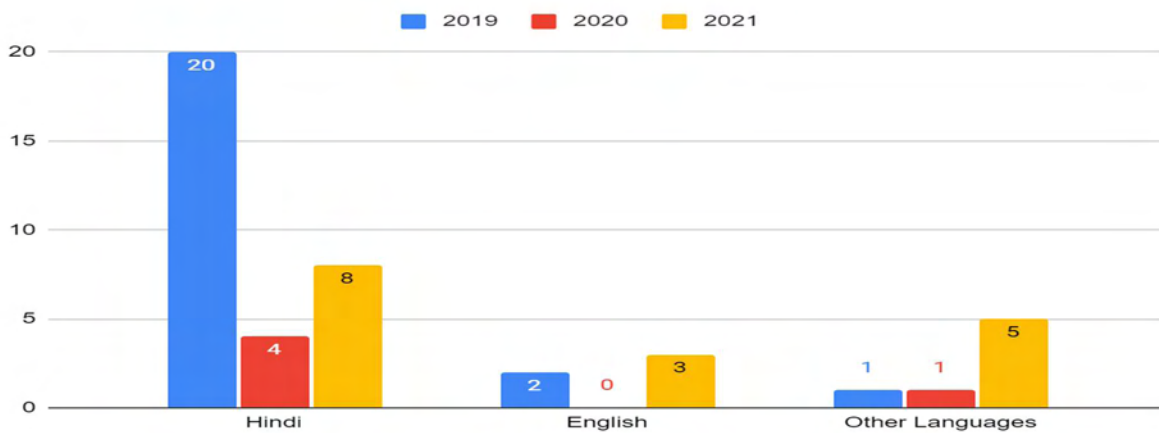
Correspondingly, box office collections were also subdued compared to pre pandemic levels.



In 2021, South Indian Films generated 3x more revenue than Hindi Films.
Language wise break up of Gross Box Office Collections:



Language wise breakup of Films crossing Rs 1 bn in Gross Box Office Collections

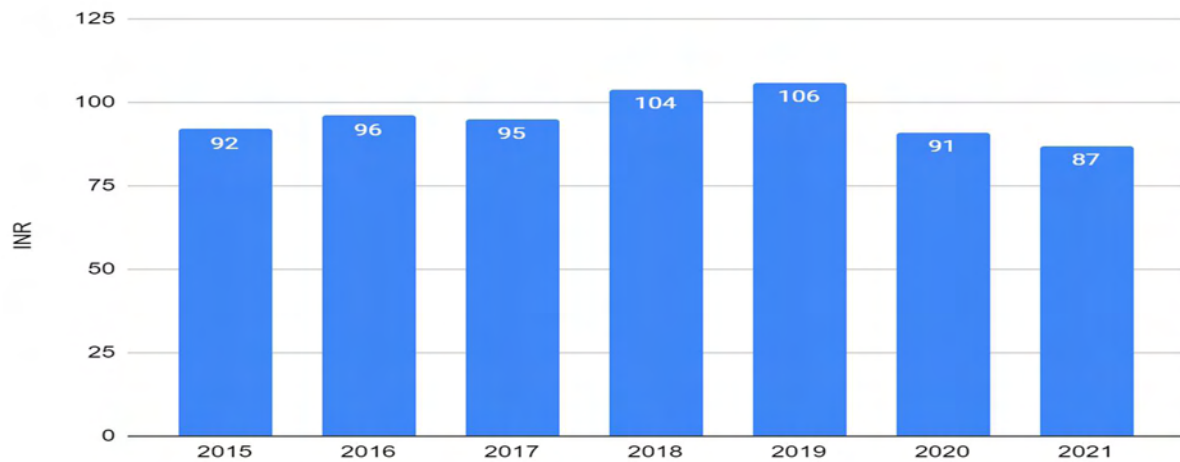


Overseas film releases improved in 2021 but remain much lower than pre pandemic levels.

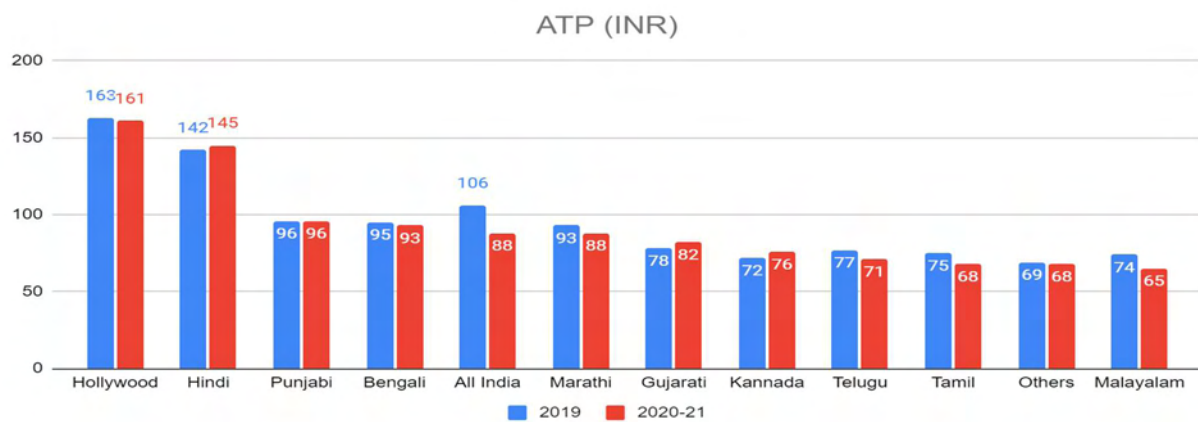
Particulars	2018	2019	2020	2021
No. of Films Released Abroad	332	350	74	151
Gross Box Office Collections including China US\$ mn	491	332	39	77

Average ticket price has fallen during the pandemic years due to higher contribution from South Indian Films which have a lower ATP compared to Hindi and Hollywood films

Average Ticket Price



Language wise ATP trends



Adapting to the challenges posed by Covid-19, the film industry reduced the theatrical window to 45 days and for some mid-size films, a day-and-date release approach that enables consumers to view new movies in the theatre or at home has been adopted. After a difficult series of negotiations between theatres and studios, the movie industry has aligned on an approach that preserves the attributes of the theatrical window while acknowledging the reality of streaming popularity.

The shorter first-run window will allow studios and theatres (and creative talent) to reap the benefits of successful major releases – namely the huge ticket sales that take place on opening weekends and the following several weeks, plus the ability for studios to leverage marketing spend in support of a film’s premiere into future distribution windows, specifically fast-following D2C availability. This new stream of cash flow from OTT platforms has revived film economics completely.

These are early days but excitement is building around NFTs as a vehicle for media companies to expand engagement with their content and IP and may provide a future monetization model as the market matures. Lot of innovation and experimentation is expected in this space.

OUR BUSINESS

Business Overview

Tips Films Limited was incorporated as an Unlisted Public Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated June 5, 2009 bearing Registration Number 193028 issued by the Registrar of Companies, Maharashtra, Mumbai.

Prior to the Scheme of Arrangement and Demerger approved by Hon'ble NCLT, Mumbai Bench, our Company has not commenced any business operations. Pursuant to the Scheme becoming effective, the Film Business Division of Tips Industries Limited has been transferred and vested into our Company from the Appointed Date of the Scheme i.e. April 01, 2021.

Pursuant to the vesting of aforesaid business of Tips Industries Limited in our Company, our Company is now engaging in the business of Production and Distribution of motion pictures.

All films produced under the TIPS banner were produced by Tips Industries Ltd. TFL is in the business of producing feature films and related content. There are 3 Hindi films under production currently and we have experience of producing 33 Hindi films and 5 Punjabi films. TFL will own the copyrights to all these films and will monetize it appropriately in different mediums such as Satellite, OTT etc.

The film library consists of super hits such as Raja Hindustani, Raaz, Race, Ajab Prem ki Ghazab Kahani, Tere Naal Love Ho Gaya, Amber Sariya among others. Our film, Legend of Bhagat Singh has won the National Award for Best Feature Film in Hindi. Periodically we licence rights for these movies which generates licence fees for the Company.

Our aim is to scale up the movie production business and release 4 to 5 films a year. It is expected that a portfolio approach to film production will reduce volatility and enable us to generate a commensurate and sustainable return on capital employed by the Company. The business is well staffed and well capitalized to begin this journey.

The Film Industry places great emphasis on relationships and our long history of over three decades of fair and transparent business practices has enabled us to build a deep network of relationships with artists and craftsmen in the industry. This will prove to be a great asset in our future endeavours.

Our Competitive Strength

Our vision is to emerge as a leading entertainment and media house by establishing a sustainable connection with audiences and successfully exploiting our content library through diversified platforms on a worldwide basis. We are working to bring predictability, scalability and sustainability, to our business model ultimately resulting in profitability.

- **Valuable and expanding content library**

We have experience of producing 33 Hindi films and 5 Punjabi films. TIPS believes that we have a diverse content library which is constantly updated through the addition of new releases. The TIPS library includes Hindi film titles such as Soldier, Ajab Prem ki Ghazab Kahani, Kya Kehna, Raaz, Raja Hindustani, Jab Pyaar Kisi Se Hota Hai, Ishq Vish, Dil Apna Punjabi, Jihne Mera Dil Luteya, Race, Tere Naal Love Ho Gaya, Race-2, Ramaiya Vastavaiya, Phata Poster Nikhla Hero, Entertainment, Love Shhuda, Ambarsariya, Kaptaan and Race-3.

- **Experienced Management Team**

The management of our company is well experienced in the media & entertainment industry as well as within their respective specialized segments. Our Directors, Mr. Kumar Taurani and Mr. Ramesh Taurani possess over 41 years of experience in entertainment industry play the major role in the growth and development of our business. In addition to that our Director, Ms. Jaya Taurani, has more than 6 years of experience in entertainment industry. Our management team includes a team of professionals who have business and industry knowledge and experience, having worked in the entertainment industry for many years. Our management team possesses an in-depth understanding of the media

& entertainment sector, content and content monetization, and is therefore well positioned to focus on the continued expansion and strengthening of our pool of operations. Further, building on the existing team, our Company has inducted several experienced executives on contract to drive the business.

- **Value of the TIPS name**

We believe that the TIPS enjoys a strong reputation in the Indian film industry as a film production company and is widely respected. We use the TIPS banner for our Hindi and other regional language film production and distribution businesses as it is widely known and well established. We believe many Indian film actors, directors, studios, exhibitors and other distributors as well as Indian audiences associate the TIPS name with quality content and a strong distribution network. Through our continued efforts, both with participants and audiences, we seek to continue to benefit from the positive values associated with the TIPS brand name.

- **Established relationship with audiences and Film Fraternity**

As an established entity, in various aspects of the media and entertainment industry in India, we believe that we have managed to create, maintain and build our goodwill within the film fraternity including artists, actors, directors, music composers, singers, recording studios, editors and other technicians. Over the years, audiences have come to rely on us for providing quality entertainment.

- **Established operations**

Our Management and team have all round capability and experience with respect to operations of film productions. Having produced over 35 films inhouse, our staff and management have institutionalized learnings from various projects in the form of various processes and systems. We have a deep understanding of the entire film making process and possess the ability to handle unforeseen risks and incidents.

- **Enhancing revenue predictability through pre-sales and a portfolio of new releases, continuing to build a diversified content portfolio and maintaining a wide release strategy**

The TIPS India Library has over 33 Hindi films and 5 Punjabi films, our strategy is to gradually achieve 4-5 new films release annually. We intend to produce films in multiple languages including Hindi and other regional language films to achieve a mix of high, medium and low budget films, which will allow us to create multiple options for new releases across various distribution platforms.

Our growth strategy

Our vision is to emerge as a leading entertainment and media house engages with various content distribution channels in a dynamically changing media environment, by establishing a sustainable connection with audiences through our content and its successful monetization through diversified platforms on a worldwide basis.

The key elements of our strategy are as follows:

- **Venture in to production of films**

We intend to expand our area of operations in to production of films in other regional languages, which will enhance our position as a production house with continuous innovation in process and better understanding of the viewership trend. In view of the rapidly changing preferences in the entertainment space domestically and internationally, we intend to build up capability of conceptualizing and producing films catering to a wide range of audiences.

- **Strengthening our brand**

We intend to invest in communication and promotional initiatives for our films. This will help us to attract more viewers and aid commercial success of our films. These promotional activities are carried out under the Tips banner and that helps us to further enhance recall of the Tips brand and also helps our content pipeline. popularise.

- **Global markets**

With the vast reach of OTT platforms, it is conceivable that films may be released in many international geographies simultaneously. We believe this avenue of growth is yet untapped and will provide substantial monetization opportunities for content producers like us.

- **Pursue strategic partnerships**

In order to expand, we seek to identify and partner with other film makers as joint venture partners to leverage resources and capabilities and to facilitate our entry into different geographies.

- **Continue to develop relationships**

Film production is a people driven business and relationships always matter. Therefore, we have paid keen attention to the manner in which we conduct our business dealings and over a period of time have gained an impeccable reputation in the industry. We will continue to invest into our relationships with the film fraternity and ensure that we do not face constraints as we scale up our operations.

- **Enhancing monetization of Content through existing and emerging media platforms**

Business should be capable of generating income from a number of sources ensuring that if a source fails, the cash flows will not be affected substantially. The same approach can be used for monetizing video. There is no single “best” approach. Each audience and subject require a slightly different treatment. Selection of the right platform to deploy the content is also important.

SWOT

Strengths

- Cordial relations across entertainment industry
- Strong managerial capability
- In depth knowledge of Industry
- Experienced management team

Weaknesses

- changing preferences of audiences
- Rapid Technological changes
- The Media and Entertainment sector in India is highly fragmented.

Opportunities

- Untapped OTT led monetization avenues.
- New internet led opportunities for content such as metaverse and NFTs.
- The increasing interest of the global investors in the sector due to large swathes of media dark population in the country, which provides opportunities to increase viewership as well as increase ticket pricing
- Technological innovations like animations, multiplexes, etc. and new distribution channels like mobiles and Internet have opened up the doors of new opportunities in the sector.

Threats

- Piracy, violation of intellectual property rights poses a major threat to the Media and Entertainment companies.
- Industry is prone to changes in government policies, any material changes in the duty or may adversely impact
- Intense competition at time of film releases

Human Resources

The Company believes that its people are its most valuable assets. The Company ensures that all its employees enjoy a safe and healthy working environment. The Company has a strong emphasis on values based on integrity, excellence, and passion. We have always had a mutually respectful and appreciative relationship with all our employees.

As on date of May 31, 2022, the number of employees on the payroll of the Company are 15.

Competition

The market for media and entertainment are rapidly growing. We face competition from new entrants as well as existing established domestic and foreign companies in India. Market realities continue to reshape the media and entertainment industry. Our competition depends on several factors: technology platforms are evolving rapidly, new business models are emerging, consumer viewing habits are changing, growing viewer base outside India, but lackluster appeal at international film festivals and new competition is arising from multiple sectors.

Our properties

Our Registered Office is located at 501, Durga Chambers, 5th Floor, Linking Riad, Khar West, Mumbai – 400052.

The details of Properties are as under:

Sr. No.	Description of Property	Owned / Leased
1	501, Durga Chambers, 5 th Floor, Linking Riad, Khar West, Mumbai – 400052	Leased
2	6th floor, Pinnacle house, CTS number F/72 , Junction of P.D. Hinduja Marg, & 15th Road, Khar West, Mumbai 400052	Owned
3	7th floor, Pinnacle house, CTS number F/72 , Junction of P.D. Hinduja Marg, & 15th Road, Khar West, Mumbai 400052	Owned

Government Regulations

We are subject to various central, state and local laws affecting the operation of our business, including the Income Tax Act, 1961, state excise and sales taxes, certification from the Central Board of Film Certification and local municipalities laws. For further details, see “Risk Factors,” and “Government and Other Approvals” sections beginning on pages 11 and 145 respectively of this Information Memorandum, respectively.

Internal Control

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 the reliability of financial reporting, timely feedback on the 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.

Audit Committee of the Board of Directors, comprising of Independent Directors reviews the effectiveness of the internal control system across the Company including annual plan, significant audit findings, adequate of internal control and compliance with accounting policies and regulations.

Insurance

We have taken insurance to cover different risks which we believe is sufficient to cover all material risks to our operations and revenue. Considering the nature of our business, we have obtained customary policies ensuring film production, which includes our props, sets, cast, crew, equipment, wardrobe, negatives and data media used for special effects, animation and graphics in respect of the films. In addition, we also have obtained corporate car insurance and key man insurance policy. For further details in relation to risks associated with insurance policies of our Company, see “Risk Factors” section on pages 11 of this Information Memorandum.

Intellectual Property

Unauthorized use of intellectual property, particularly piracy, is rampant in India. Although we take actions against persons who have illegally pirated our content. We have concluded that the best strategy to deal with the situation is to promote a film to ensure maximum revenues early in its release and seek to shorten the period between the theatrical release of a film and its legitimate availability. This is supported by the trend in the Indian market for a significant percentage of a film’s box office receipts to be generated in the first week after release.

All of the registered trademarks and domain names which are used in our business are owned by TIPS. However, we are yet to receive trademark registration for certain of our trademarks. Furthermore, certain of these registrations, and certain

applications for registrations, are in the name of certain of Tips Industries Limited. The registration of any trademark is a time-consuming process, and there can be no assurance that any such registration will be granted.

Corporate Social Responsibility (CSR)

Our Company has not commenced any business operations since incorporation, thus, we are in process of formulating the CSR policy.

Plant And Machinery

Since we are an entertainment company, we do not own any major plant and machinery.

Capacity and Capacity Utilization

Our Company is engaged in media and entertainment services and hence capacity and capacity utilisation is not applicable to this business.

KEY REGULATIONS AND POLICIES IN INDIA

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company. The information detailed in this section is based on current provisions of Indian laws which are subject to amendments, changes and modifications. The information stated below is based on the information collected from the industry and from the public domain. The list of the laws, rules & regulations stated below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

This chapter has been classified as under:

- A. Core Business Laws
- B. Statutory and other business laws
- C. Labour and employment Laws
- D. Tax Laws
- E. IPR Laws
- F. Foreign investment regulations

A. Core Business Laws:

The Prasar Bharati (Broadcasting Corporation of India) Act, 1990

Pursuant to the enactment of the Prasar Bharati (Broadcasting Corporation of India) Act, 1990, the Prasar Bharati was set up as a statutory autonomous body on November 23, 1997. The Corporation is the public service broadcaster in India and the primary duty of Prasar Bharati is to organize and conduct public broadcasting to inform, educate and entertain the public and to ensure a balanced development of broadcasting on radio and television. Prasar Bharati is also empowered to manage on behalf of the Central Government the broadcasting of external services and monitoring of broadcasts made by organizations outside India. Prasar Bharati has other objectives, some of which include upholding the unity and integrity of the country and the values enshrined in the Constitution of India, safeguarding the citizen's right to be informed freely, truthfully and objectively on all matters of public interest, national or international, and presenting a fair and balanced flow of information including contrasting views without advocating any opinion or ideology of its own, and providing comprehensive broadcast coverage through the choice of appropriate technology and the best utilization of the broadcast frequencies available and ensuring high quality reception and expanding broadcasting facilities by establishing additional channels of transmission.

The Cinematograph Film Rules, 1948, ("Cinematograph Rules")

The Act requires a license to be obtained prior to storing any film, unless specifically exempted. Licenses for storage of films are granted for one year and must be renewed annually. Any person transporting, storing or handling films is required to ensure compliance with requirements pertaining to, inter alia, precautions against fire, storage of loose films, minimum specifications for aisle space, exits and electrical installations in storage rooms etc.

The Cinematograph Rules also specify the procedure for transport of film, and application for, or renewal, transfer, refusal and cancellation of, licenses.

The Cinematograph Act, 1952, ("Cinematograph Act")

Authorizes the Central Government to constitute a Board of Film Certification, (also known as the "Central Board for Film Certification" or "CBFC"), in accordance with the Cinematograph (Certification) Rules, 1983, ("Certification Rules"), for sanctioning films for public exhibition in India. Under the Certification Rules, the producer of a film is required to applying the specified format for certification of such film, with the prescribed fee. The film is examined by an examining committee, which determines whether, the film:

- is suitable for unrestricted public exhibition;
- or is suitable for unrestricted public exhibition, with a caution that the question as to whether any child below the age of 12 years may be allowed to see the film should be considered by the parents or guardian of such child; or

- is suitable for public exhibition restricted to adults; or
- is suitable for public exhibition restricted to members of any profession or any class of persons having regard to the nature, content and theme of the film; or
- is suitable for certification in terms of the above if a specified portion or portions be excised or modified there from; or
- is not suitable for unrestricted or restricted public exhibitions, i.e., that the film be refused a certificate.

A film will not be certified for public exhibition if, in the opinion of the CBFC, the film or any part of it is against the interests of the sovereignty, integrity or security of India, friendly relations with foreign states, public order, decency or morality, or involves defamation or contempt of court or is likely to incite the commission of any offence.

Any applicant, if aggrieved by any order of the CBFC either refusing to grant a certificate or granting a certificate that restricts exhibition to certain persons only, may appeal to the Film Certification Appellate Tribunal constituted by the Central Government under the Cinematograph Act.

A certificate granted or an order refusing to grant a certificate in respect of any film is published in the Official Gazette of India and is valid for 10 years from the date of grant. Films certified for public exhibition may be re - examined by the CBFC if any complaint is received in respect of the same. Pursuant to grant of a certificate, film advertisements must indicate that the film has been certified for public exhibition.

The Central Government may issue directions to licensees of cinemas generally or to any licensee in particular for the purpose of regulating the exhibition of films, so that scientific films, films intended for educational purposes, films dealing with news and current events, documentary films or indigenous films secure an adequate opportunity of being exhibited. The Central Government, acting through local authorities, may order suspension of exhibition of a film, if it is of the opinion that any film being publicly exhibited is likely to cause a breach of peace. Failure to comply with the Cinematograph Act may attract imprisonment and/or monetary fines.

Separately, the Cable Television Networks Rules, 1994, require that no film or film song, promo, trailer, of film music video, album or trailer, whether produced in India or abroad, shall be carried through cable services unless it has been certified by the CBFC as suitable for unrestricted public exhibition in India.

The Cinematograph Film Rules, 1948 (the Cinematograph Rules) require a licence to be obtained prior to storing any film, unless specifically exempted. Licences for storage of films are granted for one year and must be renewed annually. Any person transporting, storing or handling films is required to ensure compliance with requirements pertaining to, inter alia, precautions against fire, storage of loose films, minimum specifications for aisle space, exits and electrical installations in storage rooms etc. The Cinematograph Rules also specify the procedure for transport of film, and application for, or renewal, transfer, refusal and cancellation of, licences.

B. STATUTORY AND COMMERCIAL LAWS THE COMPANIES ACT, 2013:

The Companies Act, 2013, has replaced the Companies Act, 1956 in a phased manner. The Act received the assent of President of India on 29th August 2013. At present almost all the provisions of this law have been made effective except a very few. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

The Companies Act primarily regulates the formation, financing, functioning and restructuring of separate legal entity as companies. The Act provides regulatory and compliance mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law laid down transparency, corporate governance and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

The Companies Act, 1956:

The Companies Act, 1956 dealt with laws relating to companies and certain other associations. It was enacted by the Parliament in 1956. The Act primarily regulated the formation, financing, functioning and winding up of companies. The Act prescribed regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects of companies. Regulation of the financial and management aspects constituted the main focus of the Act. In the functioning of the corporate sector, although freedom of companies was important, protection of the investors and shareholders, on whose funds they flourish, was equally important. The Act played the balancing role between these two competing factors, namely, management autonomy and investor protection.

The Companies Act, 2013:

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs vide its notification dated September 12, 2013 has notified 98 sections of the Companies Act, 2013 and the same are applicable from the date of the aforesaid notification. Further 183 sections have been notified on March 26, 2014 and have become applicable from April 1, 2014. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

The Indian Contract Act, 1872 (Contract Act):

The Contract Act codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

The Consumer Protection Act, 1986 (COPRA):

COPRA aims at providing better protection to the interests of consumers and for that purpose makes provisions for the establishment of authorities for the settlement of consumer disputes. The COPRA provides a mechanism for the consumer to file a complaint against a trader or service provider in cases of unfair trade practices, restrictive trade practices, defects in goods, deficiency in services; price charged being unlawful and goods being hazardous to life and safety when used. The COPRA provides for a three tier consumer grievance redressal mechanism at the national, state and district levels.

The Public Liability Insurance Act, 1991(PLI Act):

The PLI Act provides for public liability insurance for the purpose of providing immediate relief to persons affected by accident occurring while handling any hazardous substance and for matters connected therewith or incidental thereto. Every owner (in the case of a company, any of its directors, managers, secretaries or other officers who is directly in charge of, and is responsible to the company for the conduct of the business of the company) is obligated to take out, before he starts handling any hazardous substance, one or more insurance policies providing for contracts of insurance thereby he is insured against liability to give relief under the PLI Act. The said insurance policy shall be for a minimum amount of the paid-up capital of the Company and not exceeding fifty crore rupees.

The Negotiable Instruments Act, 1881(NI Act):

In India, the laws governing monetary instruments such as cheques are contained in the NI Act, which is largely a codification of the English Law on the subject. To ensure prompt remedy against defaulters and to ensure credibility of the holders of the negotiable instrument a criminal remedy of penalty was inserted in Negotiable Instruments Act, 1881 in form of the Banking, Public Financial Institutions and Negotiable Instruments Laws (Amendment), 1988 which were further modified by the Negotiable Instruments (Amendment and Miscellaneous Provisions) Act, 2002. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid

C. LAWS RELATING TO LABOUR AND EMPLOYMENT

Depending on the nature of work and number of workers employed at any workplace, various labour related legislations may apply. Certain significant provisions of such labour related laws are provided below.

Employees State Insurance Act, 1948, as amended (the “ESIC Act”)

All the establishments to which the Employees State Insurance (ESI) Act applies are required to be registered under the Act with the Employees State Insurance Corporation. The Act applies to those establishments where 20 or more persons are employed. The Act requires all the employees of the factories and establishments to which the Act applies to be insured in the manner provided under the Act. Further, employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the ESI department.

The Payment of Gratuity Act, 1972

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions. Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service.

Employees Provident Fund and Miscellaneous Provisions Act, 1952 (“Act”)

The Employees (Provident Fund and Miscellaneous Provisions) Act, 1952, applies to factories employing more than 20 employees and such other establishments and industrial undertakings as notified by the Government from time to time. It requires all such establishments to be registered with the relevant State Provident Fund Commissioner. Also, such employers are required to contribute to the employees’ provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance payable to employees. Employees are also required to make equal contribution to the fund. A monthly return is required to be submitted to the relevant State Provident Fund Commissioner in addition to the maintenance of registers by employers.

Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 (“PoB”) Act provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due.

The Equal Remuneration Act, 1976 (“Equal Remuneration Act”) and Equal Remuneration Rules, 1976

The Constitution of India provides for equal pay for equal work for both men and women. To give effect to this provision, the Equal Remuneration Act, 1976 was implemented. The Act provides for payment of equal wages for equal work of equal nature to male or female workers and for not making discrimination against female employees in the matters of transfers, training and promotion etc.

The Maternity Benefit Act, 1961 (“Maternity Act”)

The Maternity Benefit Act, 1961 was enacted by Parliament in the Twelfth Year of the Republic of India to regulate the employment of women in certain establishments for certain periods before and after child-birth and to provide for maternity benefit and certain other benefits

Shops & Commercial Establishments Act of the respective States in which the Company has an established place of business/ office (“Shops Act”)

The Shops Act provides for the regulation of conditions of work in shops, commercial establishments, restaurants, theatres and other establishments. The Act is enforced by the Chief Inspector of Shops (CIS) and various inspectors under the supervision and control of Deputy/Assistant Labour Commissioners of the concerned District, who in turn functions under the supervision of Labour Commissioner. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWW Act”) provides for the protection of women at work place and prevention of sexual harassment at work place. The Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behaviour namely, physical contact and advances or a demand or request for sexual favours or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to Rs. 50,000/- (Rupees Fifty Thousand Only).

Child Labor (Prohibition and Regulation) Act, 1986:

This statute prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Under this Act the employment of child labour in the building and construction industry is prohibited.

D. TAX LAWS**The Income Tax Act, 1961**

The Income Tax Act, 1961 deals with the taxation of individuals, corporate, partnership firms and others. As per the provisions of this Act the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Act. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act. Filing of returns of Income is compulsory for all assesses. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act.

The Goods and Services Tax Act, 2017

Goods and Services Tax (GST) is considered to be the biggest tax reform in India since independence. It will help realise the goal of “One Nation-One Tax-One Market.” GST is expected to benefit all the stakeholders – industry, government and consumer.

Goods and Services Tax (GST) is an indirect tax throughout India and was introduced as The Constitution (One Hundred and Twenty Second Amendment) Act 2017, following the passage of Constitution 122nd Amendment Bill. The GST is governed by GST Council and its Chairman is Union Finance Minister of India – Arun Jaitley. This Act has been made applicable with effect from 1st July 2017. With the introduction of GST all central, state level taxes and levies on all goods and services have been subsumed within an integrated tax having two components – central GST and a state GST. Thus there will be a comprehensive and continuous mechanism of tax credits.

The Central government passed four sets of GST Acts in the Budget session this year. These were Central GST Act, 2017; Integrated GST Act, 2017; Union Territory GST Act, 2017 and GST (Compensation to States) Act, 2017. The Acts were approved by the Parliament after they were introduced as the part of the Money Bill. Following the passage of GST Acts, the GST council has decided 4 tax rate slabs viz., 5%, 12%, 18% and 28% on supply of various goods and services.

India has adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single State will be levied with Central GST (CGST) by the Central Government and State GST (SGST) by the government of that State. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax; therefore, taxes are paid to the State where the goods or services are consumed and not the State in which they were produced.

Professional Tax

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

E. INTELLECTUAL PROPERTY LAWS

Trademarks Act, 1999 (“Trademarks Act”)

Under the Trademarks Act, a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A ‘mark’ may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trade mark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The trademark, once applied for and which is accepted by the Registrar of Trademarks (“the Registrar”), is to be advertised in the trademarks journal by the Registrar. Oppositions, if any, are invited and, after satisfactory adjudications of the same, a certificate of registration is issued by the Registrar. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewal fee.

Indian Copyright Act, 1957 (Copyright Act):

The Copyright Act governs copyright protection in India. Under the Copyright Act, copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. Following the issuance of the International Copyright Order, 1999, subject to certain exceptions, the provisions of the Copyright Act apply to nationals of all member states of the World Trade Organization.

While copyright registration is not a prerequisite for acquiring or enforcing a copyright, registration creates a presumption favoring ownership of the copyright by the registered owner. Copyright registration may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Once registered, the copyright protection of a work lasts for 60 years.

The remedies available in the event of infringement of a copyright under the Copyright Act include civil proceedings for damages, account of profits, injunction and the delivery of the infringing copies to the copyright owner.

The Designs Act, 2000 (Designs Act):

The objective of Designs Act is to promote and protect the design element of industrial production. It is also intended to promote innovative activity in the field of industries. The Controller General of Patents, Designs and Trade Marks appointed under the Trademarks Act shall be the Controller of Designs for the purposes of the Designs Act. When a design is registered, the proprietor of the design has copyright the design during ten years from the date of registration.

F. FOREIGN INVESTMENT REGULATIONS

Foreign investment in India is governed primarily by the provisions of the Foreign Exchange Management Act, 1999 and the rules, regulations and notifications thereunder, as issued by the Reserve Bank of India from time to time, and the policy

prescribed by the Department of Industrial Policy and Promotion, which provides for whether or not approval of the FIPB is required for activities to be carried out by foreigners in India. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, (“FEMA Regulations”), to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. As laid down by the FEMA Regulations, no prior consents and approvals is required from the RBI, for foreign direct investment, (“FDI”), under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as public limited company under the Companies Act, 1956 in Maharashtra, India. pursuant to a certificate of incorporation dated June 05, 2009 issued by Registrar of Companies Mumbai, Maharashtra. The Corporate Identification Number (CIN) of the Company is U74940MH2009PTC193028.

Registered office of our Company

The registered office of our Company is situated at 501, Durga Chambers, 5th Floor, Linking Road, Khar (West), Mumbai-400052 MH IN.

Our Main Objects

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

1. “To carry on the business as manufacturers, sellers, distributors, dealers, buyers, importers, exporters of audio and video cassettes, records, compact disc, laser disc, electro magnetic devices in any formats, televisions, radios, amplifiers, tape recorders, video recorders, digital electronics and equipments for sound, ultrasonic microwave laser and other control systems, sound/video transferring and processing, video graphics, video vision.
2. To carry in all parts of the world the business to produce, promote, project, participate, manufacture, manipulate, treat, process, prepare, alter, develop, expose, edit, exhibit, make, remove, display, print, reprint, convert, duplicate, finish, buy, sell, run, import, export and to act as broker, agent, distribution, proprietor, copyright owner, video right owners, audio right owners, theatre owners, dubbing right owners, lab owner, etc., of all kinds of cine films, video films, telefilms, documentary films, advertising films, TV serial, slides in all languages prevailing in the world and to do all such other acts and things as are necessary and incidental to the business of film industry in general.
3. To act as distribution, exhibitors and exploiters at any place in India or aboard of all types of India/Foreign motion pictures, features, documentaries, ad-film, educational films, cultural and historical films, films of places of tourist interest, films on science and technology and the like on video format/TV/in theaters.
4. To carry on business of proprietors, agents, managers, lessees, hirers, licensees, partners of studios, theaters , place of amusements or entertainment, music halls, cinemas, pictures place and concert halls and of hiring out studios for the purpose of shooting or dubbing or editing of films in all formats including video format and to give all other facilities apparent thereto and for these purposes construct and/or acquire studios, theaters, sound and recording equipments and all other machinery required for the purpose of attaining the above object.”

Changes in the activities of our Company:

There have been no changes in the activities of our Company since incorporation, which may have a material adverse effect on our profits or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

Amendments to our Memorandum of Association in last 10 years

Sr. No.	Date of approval by shareholders	Clause Amended	Nature of amendment
01	March 2, 2022	Va - Capital Clause	Increase in Authorised Share Capital as per the Scheme

Major events and milestone of our Company:

Fiscal Year	Events and Milestone
2009	Incorporation of the company The Company has not commenced any business since its incorporation.

2022	NCLT approved Scheme under the provisions of section 230 to 232 and other applicable provisions of the Companies Act, 2013 between Tips Industries Limited and Tips Films Limited and their respective shareholders, sanctioned by the NCLT on March 03, 2022 (the certified true copy of the order was received on March 17, 2022). Pursuant to the Scheme, Film Division business of Tips Industries Limited has been vested into the Company
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Shareholder’s agreements

As on date of this Information Memorandum, there are no subsisting shareholders’ agreement in relation to our Company.

Common pursuit of our Subsidiaries

Our Company does not have any subsidiary/ associate company.

Material Agreements

There are no material agreements entered into by our Company, other than in the ordinary course of business of the Company that are subsisting on the date of this Information Memorandum.

Further, there is no agreement entered into by a Key Managerial Personnel or Director or Promoter or any employee of our Company, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings in the securities of our Company.

Holding Company

Our Company does not have a holding company.

Subsidiary Companies

Our Company does not have a Subsidiary company.

Financial Partners

As on the date of the Information Memorandum, we do not have any financial partners.

Joint Venture

As on date of the Information Memorandum, we do not have any Joint Ventures.

Other Confirmations

In the ordinary course of the business carried on or intended to be carried on by our Company, we have not entered into any other agreement / contract as on the date of this Information Memorandum.

As on the date of the Information Memorandum, other than pursuant to the Scheme, there has been no acquisition of business, undertakings, mergers, amalgamations or revaluation of assets.

SCHEME OF ARRANGEMENT AND DEMERGER

Following are the salient features of the Scheme of Arrangement and Demerger between Tips Industries Limited (TIL/ Demerged Company) and Tips Films Limited (TFL/ Resulting Company) and their respective shareholders.

OVERVIEW, OBJECTS AND BENEFITS OF THE SCHEME

The salient features of the said Scheme are set forth hereunder:

Sr. No.	Particulars	Details
1	“Demerged Company” or “Transferor Company”	Tips Industries Limited
2	“Resulting Company”	Tips Films Limited
3	Appointed Date	April 1, 2021
4	Rationale for the Scheme	See the chapter titled <i>“Objects and Rationale of the Scheme”</i> on page 60
5	Feature of the Scheme	Demerger of Film Division (as defined in the scheme) from erstwhile Tips Industries Ltd. to our Company.
6	Date of Approval of Scheme by NCLT	March 03, 2022
7	Effective Date	March 23, 2022
8	Record Date	May 21, 2022
9	Exchange Ratio	1 Equity Shares of our Company for every 3 Equity Shares held by shareholders in erstwhile Tips Industries Limited.
10	No. of Shares Issued in terms of Scheme by our Company	43,22,886 Equity Shares

- A. Tips Industries Limited (hereinafter referred to as the **“Demerged Company”**, or **“TIL”**, as the context may admit) is a listed public limited company incorporated on May 8, 1996 under the Companies Act, 1956 with CIN L92120MH1996PLC099359 having its registered office at 601, Durga Chambers, 6th Floor, 278/E, Linking Road, Khar (West), Mumbai - 400052 MH IN. The equity shares of Demerged Company are listed on BSE and NSE, The company is engaged in the business of Production and Distribution of motion pictures (**“Film Division”**) and acquisition and exploitation of Music Rights (**“Music Division”**). Classifying it on the basis of content, it consists of two main sectors- film and non-film music. The Company earns revenue from royalties on songs that are played on radio, mobiles, internet, etc.
- B. Tips Films Limited, (hereinafter referred to as the **“The Resulting Company”** or **“TFL”**, as the context may admit) is an unlisted public limited company incorporated on June 5, 2009 under the Companies Act, 1956 with CIN U74940MH2009PTC193028 and having its registered office at 501, Durga Chambers, 5th Floor, Linking Road, Khar (West), Mumbai- 400052 MH IN and has not yet commenced any significant business operations but will house Film Division of the Demerged Company.
- C. This Scheme of Arrangement (hereinafter referred to as the **“Scheme”**) provides for a) the transfer by way of demerger of the Demerged Undertaking (as defined hereinafter) of the Demerged Company to the Resulting Company, and the

consequent issue of equity shares by the Resulting Company to the shareholders of the Demerged Company pursuant to Section 230 to 232 and other relevant provisions of the Act (as defined hereinafter) in the manner provided for in the Scheme and in compliance with Section 2(19AA) of IT Act, and reduction and cancellation of equity shares of TFL held by existing shareholders of TFL (without payment of consideration), in terms of Section 66 of the 2013 Act b) various other matters consequential or otherwise integrally connected therewith.

After the effectiveness of this Scheme, the Share Capital of TFL consisting of the fully paid-up New Equity Shares of TFL issued as consideration in terms of Section B of this Scheme to the shareholders of TIL shall be listed on the Stock Exchanges in accordance with the provisions of SEBI Circular No. CFD/DIL3/CIR/2017/21, dated March 10, 2017, as amended from time to time. Further, as an integral part of the Scheme, existing Equity Shares of TFL (presently held by promoters and promoter group) shall stand cancelled and reduced (without payment of consideration) without any further act and deed, and hence this Scheme contemplates approval of the Tribunal(s) in terms of Section 66 of the 2013 Act, in addition to Sections 230-232 of the 2013 Act.

D. RATIONALE AND BENEFITS OF THIS SCHEME

TIL primarily operates in two business segments through separate business divisions: (i) Music Division and (ii) Film Division. This Scheme for the demerger and vesting of the Demerged Undertaking (as defined hereinafter) of TIL to TFL, results in the following benefits:

1. The Demerged Undertaking and the Remaining Business have both achieved scale and experience to sustain business on the basis of their own strengths. Additionally, both businesses deal with different sets of industry dynamics in the form of nature of risks, competition, challenges, opportunities and business methods. Hence, segregation of the two undertakings would enable focused managements to explore the potential business opportunities more effectively and efficiently;
2. Demerger will enable both TIL & TFL to enhance business operations by streamlining operations, cutting costs, more efficient management control and outlining independent growth strategies.
3. Each undertaking will be able to target and attract new investors with specific knowledge, expertise and risk appetite corresponding to their own businesses. Thus, each undertaking will have its own set of likeminded investors, thereby providing the necessary funding impetus to the long-term growth strategies of each business;
4. Demerger will enhance efficiencies and will have different business interest into separate corporate entity, resulting in operational synergies, simplification, focused management, streamlining and optimization of the group structure and efficient administration.
5. Pursuant to the Scheme, the equity shares issued by the Resulting Company would be listed on BSE and NSE and will unlock the value of the Music Division and Film Division for the shareholders of the Demerged Company. Further the existing shareholders of the Demerged Company would hold the shares of two listed entities after the Scheme becoming effective; giving them flexibility in managing their investments in the two businesses having differential dynamics.
6. The demerger will unlock value of both businesses and result in shareholder value maximisation.

- E. The Restructuring as embodied in this Scheme is intended to provide greater business focus both in the Demerged Company and Resulting Company. The provisions of this Scheme have been drawn up to comply with the conditions relating to “Demerger” as defined under section 2(19AA) of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income Tax Act, 1961. Such modifications will however not affect the other parts of the Scheme such that:

- (a) All the assets and properties of the Demerged Undertaking (as defined hereinafter) being transferred/hived off by the Demerged Company immediately before the demerger become the properties of the Resulting Company by virtue of the demerger;
- (b) All the liabilities relating to the Demerged Undertaking being transferred by the Demerged Company immediately before the demerger become the liabilities of the Resulting Company by virtue of the demerger;
- (c) The properties and the liabilities, if any, relating to the Demerged Undertaking being transferred by Demerged Company are transferred to the Resulting Company at the values appearing in the books of accounts of the Demerged Company immediately before the demerger;
- (d) Film Assets (as defined hereinafter) related to Demerged Undertaking whether appearing in books of accounts or not, are transferred to the Resulting Company by virtue of the demerger;
- (e) All shareholders of the Demerged Company shall become the shareholders of the Resulting Company by virtue of the demerger; and
- (f) The transfer of the Demerged Undertaking will be on a going concern basis.
- (g) the shareholders holding not less than three-fourths in value of the shares in the demerged company (other than shares already held therein immediately before the demerger, or by a nominee for, the resulting company or its subsidiary) become shareholders of the resulting company by virtue of the demerger,

The Board of Directors of the Demerged Company and the Resulting Company believe that the Scheme is in the best interests of the respective entities and their respective stakeholders including its minority shareholders, employees, and creditors.

13. ISSUE OF SHARES

13.1.1 Upon the coming into effect of this Scheme and in consideration of the demerger of the Demerged Undertaking in the Resulting Company pursuant to this Scheme, the Resulting Company shall, without any further act or deed and without any further payment, issue and allot equity shares (hereinafter also referred to as the “**New Equity Shares**”) at par on a proportionate basis to each member of TIL, whose name is recorded in the register of members of TIL as holding shares on the Record Date, in the ratio of 1 (one) equity shares of Rs 10 each fully paid up of TFL for every 3 (three) equity share of Rs 10 each fully paid up held in TIL.

13.2 Cancellation of shares of the Resulting Company:

Simultaneous with the issuance and allotment of the equity shares by the Resulting Company in accordance with the Clause 13.1 above, the initial issued and paid up equity share capital of the Resulting Company, comprising of 50,000 equity shares of Rs. 10/- each, aggregating to Rs. 5,00,000/- shall be cancelled.

NOTE: THE FEATURES SET OUT ABOVE BEING ONLY THE SALIENT FEATURES OF THE SCHEME. THE SHAREHOLDERS ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME TO GET FULLY ACQUAINTED WITH THE PROVISIONS THEREOF AND THE RATIONALE OF THE SCHEME.

Approvals with respect to the Scheme

The Hon'ble NCLT, Mumbai vide its Order dated March 03, 2022 has sanctioned the Scheme.. In accordance with the said Scheme, the equity shares of our Company shall be listed and admitted to trading on the BSE and NSE subject to applicable regulations. Such listing and admission for trading will be subject to other terms and conditions as may be prescribed by the Stock Exchanges at the time of application by our Company seeking listing. Our Company has filed the NCLT approval with Registrar of Companies, Mumbai on March 23, 2022. Thus, the Effective date is March 23, 2022.

OUR MANAGEMENT

Subject to the provisions of the Companies Act, 2013 and our Articles of Association, the number of Directors on our Board shall not be less than three and not more than fifteen, provided that our Company may appoint more than fifteen Directors after passing a special resolution.

As on the date of this Information Memorandum, our Board comprises of six (6) Directors, out of which three (3) are independent Directors, including one (2) woman Director. The composition of the Board of Directors is in compliance with the Companies Act, 2013 and the SEBI Listing Regulations.

Board of Directors

The following table sets forth details of our Board as of the date of filing of this Information Memorandum with the Stock Exchanges:

Name, Designation, DIN, Occupation, Term and period of directorship	Date of Birth and Age (years)	Address	Directorship in other Companies
Mr. Kumar Taurani Designation: Chairman & Executive Director DIN: 00555831 Occupation: Business Term and period of directorship: Three Years w.e.f. May 2, 2022	05/07/1958 64 Years	901-1001, Vivendi Bldg, C.T.S. NO.-576, Sarojini Road, Santacruz (West), Mumbai 400052	<ul style="list-style-type: none"> • Tips Industries Limited
Mr. Ramesh Taurani Designation: Managing Director DIN: 00010130 Occupation: Business Term and period of directorship: Three Years w.e.f. May 2, 2022	17/01/1960 62 Years	12th and 13th Floor, XVI Avenue, 16th Road, Opp. Anand Ashram, Khar (West), Mumbai - 400052	<ul style="list-style-type: none"> • Tips Industries Limited
Ms. Jaya Taurani Designation: Executive Director DIN: 08209186 Occupation: Business Term and period of directorship: Three Years w.e.f. May 2, 2022	21/10/1985 36 Years	12th and 13th Floor, XVI Avenue, 16th Road, Opp. Anand Ashram, Khar (West), Mumbai 400052	NIL
Ms. Radhika Dudhat Designation: Additional Director (Non-Executive Independent) DIN: 00016712 Occupation: Lawyer Term and period of directorship: Five Years w.e.f. May 2, 2022	29/06/ 1970 52 Years	72, Buena Vista, J. Bhosle Marg, Nariman Point, Mumbai - 400021	<ul style="list-style-type: none"> • Jain Irrigation Systems Limited • Parag Milk Foods Limited • Jagsonpal Pharmaceuticals Limited
Mr. Venkitaraman Iyer Designation: Additional Director (Non-Executive Independent) DIN: 00730501	08/09/1960 61 Years	902, Vishnu Tower, Bhakti Dham Complex, P. K. Road, Mulund (West) Mumbai 400080	NIL

Occupation: Practicing chartered Accountant Term and period of directorship: Five Years w.e.f. May 2, 2022			
Mr. Vinode Thomas Designation: Additional Director (Non-Executive Independent) DIN: 01893613 Occupation: Business Term and period of directorship: Five Years w.e.f. June 1, 2022	30/05/1970 52 Years	1906 - C, Oberoi Splendor, JVRL, Opp. Majas Bus Dept. Jogeshwari East, Mumbai - 400060	<ul style="list-style-type: none"> • Hem Infrastructure and Property Developers Private Limited • Premier Chennai Properties Limited • Nadan Developers Private Limited

Brief Profile of the Directors

Kumar Taurani:

Mr. Kumar S. Taurani is the Promoter, Chairman and Executive Director of the Company. Kumar Taurani's sharp business acumen and his passion for movies from an early age led him to diversify from his family's electronics business into music distribution, production and eventually into film production. Mr. Taurani transformed film production and made Tips Industries the leading movie production house of the 90's. Alongside delivering a long list of veritable superhit films under the Tips banner, he has also built one of India's most vibrant and sought after music catalogues. His music curation and distribution excellence have made Tips a household name in India and even in neighbouring countries where Hindi Films and Music are consumed.

His vision and business acumen have also served the music industry. As part of industry bodies and societies he has been instrumental in crafting various agreements between music labels, artistes and consumers which enabled implementation of the various provisions of The Copyright (Amendment) Act 2012 by all industry participants. His deep understanding of the Media and Entertainment Industry and his openness to change have enabled Tips to successfully navigate the various shifts in consumer preferences and technological disruptions that have buffeted the industry over the past two decades.

Under his able leadership, the Company has achieved new milestones, created more jobs and contributed to society, thereby creating significant value for all its stakeholders.

Ramesh Taurani:

Mr. Ramesh S. Taurani holds a Bachelor's degree in commerce and is a Promoter and Managing Director of the Company. His passion for films from an early age has honed his understanding of the film and music business. Over the years he has developed a sharp skill for music curation and film visualisation. As Tips Industries branched out into film and music production, he has shouldered the responsibility for creative aspects of the business. He is widely credited for delivering several blockbuster films and bringing together several leading artistes for film projects, a difficult task for anybody in the industry. His deep network in the film fraternity is a source of strength for the Company.

His experience spanning 40 years in the Media & Entertainment Industry has helped him to develop key insights into the creative process and the craft of film making. He keeps a pulse of the ever changing demands of the audience guides the Company to keep up with the latest trends. Over the years, Mr. Ramesh Taurani's contribution to the creation of the Company's film and music libraries has been immense.

Ms. Jaya Taurani

Ms. Jaya Taurani holds a bachelor's degree in law from the UK. She has joined the Company as Director on August, 2018. She has developed a deep understanding of the dynamics of film production. She has applied considerable effort to streamline the shooting schedules and to ensure completion within budget while meeting timelines. She is also developing relationships with artistes and craftsmen involved in the film industry with a view to scale up production activities. She is also deeply involved

in shortlisting scripts for finalisation and has a knack for visualising story lines that appeal to the audience. Her contributions are vital to the growth of the Company.

Ms. Radhika Dudhat

Ms. Radhika Dudhat is graduate from the University of Bombay Faculty of life Sciences, a law graduate from University of Bombay and a Post graduate from the University of Cambridge and the University of Harvard.

She has worked with Mulla & Mulla, Cragie, Blunt & Caroe, Advocates and Solicitors, Mumbai, Arthur Anderson & Co, Mumbai and as a Partner in Udwardia & Udeshi, Solicitors & Advocates, Mumbai. Currently, she is a Partner with Shardul Amarchand Mangaldas & Co.

She has worked on a wide range of transactional, regulatory and legal risk management advisory including project finance for infrastructure projects and development, intellectual property rights related issues and transactions relating to entertainment, information technology and pharmaceutical industry, property laws and real estate transactions, alternate dispute mechanism strategy, legal risk management and contractual documentation. Focus of her work over the years has been to structure transactions, provide strategy, documentation and negotiation in respect to complex and sensitive transaction and/or situations across industry verticals including real estate, infrastructure, insolvency and bankruptcy.

She was a part of the core group committee established by the Government of Maharashtra to make recommendations to the State Government on legal issues relating to privatization. She is a Director on the boards of listed companies and is a member on the boards of industry forums.

She has been appointed as the Chairperson of the Corporate Law and Governance Sub-Committee of the IMC Chamber of Commerce & Industry.

She has been enlisted in Legal Power list 2020 amongst top individual lawyers by Forbes India.

Mr. Venkitaraman Iyer

Mr. Venkitaraman S. Iyer holds Master Degree in Commerce and is a Practicing 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 and Tips Industries Ltd.

Mr. Vinode Thomas

Mr. Vinode Thomas has been a private equity investor since 2006, specializing in real estate. Currently, he is the Executive Director at Lapis India Capital, a leading private equity fund manager. Prior to this role, he was the Managing Partner at IIML, a subsidiary of Infrastructure Leasing & Financial Services Limited (IL&FS), and one of the oldest and largest private equity fund managers in India.

From 1993 to 2006, as an officer of the Indian Police Service, he held various positions with the Government of Kerala, including as the Commissioner of Police, Kochi City.

Mr. Thomas graduated with a Bachelor of Technology in Civil Engineering from the Indian Institute of Technology, Madras. Post that, he pursued his Master of Business Administration in Finance from A.B. Freeman School of Business, Tulane University, USA.

Relationship between Directors

Mr. Kumar Taurani and Mr. Ramesh Taurani are related to each other as brother and Ms. Jaya Taurani is the daughter of Mr. Ramesh Taurani. None of other directors are related to each other.

Details of directorship in companies suspended or delisted

None of our Directors is or was a director of any listed company, whose shares are or were suspended from being traded on any of the stock exchanges during the last five years prior to the date of this Information Memorandum, during the term of her/his directorship in such company.

None of our Directors is, or was, a director of any listed company, which has been or was delisted in the last five years from any stock exchange, during the term of her/his directorship in such company.

Arrangement or understanding with major shareholders, customers, suppliers or others

None of our Directors or member of senior management have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

Service contracts with Directors

There are no service contracts entered into between any of our Directors and our Company for provision of any benefits upon termination of directorship.

Details of remuneration for our Directors

The Board of Directors of the Company in their meeting held on May 2, 2022, has approved the the following remuneration to be paid by our Company to Mr. Ramesh Taurani and Ms. Jaya Taurani subject to the approval of the Shareholders of the Company.

- **Mr. Kumar Taurani – Chairman & Executive Director**

Mr. Kumar Taurani will not be drawing any remuneration from the Company.

- **Mr. Ramesh S. Taurani – Managing Director**

(A) Salary:

Minimum of Rs.14 lakh per month i.e. Rs.168 lakh per annum as per Schedule V of the Companies Act, 2013.

(B) Perquisites:

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

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

He shall not be paid any sitting fees for attending the Meetings of the Board of Directors or Committees thereof.

Minimum Remuneration:

In any financial year during the currency of the tenure of Mr. Ramesh Taurani as Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified above as minimum remuneration, subject to the provisions prescribed under Section 197 read with Schedule V to the Companies Act, 2013 and rules framed thereunder and any other applicable provisions of the Act or any statutory modification(s) or re-enactment thereof.

- **Ms. Jaya Taurani – Executive Director**

(A) Salary:

Remuneration up to Rs.5 lakh per month i.e 60 lakh per annum as per Schedule V of the Companies Act, 2013.

(B) Perquisites:

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

In addition to the above, Ms. Jaya Taurani shall be provided with a car and reimbursement of its petrol and Mobile Phone expenses.

She shall not be paid any sitting fees for attending the Meetings of the Board of Directors or Committees thereof.

Minimum Remuneration:

In any financial year during the currency of the tenure of Ms. Jaya Taurani as Executive Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified above as minimum remuneration, subject to the provisions prescribed under Section 197 read with Schedule V to the Companies Act, 2013 and rules framed thereunder and any other applicable provisions of the Act or any statutory modification(s) or re-enactment thereof.

Payment of sitting fees to Independent Director

Pursuant to the resolution of our Board dated May 2, 2022, each of our Independent Directors are entitled to receive a sitting fee of Rs.1 lakh for Board Meeting(s) along with Committee Meeting(s) attended on the same day and Rs.25,000/- (Rupees Twenty-Five Thousand only) for Committee Meeting attended, separately, by Independent Directors, within the limits prescribed under the Companies Act, 2013, and the rules made thereunder.

Since Independent Director were appointed after March 31, 2022, our Independent Directors were not paid any sitting fees during Financial Year 2021-22.

Bonus or profit sharing plan for our Directors

None of our Directors are party to any bonus or profit sharing plan of our Company.

Payment or benefit to Directors of our Company

No amount or benefit has been paid or given since the date of incorporation of the Company to any of our Directors.

Shareholding of our Directors in our Company

Our articles do not require our Directors to hold any qualification shares.

Except as disclosed in the section titled "Capital Structure" on page 23, none of our Directors hold any Equity Shares in our Company.

Borrowing Powers of the Board

In accordance with our Articles of Association and subject to the provisions of the Companies Act, 2013, the Board may, from time to time, at its discretion, by a resolution passed at a meeting of the Board, borrow any sum of money for the purpose of our Company and the Board may secure repayment of such money in such manner and upon such terms and conditions in all respects as it thinks fit.

Interest of Directors

All of our directors may be deemed to be interested to the extent of their shareholding, remuneration / fees, if any, payable to them, for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration paid in their professional capacity and / or reimbursement of expenses, if any, payable to them and to the extent of related party transactions.

Our Directors may also be regarded as interested in Equity Shares, if any, held by them or that may be subscribed by or allotted to the companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant

to this Issue. All our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them.

Our Directors may also be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective capacity

Our Directors have no interest in any property acquired by our Company or proposed to be acquired for or by our Company or in any transactions relating to acquisition of land, construction of building and supply of machinery as on the date of this Information Memorandum.

Interest in promotion or formation of our Company

Except for Mr. Ramesh Taurani and Mr. Kumar Taurani who are also our Promoters, none of our directors are interested in the promotion of our Company.

Interest in property

Our Directors do not have any interest in any property acquired or proposed to be acquired by or of our Company.

Interest in the business of our Company

Except as stated in the section titled “Financial Statements – Related Party Transactions” of this Information Memorandum and above, and to the extent of shareholding in our Company, our Directors do not have any other interest in the business of our Company.

Other Confirmations

No loans have been availed by our directors or the Key Management Personnel from our Company.

None of our Directors have been or are declared as fugitive economic offenders as on the date of this Information Memorandum

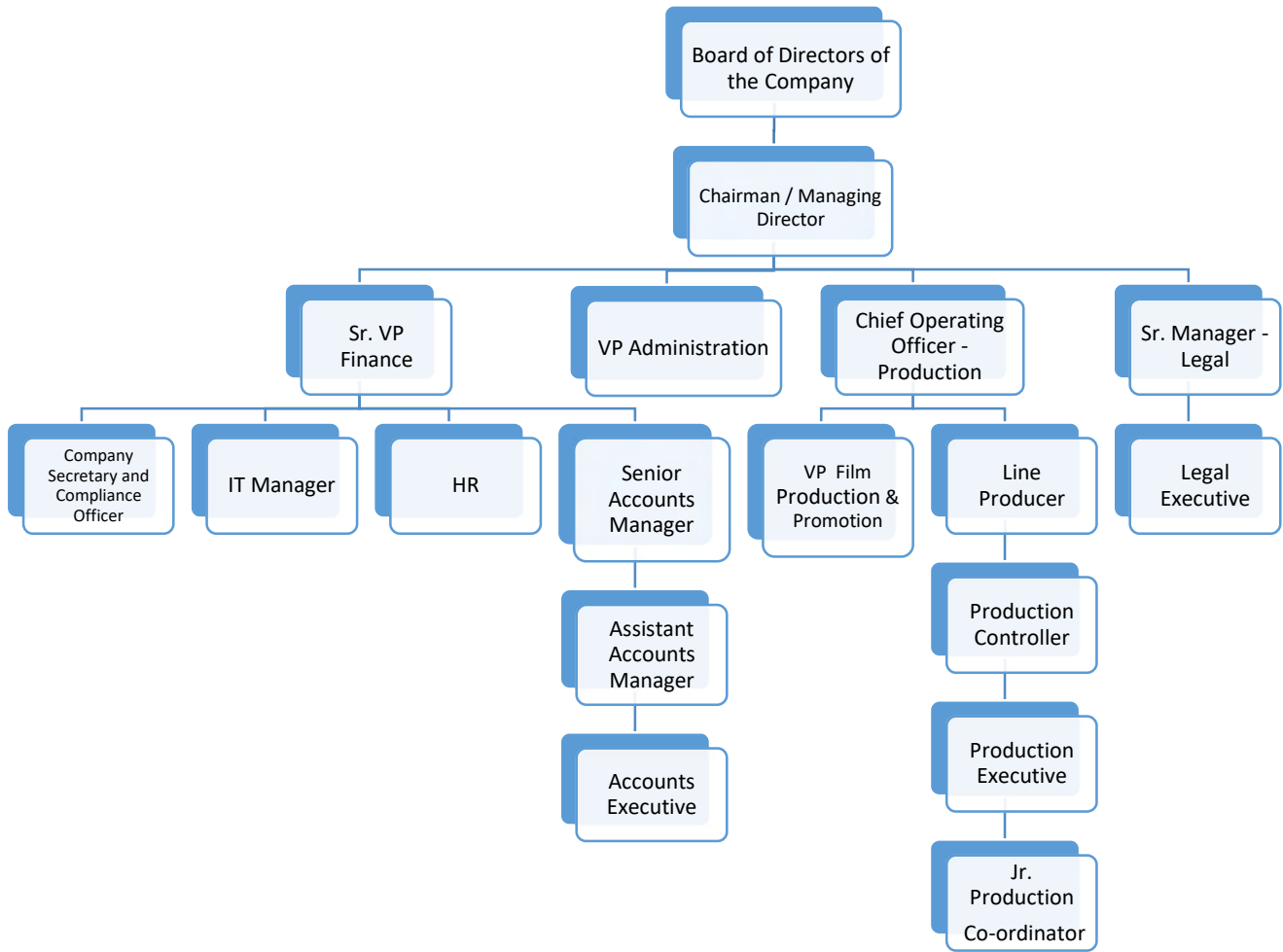
None of our Directors have been or are identified as willful defaulter as on the date of this Information Memorandum

Changes in our Board since incorporation

Name	Designation	Date of Original appointment /cessation	Reason
Mr. Kumar Taurani	Chairman & Executive Director	09/08/2018	Appointed as Executive Director on August 9, 2018. Re-designated as Chairman & Executive Director w.e.f. May 2, 2022
Mr. Ramesh Taurani	Chairman & Managing Director	05/06/2009	Appointed as Executive Director on June 5, 2009. Re-designated as Managing Director w.e.f. May 2, 2022
Ms. Jaya Taurani	Executive Director	09/08/2018	Appointment
Ms. Radhika Dudhat	Additional Director (Non-Executive Independent)	02/05/2022	Appointment
Mr. Venkitaraman Iyer	Additional Director (Non-Executive Independent)	02/05/2022	Appointment

Mr. Vinode Thomas	Additional Director (Non-Executive Independent)	01/06/2022	Appointment
Mr. Jay Shewakramani	Executive Director	09/08/2018	Cessation
Ms. Rahila Aziz Mirza	Executive Director	09/08/2018	Cessation

Management Organization Structure



Key Managerial Personnel

Name	Designation
Mr. Kumar Taurani	Chairman & Executive Director
Mr. Ramesh Taurani	Managing Director
Mr. Haresh Sedhani	Sr. VP - Finance
Mr. Vinit Bhanushali	Company Secretary

Brief profile of the Key Managerial Personnel:

In addition to our executive Directors, whose details have been provided under “Brief profile of our Directors”, the details of our other Key Managerial Personnel are as follows:

Mr. Haresh Sedhani

Mr. Haresh Sedhani, aged 58, is Sr. VP - Finance. He holds graduate degree in commerce from University of Mumbai and post-graduation from Pune University. He has approximately 34 years of experience in this Finance and Accounts. He has been associated with Tips since 1988. The remuneration paid to him for the last Fiscal Year was 15 lakhs.

Mr. Vinit Bhanushali

Mr. Vinit Bhanushali is a qualified member of Institute of Company Secretaries of India Membership No. A62720. He is a Commerce and Law graduate. He has knowledge and experience in Secretarial, Legal, Regulatory affairs & Compliance functions.

Relationship of Key Managerial Personnel

Mr. Kumar Taurani and Mr. Ramesh Taurani are related to each other as brother and Ms. Jaya Taurani is the daughter of Mr. Ramesh Taurani. None of our Key Managerial Personnel are related to each other or to the Directors.

Arrangement or understanding with major shareholders, customers, suppliers or others

None of our Key Managerial Personnel have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Shareholding of Key Management Personnel

Details of Shareholding of the Key Management Personnel is as follows:

Name	Designation	No. of Shares held	% to the total equity share capital
Mr. Kumar Taurani	Chairman & Executive Director	8,76,600	20.28
Mr. Ramesh Taurani	Managing Director	8,74,761	20.24
Mr. Haresh Sedhani	Sr. VP - Finance	166	0.00
Mr. Vinit Bhanushali	Company Secretary	0	0.00

Changes in our Key Managerial Personnel in the last three years

The Board, in its meeting held on May 2, 2022, has appointed Mr. Haresh Sedhani Sr. VP – Finance of the Company and Mr. Vinit Bhanushali, Company Secretary of the Company.

Service contracts with Key Managerial Personnel

There are no service contracts entered into between any of our Key Management Personnel and our Company for provision of any benefits upon termination of employment.

Bonus or profit sharing plan for our Key Management Personnel

None of our Key Management Personnel are party to any bonus or profit sharing plan of our Company.

Payment or benefit to Key Management Personnel of our Company

No amount or benefit has been paid or given since incorporation of the Company or is intended to be paid or given to any of our Key Management Personnel except the normal remuneration for services rendered in the capacity of being an employee.

Corporate Governance

The provisions relating to corporate governance prescribed under the SEBI Listing Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and the rules framed thereunder, in respect of corporate governance including constitution of the Board and committees thereof.

Committees of the Board

In addition to the committees of our Board detailed below, our Board may, from time to time, constitute committees for various functions.

Audit Committee

Our Audit Committee was constituted by a Board of Directors. The current constitution of the Audit Committee is as follows:

Name of the Director	Position on the Committee	Designation
Mr. Venkitaraman Iyer	Chairperson	Independent Director
Ms. Radhika Dudhat	Member	Independent Director
Mr. Vinode Thomas	Member	Independent Director
Mr. Kumar Taurani	Member	Executive Director

The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations, and its terms of reference are as follows:

Powers of Audit Committee:

The Audit Committee shall have powers, including the following:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of Audit Committee:

- oversight of the listed entity’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - ✓ matters required to be included in the director’s responsibility statement to be included in the board’s report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - ✓ changes, if any, in accounting policies and practices and reasons for the same;
 - ✓ major accounting entries involving estimates based on the exercise of judgment by management;
 - ✓ significant adjustments made in the financial statements arising out of audit findings;
 - ✓ compliance with listing and other legal requirements relating to financial statements;
 - ✓ disclosure of any related party transactions;
 - ✓ modified opinion(s) in the draft audit report;
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;

- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the listed entity with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the listed entity, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the whistle blower mechanism;
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

Further, The audit committee shall mandatorily review the following information:

- management discussion and analysis of financial condition and results of operations;
- management letters / letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses; and
- the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- statement of deviations:
 - ✓ quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - ✓ annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

Nomination and Remuneration Committee

Our Nomination and Remuneration Committee was constituted by the Board of Directors. The current constitution of the Nomination and Remuneration Committee is as follows:

Name of the Director	Position on the Committee	Designation
Mr. Venkitaraman Iyer	Chairperson	Independent Director
Ms. Radhika Dudhat	Member	Independent Director
Mr. Vinode Thomas	Member	Independent Director

The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. The terms of reference of the Nomination, Remuneration and Compensation Committee are as follows:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and
- recommend to the Board a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of performance of independent Directors and the Board;
- Devising a policy on diversity of the Board;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent Directors;
- Recommend to the board, all remuneration, in whatever form, payable to senior management;
- To specify the manner for effective evaluation of performance of Board, its committees and Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
- To determine the tenure of key managerial personnel to be posted to a regulatory department;
- Develop and approve key policies in respect of human resources, organisational matters etc.;
- Identifying Key Managerial Personnel;
- Laying down the policy for compensation of Key Managerial Personnel in terms of the compensation norms prescribed by SEBI;
- Determining the compensation of Key Managerial Personnel in terms of the compensation policy;
- Framing and reviewing the performance review policy to carry out evaluation of every Director's performance, including that of the independent Directors;
- Recommending whether to extend the term of appointment of an independent Directors;
Recommending to the Board, all remuneration, in whatever form, payable to senior management; and
- Such other functions as may be specified under the Companies Act, by SEBI or any other statutory or regulatory authority.

Stakeholders Relationship Committee

Our Stakeholders' Relationship Committee was constituted by the Board of Directors. The current constitution of the Stakeholders' Relationship Committee is as follows:

Name of the Director	Position on the Committee	Designation
Ms. Radhika Dudhat	Chairperson	Independent Director
Mr. Venkitaraman Iyer	Member	Independent Director
Mr. Kumar Taurani	Member	Executive Director

The scope and functions of the Stakeholders Relationship Committee are in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The terms of reference of the Stakeholders Relationship Committee are as follows:

- Resolving grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
- Review of measures taken for effective exercise of voting rights by the shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.


- Review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- To discharge any other duties or responsibilities as may be prescribed by the law or as may be delegated to the Committee by the Board, from time to time.

OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are Mr. Kumar Taurani and Mr. Ramesh Taurani. As on the date of this Information Memorandum, our Promoters hold 17,51,361 Equity Shares of the issued, subscribed and paid-up Equity Share capital of our Company. Our Promoters have acquired shareholding in our Company pursuant to the Scheme.

Details of our Promoter are as follows:


1. Kumar Taurani

Photograph	Profile
	Date of Birth: 05/07/1958
	PAN: AAAPT7706J
	Aadhaar No.: 9398 1169 6401
	Residential Address: 901-1001, Vivendi Bldg, C.T.S. No.-576, Sarojini Road, Santacruz (West), Mumbai - 400054

Brief Profile

Brief profile of Mr. Kumar Taurani given on page 64 of this Information Memorandum.

2. Ramesh Taurani

Photograph	Profile
	Date of Birth: 17/01/1960
	PAN: AAAPT4176A
	Aadhaar No.: 9411 8013 4901
	Residential Address: 12th and 13th Floor, XVI Avenue, 16th Road, Opp. Anand Ashram, Khar (West), Mumbai - 400052

Brief Profile

Brief profile of Mr. Ramesh Taurani given on page 64 of this Information Memorandum.

Our Company confirms that the permanent account number and bank account number and passport number of Promoters will be submitted to the Stock Exchanges at the time of filing this Information Memorandum.

Change in control of our Company

Our Company was incorporated on June 5, 2009. 7 individual shareholders held 100% of the shareholding of our Company since incorporation. Pursuant to the Scheme of Arrangement and Demerger, the entire shareholding of Tips Films Limited was cancelled on May 27, 2022 and 8,76,600 Equity Shares were allotted to Mr. Kumar Taurani and 8,74,761 Equity Shares were allotted to Mr. Ramesh Taurani on May 27, 2022 respectively. Mr. Kumar Taurani and Mr. Ramesh Taurani are the current Promoters of our Company pursuant to the Scheme. For further details on the Scheme of Arrangement, please see Scheme of Arrangement and Demerger on page 60. To the extent applicable, the said change in control was compliant with the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 or the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable, and the Listing Agreement with the stock exchanges or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Interest of Promoters

- Interest of our Promoters in promotion of our Company

Our Promoters are interested in our Company to the extent of their respective direct or indirect shareholding in our Company and the dividend declared, if any and any other distributions in respect of their direct or indirect shareholding in our Company. For further details, see “Capital Structure” on page 23.

- **Interest of our Promoters in the property acquired by our Company**

Our company have not acquired any interest whether direct or indirect in any property within three years preceding the date of this Information Memorandum or our Promoters do not have any interest whether direct or indirect in any property proposed to be acquired by our Company as on the date of this Information Memorandum or in any transaction for acquisition of land, construction of buildings and supply of machinery, etc.

- **Interest of our Promoters in our Company other than as Promoter**

Our Promoter may be deemed to be interested in our Company to the extent of remuneration and reimbursement of expenses, if any, payable to them in capacity as Directors of our Company. Further, our Promoters may be deemed to be interested in our Company to the extent of their shareholding and the dividend and other benefits paid or payable by our Company. For details, see the chapters titled “*Our Management*” and “*Capital Structure*” beginning on pages 63 and 23 respectively.

Except as mentioned in this chapter and the chapters titled “*Capital Structure*” and “*Our Business*” on pages 23 and 46, respectively, our Promoters do not have any interest in our Company other than as a promoter.

Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person either to induce the such person to become, or qualify him as a director, or otherwise for services rendered by him or by such firm or company in connection with the promotion or formation of our Company.

Further, some of our Promoters are the also director on the boards of certain Group Companies and may be deemed to be interested to the extent of the payments made by our Company, if any, to/from these Group Companies. For the payments that are made by our Company to certain Group Companies.

Our Promoters shall be deemed as interested to the extent of equity shares held by them or by the companies / firms / ventures promoted by them, if any, and dividend or other distributions payable to them in respect of the said equity shares.

Except as stated above and in the section titled "Financial Statements" on page 83 of the Information Memorandum, and to the extent of shareholding in our Company, our Promoters do not have any other interest in our business.

Our Promoters, Directors and Group Companies have no interest, whether direct or indirect, in any property acquired by our Company within the preceding two years from the date of this Information Memorandum or proposed to be acquired by it as on the date of this Information Memorandum, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

- **Payment or benefit to Promoters of our Company**

Except as stated in the section titled “Financial Statements - Related Party Transactions” of the Information Memorandum, there has been no payment of benefits to our Promoters or Promoter Group during the two years preceding the date of filing of the Information Memorandum.

Related party transactions

For details of related party transactions, please refer to section titled "Financial Statements" on page 83 of the Information Memorandum.

Our Promoter Group

Our Promoter Group as defined under Regulations 2(1)(pp)(ii) & (iv) of the SEBI ICDR Regulations includes the following individuals, HUFs, LLPs and body corporates:

Natural Persons, being immediate relative(s) of our Promoters:

Sr. No.	Name of the person
1	Mrs. Varsha Taurani
2	Mrs. Renu Taurani
3	Mr. Shyam Lakhani
4	Mrs. Bhagvanti Mulani
5	Mr. Kunal Taurani
6	Mr. Girish Taurani
8	Ms. Jaya Taurani
9	Ms. Sneha Taurani
10	Ms. Raveena Taurani
11	Mr. Jay Shewakramani
12	Ms. Chandu Lotani
13	Ms. Sangeeta Ludiani

Entities forming part of the Promoter Group: NIL

Our Promoter Group (excluding our Promoters) hold in aggregate 14,89,755 Equity Shares constituting 34.47% of paid-up equity share capital of our Company. For details of shareholding of members of our Promoter Group, see the chapter titled “Capital Structure” beginning on page 23

Other confirmation

No material guarantees have been given to third parties by our Promoters with respect to Equity Shares of our Company.

Our Promoters have not disassociated themselves from any Company or firm during the three years preceding the date of filing of this Information Memorandum.

Our Promoters have not been declared as willful defaulters by the RBI or any other Governmental authority and there are no violations of securities laws committed by them in the past or are pending against them.

Our Promoters and Promoter Group entities have not been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Our Promoters are not and have never been a promoter, director or person in control of any other company which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

For details on litigations and disputes pending against the Promoters, please refer to the section titled 'Outstanding Litigations and Material Development' on page 143 of the Information Memorandum.

GROUP COMPANIES

As per the requirements of the SEBI ICDR Regulations, the term ‘Group Company’, shall include such companies as covered under the applicable accounting standards (i.e. Ind AS 24 issued by the Institute of Chartered Accountants of India (ICAI)) and also any other company as considered “material” by the Board.

Pursuant to the policy on materiality, for the purpose of disclosures in the Information Memorandum, as prescribed under the SEBI ICDR Regulations, other than the entities covered under Ind AS 24 as issued by the ICAI, there are no other entities except mentioned below, which are considered “material” and ought to be classified as group companies of the Company in the Information Memorandum.

TIPS INDUSTRIES LIMITED (TIL)

Tips Industries Limited was initially established as a partnership firm on March 7, 1988 in the name of Tips Cassettes & Record Co. The said partnership firm was converted and incorporated into a joint stock company (as a private limited company) on May 8, 1996 under the provisions of Part IX of the Companies Act, 1956. Subsequently, it became a deemed public limited company with effect from July 1, 1999 pursuant to Section 43A of the Companies Act, 1956. The Equity Shares of the Company has been listed on BSE Limited and the National Stock Exchange of India Limited since 2000. The Registered Office of the Company is situated at 601, 6th Floor, Durga Chambers, 278/ E, Linking Road, Khar (West), Mumbai - 400 052. The Company is in the Media & Entertainment Industry. The Company is in the business of production and distribution of cinematographic films and exploitation of its content on various platform.

The Company is in the business of production and distribution of Cinematographic Films and leveraging its audio content digitally in India and overseas. The Company is also a leading producer of Punjabi films in the country. The Company has one of the largest and diversified music libraries with a collection of over 26,000 songs across all genres and major languages. Company’s all songs are available in all digital formats across all major global platforms like iTunes and Google Play as well as top Indian music streaming platforms like Jio-Saavn, Gaana, WYNK and others.

The Authorised Share Capital of the Company is Rs.20,00,00,000 comprising of 2,00,00,000 Equity shares of Rs. 10/- each. The Issued and paid-up share capital of the Company is Rs.12,96,86,590 comprising of 1,29,68,659 Equity shares of Rs. 10/- each

Board of Directors:

1. Mr. Kumar Taurani – Chairman & Managing Director
2. Mr. Ramesh Taurani – Executive Director
3. Mr. Girish Taurani – Executive Director
4. Mr. Amitabh Mundhra – Independent Director
5. Ms. Tara Subramaniam – Independent Director
6. Mr. Shashikant Vyas – Independent Director

Shareholding Patterns as on June 30, 2022

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
						No. (a)	As a % of total Shares held(b)	
(A)	Promoter & Promoter Group	5	97,23,352	97,23,352	74.98	0	0	97,23,352
(B)	Public	21,101	32,45,307	32,45,307	25.02	NA	NA	32,35,699

(C)	Non-Promoter - Non Public	0	0	0	0.00	NA	NA	0
(C1)	Shares Underlying DRs	0	0	0	0.00	NA	NA	0
(C2)	Shares Held By Employee Trust	0	0	0	0.00	NA	NA	0
	Total	21,106	1,29,68,659	1,29,68,659	100.00	0	0	1,29,59,051

Share price information

The equity shares of Tips Industries Limited are listed on BSE and NSE. The following table provides details of the highest and lowest price on BSE and NSE during the six months preceding the date of issue of Information Memorandum:

Month	BSE		NSE	
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)
March, 2022	2,394.00	1,871.40	2398.00	1,910.00
April, 2022	2,374.90	1,819.00	2,368.00	1,800.00
May, 2022	1,918.00	1,465.05	1914.75	1472.50
June, 2022	1,681.35	1,273.95	1748.40	1250.10
July, 2022	1,990.30	1,365.10	1988.70	1364.40
August, 2022	1,916.75	1,384.60	1940.00	1390.65

Financial Performance

The audited financial results of the company for the last three Fiscals are as follows:

(Rs. in lakhs, except per share data)

Particulars	FY 2021-22	FY 2020-21	FY 2019-20
Sales and Other Income	13,879.52	9,542.22	10,881.93
Profit/ (Loss) after tax	6,455.55	4,346.88	1,133.93
Equity Capital	1,296.87	1,296.87	1,431.87
Reserves and Surplus (excluding revaluation reserve)	8,943.44	8,828.90	6,605.94
Earnings/ (Loss) per share (Rs.)	49.78	32.72	7.92
Diluted earnings per share (Rs.)	49.78	32.72	7.92

Significant notes of auditors

There are no qualifications provided by the auditors of Tips Industries Limited in relation to aforementioned financial statements for the specified three immediately preceding financial years

Other Disclosures

- Group Companies which are sick industrial companies**
 Our Group Company has not become sick companies under the erstwhile Sick Industrial Companies (Special Provisions) Act, 1985, as amended.
- Group Companies under winding up / insolvency proceedings**
 Our Group Company is not under winding up/insolvency proceedings.
- Defunct Group Company**
 As on date of this Information Memorandum, our Group Company is neither defunct company or nor has made any an application to the relevant registrar of companies for striking off the name.
- Nature and extent of interest of our Promoters in TIL**

Our Promoters are part of the promoter and promoter group of TIL. Further, some of our Promoters are also on the board of TIL. Accordingly, our Promoters may be deemed to be interested in TIL to the extent of their shareholding in TIL, dividend and other entitlements thereon and the remuneration paid or payable to any of them in their capacity as director(s) of TIL.

Our Company will adopt the necessary procedures and practices as permitted or required by law to address any conflict of interest situation as and when it arises.

- **Material Litigation involving our Group Companies**

For details on litigations, please refer to the section titled 'Outstanding Litigations and Material Development' on page 143 of the Information Memorandum.

DIVIDEND POLICY

As on the date of this Information Memorandum, our Company does not have a formal dividend policy. The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, in accordance with provisions of our Articles of Association and applicable laws, including the Companies Act.

The dividend, if any, will depend on a number of factors, including but not limited to our results of operations, earnings, capital requirements and surplus, financial conditions, contractual obligations, business prospects, applicable legal restrictions and other factors considered relevant by the Board. Our Board may also declare interim dividend in accordance with the provisions the Companies Act.

Our Company has not declared any dividend on the Equity Shares, since its incorporation.

SECTION VI- FINANCIAL INFORMATION

FINANCIAL

Sr. No.	Particulars	Page
1	Auditor's report on the audited financial statements for financial year ended March 31, 2022 and March 31, 2021	83-138

SSPA & ASSOCIATES

Chartered Accountants

1st Floor, "Arjun", Plot No. 6 A,

V. P. Road, Andheri (W),

Mumbai - 400 058. INDIA.

Tel. : 91 (22) 2670 4376

91 (22) 2670 3682

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Website : www.sspa.in

Independent Auditor's Report

To the Members of Tips Films Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Tips Films Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Emphasis of Matter

We draw attention to Note No. 28 (16) to the annual financial results which describes the Composite Scheme of Arrangement in respect of demerger of Film Production and Distribution business from Tips Industries Limited to Tips Films Limited. The annual financial results have been drawn giving effect to the Composite Scheme of Arrangement for the year ended March 31, 2022.

Our report is not modified in respect of the above matters.



INDEPENDENT AUDITOR'S REPORT
To the Members of Tips Films Limited
Report on audit of the Financial Statements

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Further, based on information and explanation given to us, we have determined that there is no key audit matters to communicate in our report

Information other than the Financial Statements and Auditor's Report thereon (Other Information)

The Company's Management and Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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.

In preparing the financial statements, Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.



INDEPENDENT AUDITOR'S REPORT
To the Members of Tips Films Limited
Report on audit of the Financial Statements

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITOR'S REPORT

To the Members of Tips Films Limited
Report on audit of the Financial Statements

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

1. As required by 'The Companies (Auditor's Report) Order, 2020' (hereinafter referred to as the "Order"), issued by the Central Government of India in terms of sub - section 11 of section 143 of the Companies Act, 2013, we give in the "Annexure-A" a statement on the matters specified in paragraph 3 and 4 of the Order to the extent applicable.
2. (A) As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-B".
2. (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a) The Company has disclosed the impact of pending litigations as at March 31, 2022 on its financial position in its financial statements – Refer Note No. 28(1)(a) 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.
 - c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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INDEPENDENT AUDITOR'S REPORT
To the Members of Tips Films Limited
Report on audit of the Financial Statements

Report on other legal and regulatory requirements (Continue)

- d) (i) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like or behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under d(i) and d(ii) above, contain any material misstatement.
- e) The Company has not declared or paid any dividend during the year.

2. (C) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act read with Schedule V of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

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

Parag S. Ved

Parag Ved
Partner
Membership No. 102432
UDIN: 22102432ASJLFL1019

Place: Mumbai
Date: September 2, 2022

INDEPENDENT AUDITOR'S REPORT
To the Members of Tips Films Limited
Report on audit of the Financial Statements

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF TIPS FILMS LIMITED FOR THE YEAR ENDED MARCH 31, 2022

i. In respect of Property, Plant and Equipment

- (a) (A)The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B)The Company has no Intangible Assets in its Balance Sheet.
- (b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Property, Plant and Equipment 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) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Demerged Company pursuant to the Composite Scheme of Arrangement. The Company is in the process of having the title transferred in its name subsequent to the NCLT order.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued any of its Property, Plant and Equipment during the year.
- (e) According to the information and explanation given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988, and rules made thereunder.

ii. In respect of Inventories:

- (a) The company does not have Inventory during the year ended March 31,2022 and hence clause (ii) of the Order is not applicable to the Company for the current year.
- (b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has granted loans to below parties during the year in respect of which the requisite information is as below. The Company has not granted any loan, secured or unsecured, to companies, firms or limited liability partnership during the year.



INDEPENDENT AUDITOR'S REPORT
To the Members of Tips Films Limited
Report on audit of the Financial Statements

- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans as below:

(INR in Lakhs)	
Particulars	Loans
Aggregate amount during the year	5.11
-Employee Loans	
Balance Outstanding as at balance sheet date	3.31
-Employee Loans	

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the loans granted during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in case of interest free loans given to other parties, the repayment of principal has been stipulated, however no amount is due to be received during the year. Further, the Company has not given any advance in the nature of loan to any party.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advance in the nature of loan to any party.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advances in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- iv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted loans, or made investments or provided any guarantee or security to the parties covered under Section 185 and 186 of the Companies Act, 2013 ("the Act"). Accordingly, clause 3(iv) of the Order is not applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits or amounts which are deemed to be deposits from public. Accordingly, clause 3(v) of the Order is not applicable.
- vi. 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. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

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INDEPENDENT AUDITOR'S REPORT
To the Members of Tips Films Limited
Report on audit of the Financial Statements

vii. In respect of statutory dues:

The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

- (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, Goods and Service tax, cess and other statutory dues as applicable with the appropriate authorities. As explained to us, Duty of Custom is not applicable to the Company for the current year.

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service tax, cess and other statutory dues were in arrears as at March 31, 2022 for a period more than six months from the date they became payable. As explained to us, Duty of Custom is not applicable to the Company for the current year.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the Statue	Nature of dues	Amount (INR in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Service Tax	213.27	FY 2013-14 to FY 2015-16	Commissioner of Central Excise and Service Tax (Mumbai West)

*Amount is net of payments made under dispute

- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

ix. In respect of borrowings:

- (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has not availed any loans or other borrowings from any lenders during the year.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the Company has not taken any term loan during the year, hence, paragraph 3(ix)(c) of the Order is not applicable to the Company.

for

INDEPENDENT AUDITOR'S REPORT

To the Members of Tips Films Limited
Report on audit of the Financial Statements

- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not raised any funds on short term basis during the year, hence, paragraph 3(ix)(d) of the Order is not applicable to the Company.
 - (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company did not have any Subsidiaries, Associate or joint ventures during the year. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
 - (f) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company did not have any Subsidiaries, Associate or joint ventures during the year. Accordingly, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- x. In respect of IPO / FPO and Private Placement / Preferential Allotment:
- (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
 - (b) According to the information and explanation given to us and on the basis of our examination of the records of the company, during the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable
- xi. In respect of fraud and whistle blower complaints:
- (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of audit.
 - (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT- 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - (c) As represented to us by the Management, there are no whistle blower complaints received by the Company during the year.
- xii. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) (a) to (c) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the transactions with the related parties are in compliance with provisions of sections 177 and 188 of Companies Act, 2013 where applicable and the details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

INDEPENDENT AUDITOR'S REPORT
To the Members of Tips Films Limited
Report on audit of the Financial Statements

- xiv. In respect of Internal audit system:
- (a) In our opinion and based on our examination, the Company has adequate internal audit system commensurate with the size and nature of its business.
 - (b) We have considered, the Internal audit reports of Tips Industries Limited before giving effect of the demerger for the period under audit.
- xv. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, provisions of section 192 of the companies Act, 2013 and paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. In respect of registration with RBI and reporting for Core Investment Company:
- (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
 - (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
 - (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
 - (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- xvii. The Company has incurred cash losses only during the immediately preceding financial year but has not incurred any cash losses during the current financial year.
- xviii. There has been resignation of the statutory auditors during the year and they have not raised any issues, objections or concerns.
- xix. According to the information and explanation given to us and on the basis of the financial ratios in note 28 (14)(b) to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

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INDEPENDENT AUDITOR'S REPORT
To the Members of Tips Films Limited
Report on audit of the Financial Statements

xx. In respect of unspent amount towards CSR:

In our opinion and according to the information and explanations given to us, the proviso of Section 135(5) of the Act, is not applicable to the Company. Since the Company has no profits in preceding three financial years Accordingly, clause 3(xx)(a) and (b) of the Order is not applicable.

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

Parag S. Ved



Parag Ved
Partner
Membership No. 102432
UDIN: 22102432ASJLFL1019

Place: Mumbai
Date: September 2, 2022

INDEPENDENT AUDITOR'S REPORT
To the Members of Tips Films Limited
Report on audit of the Financial Statements

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF TIPS FILMS LIMITED FOR THE YEAR ENDED MARCH 31, 2022

Report on the Internal Financial Controls with reference to the aforesaid financial statement under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of **Tips Films Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2022, based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's Management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal controls with references to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note. 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements was established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls, 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

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INDEPENDENT AUDITOR'S REPORT
To the Members of Tips Films Limited
Report on audit of the Financial Statements

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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to Financial Statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Parag S. Ved

Parag Ved
Partner
Membership No. 102432
UDIN: 22102432ASJLFL1019

Place: Mumbai
Date: September 2, 2022

Particulars	Notes	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	3	106.10	-	-
(b) Investment Property	4	1,208.45	-	-
(c) Financial Assets				
(i) Other Financial Assets	5	19.11	-	-
(d) Other Non current assets	6	932.36	-	-
Total Non-current assets		2,266.02	-	-
Current assets				
(a) Financial assets				
(i) Investments	7	19.86	-	-
(ii) Cash and cash equivalents	8	468.65	0.09	0.15
(iii) Bank balances other than (ii) above	9	1,427.34	-	-
(iv) Loans	10	3.31	-	-
(v) Other financial assets	11	255.40	-	-
(b) Other Current Assets	12	4,346.50	-	-
Total current assets		6,521.06	0.09	0.15
Total Assets		8,787.08	0.09	0.15
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	13	-	5.00	5.00
(b) Equity Share Capital Suspense	13A	432.29	-	-
(c) Other Equity	14	6,333.75	-4.91	-4.87
Total Equity		6,766.04	0.09	0.13
Liabilities				
Non-current liabilities				
(a) Deferred Tax Liabilities	15	258.91	-	-
(b) Employee Benefit Obligations	16	28.92	-	-
Total non-current liabilities		287.83	-	-
Current liabilities				
(a) Financial Liabilities				
(i) Trade payables	17			
(a) Total outstanding dues of micro enterprises and small enterprises		-	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		527.12	-	-
(ii) Other Financial Liabilities	18	923.23	-	-
(b) Employee Benefit Obligations	19	0.35	-	-
(c) Other Current Liabilities	20	0.71	-	0.02
(d) Current Tax (Net)	21	281.80	-	-
Total current liabilities		1,733.21	-	0.02
Total Equity and Liabilities		8,787.08	0.09	0.15

Significant accounting policies

The notes referred to above form an integral part of the financial statements.

in terms of our report of even date

For SSPA & Associates

Chartered Accountants

Firm Registration No. 131069W

Parag S. Ved

Parag Ved

Partner

Membership No. 102432

For and on behalf of the Board of Directors of

TIPS FILMS LIMITED

CIN : U74940MH2009PTC193028

Kumar S. Taurani

Kumar S. Taurani

Chairman & Executive Director

DIN : 00555831

Ramesh S. Taurani

Ramesh S. Taurani

Managing Director

DIN : 00010130

Vinit K. Bhanushali

Vinit K. Bhanushali

Company Secretary

Membership No: A62720

Hareesh M Sedhani

Hareesh M Sedhani

Sr. Vice President

Place : Mumbai

Date: September 02, 2022

Place : Mumbai

Date: September 02, 2022



Particulars	Notes	Year ended March 31, 2022	Year ended March 31, 2021
I. Revenue from operations	22	6,683.00	-
II. Other income	23	653.85	-
Total Income (I+II)		7,336.85	-
III Expenses:			
Cost of Production of films	24	5,542.22	-
Employee Benefits Expense	25	306.53	-
Depreciation and Amortization Expense	26	45.09	-
Other Expenses	27	493.29	0.04
IV Total Expenses		6,387.13	0.04
V Profit before Tax		949.72	(0.04)
VI Tax Expenses:			
(1) Current Tax		282.00	-
(2) Deferred Tax		(27.63)	-
VII Profit / (Loss) for the year		695.35	(0.04)
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)		(0.24)	-
Other Comprehensive Income for the year, net of taxes		(0.24)	-
IX Total Comprehensive income for the year		695.11	(0.04)
X Earnings per equity share of Rs. 10/- each			
(1) Basic	28(15)	16.09	(0.08)
(2) Diluted	28(15)	16.09	(0.08)

Significant accounting policies

The notes referred to above form an integral part of the financial statements.

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

Parag S. Ved

Parag Ved
Partner
Membership No. 102432

For and on behalf of the Board of Directors of
TIPS FILMS LIMITED
CIN :U74940MH2009PTC193028

Kumar S. Taurani

Kumar S. Taurani
Chairman & Executive Director
DIN : 00555831

Vinit K. Bhanushali

Vinit K. Bhanushali
Company Secretary
Membership No: A62720

Ramesh S. Taurani

Ramesh S. Taurani
Managing Director
DIN : 00010130

Hareesh K. Sedhani

Hareesh K. Sedhani
Sr. Vice President

Place : Mumbai
Date: September 02, 2022

Place : Mumbai
Date: September 02, 2022



Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Cash flows from operating activities		
Profit/(Loss) before Tax	949.72	(0.04)
Adjustments		
Depreciation and amortization	45.09	-
Bad debts and advances written off	9.80	-
Fair value gain on Mutual Fund at FVTPL	(5.18)	-
Provision for/ (write back of) doubtful debts and advances	(12.94)	-
Non-cash expenses adjustment for Gratuity	(0.33)	-
Interest income	(71.04)	-
Operating Profit before Working Capital changes	915.12	(0.04)
Working capital adjustments		
(Increase)/ Decrease in Trade and Other Receivables	(3.07)	-
(Increase) / Decrease in Loans (Current)	2.99	-
(Increase) / Decrease in Other Financial Assets (Current)	4.50	-
(Increase) / Decrease in Other Current Assets	(1,080.14)	-
(Increase) / Decrease in Other Financial Assets (Non Current)	(1.64)	-
(Increase) / Decrease in Other Non Current Assets	(40.36)	-
Increase/ (Decrease) in Employees Benefit Obligations (Current)	0.07	-
Increase/ (Decrease) in Employees Benefit Obligations (Non-Current)	3.60	-
Increase/ (Decrease) in Other Liabilities (Current)	(8.27)	-
Increase/ (Decrease) in Financial Liabilities (Current)	908.23	-
Increase/(Decrease) in Trade payables	341.14	-
Cash generated from operatins	127.05	-
Direct Taxes Paid (Net of Refund)	(0.20)	-
Net cash flows from operating activities	1,041.97	(0.04)
Cash flows from investing activities		
Acquisition of Property, Plant and Equipments	(122.35)	-
Maturity of Fixed Deposits	4,737.70	-
Investment in Fixed Deposits	(6,165.03)	-
Redemption of Mutual Funds	80.96	-
Investment in Mutual Funds	(20.00)	-
Interest received	71.04	-
Net cash flows from investing activities	(1,417.68)	-
Net cash flow from financing activities		
Net increase/ (decrease) in cash and cash equivalents	(375.71)	(0.04)
Cash and cash equivalents at the beginning of the year	0.09	0.13
Add: Amount transferred on account of Composite Scheme of Arrangement (Ref Note No 28(16))	844.27	-
Cash and cash equivalents at the end of the year	468.65	0.09
Reconciliation of Cash and Cash equivalents with the Balance Sheet		
Cash and Cash Equivalents as per Balance Sheet		
In Current Account	460.67	-
Cash on Hand	7.98	0.09
Cash and Cash equivalents as restated as at the year end	468.65	0.09

Notes

a) The above Statement of Cash Flow has been prepared under the 'Indirect Method' as set out in the Accounting Standard (IND AS) 7 - "Statement of Cash Flow".

b) In pursuant to the Composite Scheme of Arrangement, there is transfer of Cash and Cash Equivalent amounting to INR 844.27 (in lakhs) from Demerged Company.

Significant accounting policies

In terms of our report of even date

For SSPA & Associates

Chartered Accountants

Firm Registration No. 131069W

Parag S. Ved

Parag Ved

Partner

Membership No. 102432

For and on behalf of the Board of Directors of

TIPS FILMS LIMITED

CIN : U74940MH2009PTC193028

Kumar S. Taurani

Kumar S. Taurani

Chairman & Executive Director

DIN : 00555831

Ramesh S. Taurani

Ramesh S. Taurani

Managing Director

DIN : 00010130

Vinit K. Bhanushali

Vinit K. Bhanushali

Company Secretary

Membership No: A62720

Hareesh H. Sedhani

Hareesh H. Sedhani

Sr. Vice President



TIPS FILMS LIMITED

Statement of Changes in Equity

A. Equity Share Capital

As at March 31, 2022

(Amount in INR Lakhs unless otherwise stated)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year (Refer Note below)	Balance at the end of the current reporting period
5.00	-	-	427.29	432.29

During the year, INR 5.00 lakhs (Equity share 50,000 of INR 10/- each) were cancelled on account of Composite Scheme of Arrangement. Further during the year Equity share 43,22,886 of INR 10/- each to be issued pursuant to Composite Scheme of Arrangement of Tips Industries Limited.

As at March 31, 2021

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
5.00	-	-	-	5.00

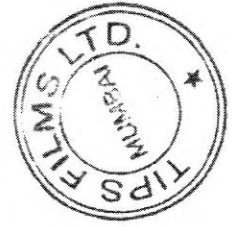
B. Other Equity

As at March 31, 2022

	Reserves and Surplus			Total
	Capital Reserve	Retained Earnings		
Balance as on April 01, 2021	-	(4.91)		(4.91)
Add: Amount adjusted on account of Composite Scheme of Arrangement {(Ref Note No 28(16))}	5,638.55	-		5,638.55
Add: Share cancelled on account of Composite Scheme of Arrangement {(Ref Note No 28(16))}	5.00	-		5.00
Profit/(Loss) for the year	-	695.35		695.35
OCI for the year	-	(0.24)		(0.24)
Balance as on March 31, 2022	5,643.55	690.20		6,333.75

As at March 31, 2021

	Reserves and Surplus			Total
	Capital Reserve	Retained Earnings		
Balance as on April 01, 2020	-	(4.87)		(4.87)
Profit/(Loss) for the year	-	(0.04)		(0.04)
Balance as on March 31, 2021	-	(4.91)		(4.91)



Significant accounting policies

In terms of our report of even date

For SSPA & Associates

Chartered Accountants

Firm Registration No. 131069W

Parag S. Ved
Parag Ved

Partner

Membership No. 102432

For and on behalf of the Board of Directors of

TIPS FILMS LIMITED

CIN :U74940MH2009PTC193028

Kumar S. Taurani
Kumar S. Taurani

Chairman & Executive Director

DIN : 00555831

Ramesh S. Taurani
Ramesh S. Taurani

Managing Director

DIN : 00010130

Vinit K. Bhanushali
Vinit K. Bhanushali

Company Secretary

Membership No: A62720

Haresh M. Sedhani
Haresh M. Sedhani

Sr. Vice President



Place : Mumbai

Date: September 02, 2022

Place : Mumbai

Date: September 02, 2022

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lacs unless otherwise stated.

1. Company Background:

Tips Films Limited is a Company limited by shares, incorporated, and domiciled in India. The Company was incorporated on June 5, 2009 under Chapter IX of the Companies Act, 1956. The Company is engaged in the business of Production and Distribution of motion Pictures.

2. Explanatory Note on the Composite Scheme of Arrangement:

The Composite Scheme of Arrangement under sections read with section 230 to 232 Companies Act, 2013 (the Scheme) between the Company and Tips Industries Limited (the Demerged Company) and their respective shareholders and the creditors of the two companies for demerger of Film Production and Distribution Undertaking as a going concern into the Tips Films Limited on the Appointed Date at the opening of business hours on April 1, 2021, has been sanctioned by the Hon'ble National Company Law Tribunal, vide its Order dated March 3, 2022.

Certified copies of the order of the Hon'ble National Company Law Tribunal have been filed with the Registrar of Companies on March 23, 2022, and the scheme has become effective from March 23, 2022.

The Scheme has accordingly been given effect to in the accounts effective from the Appointed Date being opening of business hours on April 1, 2021.

"Pursuant to the Scheme, Tips Films Limited has to issue to Equity Shareholder of Tips Industries Limited,

For every 3 equity shares held in Tips Industries Limited will get 1 Equity Shares of Tips Films Limited.

Pursuant to the Scheme, the excess of INR 6070.84 Lakhs of the assets over liabilities of Film Production and Distribution Division of Tips Industries Limited has been transferred and vested into the Company at the values appearing in the books of the Demerged Company, Tips Industries Limited as on opening of business hours on April 1, 2021. For the details of assets and liabilities transferred {Refer Note No 28(16)} to the financial statement.

Pursuant to the Scheme, the surplus of the assets over liabilities, after adjusting for issuance of new share capital and cancellation of existing share capital has to be credited to the Capital Reserves of The Company.

Demerged Company is deemed to have been carrying on all business activities relating to the demerged undertaking with effect from opening of business hours on April 1, 2021 and on account of and in trust of the Company. All profits or losses, income and expenses accruing or arising or incurred after opening of business hours on April 1, 2021 relating to the said undertaking shall get vested to the Company.

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lacs unless otherwise stated.

3. Summary of Significant Accounting Policies:

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of Preparation of financial statements:

i) Compliance with Ind As:

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under section 133 of the Companies Act, 2013, ("the act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 with effect from April 1, 2016. The financial statements were approved by the Company's board of directors September 02, 2022.

These financial statements are presented in Indian rupees (INR), which is the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest lakh, unless otherwise indicated.

ii) Historical cost convention:

The financial statements have been prepared on a historical cost basis, except for the following:

- A) Certain financial assets and liabilities (including derivative instruments) that are measured at fair value.
- B) Defined benefit plans assets measured at fair value.

iii) Current/ Non- Current Classification:

Any asset or liability is classified as current if it satisfies any of the following conditions:

- a) it is expected to be realised or settled or is intended for sale or consumption in the Company's normal operating cycle;
- b) it is expected to be realised or settled within twelve months from the reporting date;
- c) it is held primarily for the purposes of being traded;
- d) the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- e) in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for atleast twelve months from the reporting date.

All other assets and liabilities are classified as non- current.

For the purpose of current/ non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realisation in cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lacs unless otherwise stated.

b) Use of accounting estimates and judgments:

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have effect on their recognition and measurement in the balance sheet and statement of profit and loss. The actual amounts realised may differ from the estimates.

Such estimates are reviewed at each reporting period and impact if any is given in current and future periods. Estimates and assumptions are required in particular for:

i) Estimated useful life of property, plant and equipment:

Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

ii) Recoverability of deferred income tax assets:

In determining the recoverability of deferred income tax assets, the Company primarily considers current and expected profitability of applicable operating business segments and their ability to utilise any recorded tax assets. The Company reviews its deferred income tax assets at every reporting period end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

iii) Measurement of defined benefit obligations and other employee benefit obligations:

The Company's net obligation in respect of gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the other long-term employment benefits.

The present value of the obligation is determined based on actuarial valuation at the balance sheet date by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lacs unless otherwise stated.

c) Property, Plant and Equipment:

Measurement at recognition

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably and is measured at cost. Subsequent to recognition, all items of property, plant and equipment (except for freehold land) are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of property, plant and equipment comprises its purchase price plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the initial estimate of decommissioning, restoration and similar liabilities, if any. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Items such as spare parts, stand-by equipment and servicing that meets the definition of property, plant and equipment are capitalised at cost and depreciated over the useful life. Cost of repairs and maintenance are recognised in the statement of profit and loss as and when incurred.

Depreciation:

Depreciation is provided on Straight Line Method, over the useful life of the assets as prescribed under Part C of Schedule II of the Companies Act, 2013 except for Improvements to Leasehold Premises.

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

Depreciation on additions / deletions is calculated on a pro-rate basis from the date of addition / upto the date of deletion.

Capital work in progress and Capital advances

Assets under Capital Work in Progress includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under Other Non Current Assets. Assets under Capital Work in Progress are not depreciated as these assets are not yet available for use.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the statement of profit or loss in the period the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lacs unless otherwise stated.

d) Investment properties

Properties that are held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of item can be measured reliably. All other repairs and maintenance costs are expensed out when incurred. Investment properties are depreciated using the straight-line method over their estimated useful life. Improvements to the leasehold premises are amortised over the period of lease.

e) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Non-derivative financial assets:

Initial recognition and measurement

The Company recognises a financial asset in its balance sheet when it became party to the contractual provisions of the instrument. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the statement of profit and loss at initial recognition if the fair value is determined through quoted market price in an active market for an identical asset (i.e level 1 input) or through a valuation technique that uses data from observable markets (i.e level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the statement of profit and loss only to the extent that such gain or loss arises due to a change in factor market participants take into account when pricing the financial asset.

However, trade receivables that do not contain a significant financing component are measured at transaction price irrespective of the fair value on initial recognition.

Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- i) The Company's business model for managing the financial asset and
- ii) The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lacs unless otherwise stated.

- i) Financial assets measured at amortised cost.
- ii) Financial assets measured at fair value through profit and loss (FVTPL).

i) Financial assets measured at amortised cost:

A financial asset is measured at the amortised cost if both the conditions are met:

- a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows.
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans, deposits and other financial assets of the Company. Such financial assets are subsequently measured at amortised cost using the effective interest method. The amortised cost of a financial asset is also adjusted for loss allowance, if any.

ii) Financial assets measured at fair value through profit and loss (FVTPL):

A financial asset is measured at FVTPL unless it is measured at amortised cost or at Fair Value through Other Comprehensive Income (FVTOCI). This is a residual category applies to inventories, and other investments of the Company excluding investment in subsidiary. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the statement of profit and loss.

Derecognition:

A financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. On derecognition of a financial asset, the difference between the carrying amount and the consideration received is recognised in the statement of profit and loss.

Impairment of financial assets:

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- b) Trade receivables - The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lacs unless otherwise stated.

Presentation:

Financial assets and liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

ii) **Non-derivative financial liabilities**

Initial recognition and measurement

Financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liabilities.

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently carried at amortised cost; any difference between the initial carrying value and the redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest rate method. Other financial liabilities are recognised initially at fair value plus any directly attributable transaction costs.

Non-derivative financial liabilities of the Company comprise long-term borrowings, short-term borrowings, bank overdrafts and trade and other payables.

Subsequent measurement:

Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

Derecognition:

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. When an existing financial liability is replaced from the same lender on substantially different terms, or terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the statement of profit and loss.

f) **Fair Value**

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) in the principal market for the asset or liability or

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lacs unless otherwise stated.

- ii) in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy that categorises into three levels, as described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs).

Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: inputs that are unobservable for the asset or liability

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

g) Inventories:

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

i) Cost of Feature Films:

The Company amortize the cost of movie rights over the period in which revenues are expected to be received.

ii) 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.

- iii) 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.

h) Cash and cash equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with remaining maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lacs unless otherwise stated.

i) Foreign Currency Transactions

Initial Recognition:

All transactions that are not denominated in the Company's functional currency are foreign currency transactions. These transactions are initially recorded in the functional currency by applying the appropriate daily rate which best approximates the actual rate of the transaction. Exchange differences arising on foreign exchange transactions settled during the period/ year are recognised in the statement of profit and loss.

Measurement of foreign current items at reporting date:

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange at the reporting date. Non-monetary items measured based on historical cost in a foreign currency are not translated. Non-monetary items measured at fair value in a foreign currency are translated to the functional currency using the exchange rates at the date when the fair value was determined.

Exchange differences arising out of these translations are recognised in the statement of profit and loss.

j) Revenue recognition:

Revenue is recognized when a customer obtains control and has the ability to direct the use of and obtain the benefits of products or services for the consideration that the company expects to be entitled to in exchange for those products and services.

The Company exercises judgment whether the revenue should be recognized "over time" or "at a point of time". The company considers detailed understanding of customer contractual arrangements, transfer of control vis a vis transfer of risk and reward, acceptance of delivery i.e when control is transferred.

Revenue is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

The specific recognition criteria described below must also be met before revenue is recognized:

i) Satellite and OTT Rights Revenue from Satellite & OTT rights where a customer obtains "right to use" is recognized at the point of time the license is made available to the customer as per the terms of the agreement / contracts.

ii) Revenue from Films:

- Revenue from production of films is recognized on assignment of such rights as per the contract/ arrangements with the distributors.
- Revenue from distribution of motion pictures is recognized based on ticket sales on exhibition of motion pictures at exhibition of theatres. Recoveries from films as overflows are recognized

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lacs unless otherwise stated.

on the basis of business statements received from the distributors. Contracted minimum guarantees are recognized on transfer of theatrical rights.

- iii) **Interest Income:** Interest income is accounted on accrual basis, at the contracted terms.
 - iv) **Others:** Revenue in respect of Insurance/Other claims is recognized only when it is reasonably certain that the ultimate collection is made.
- k) **Employee Benefits:**
- i) **Short-term obligations:**
Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees services up to the end of the reporting period and are measured at the amount expected to be paid when liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.
 - ii) **Other long term employee benefit obligations:**
Gratuity obligations:
The liability or asset recognised in the balance sheet in respect of defined benefits and gratuity plans is the present value of the defined benefits obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lacs unless otherwise stated.

Defined Contribution plans:

The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contribution has been paid. The contributions are accounted for as defined contribution plans and the contribution are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

iii) Bonus Plan:

The company recognises a liability and an expense for bonuses. The company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

I) Taxes on Income:

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year/period as per the provisions of tax laws enacted in India and any adjustment to the tax payable or receivable in respect of previous years/periods. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii) Deferred tax:

Deferred tax is recognised on deductible temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable income, the carry forward of unused tax losses and the carry forward of unused tax credits.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax liabilities are generally recognized for all deductible temporary differences. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognised. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognised.

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lacs unless otherwise stated.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable income will be available against which those deductible temporary differences can be utilised. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognised.

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period and reduce amounts to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered.

Presentation of current and deferred tax:

Current and deferred tax are recognised as income or an expense in the statement of profit and loss, except when they relate to items that are recognised in Other Comprehensive Income/ Equity, in which case, the current and deferred tax income/ expense are recognised in Other Comprehensive Income/ Equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when they relate to income taxes levied by the same taxation authority.

m) Earnings per share:

The basic earnings per share ('EPS') is computed by dividing the net profit attributable to equity shareholders for the period, by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed using the weighted average number of equity and dilutive (potential) equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

n) Provisions and Contingencies

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is more likely than not that an outflow of economic benefits will be required to settle the obligation. Provisions are discounted where the effect of discounting is material at a pre-tax rate that reflects current market assessments of the time value of money. Unwinding of the discount (accretion) is recognized as a finance cost. Discount rates are assessed and projected timing of future obligations each reporting period.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lacs unless otherwise stated.

o) Investment and other financial assets:

i) Classification:

The company classifies its financial assets in the following measurement categories:

- a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- b) those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

ii) Measurement:

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

p) Leases:

As a Lessee:

The company recognizes a right-of-use asset and a lease liability at the lease commencement date.

Right-of-use asset (ROU):

The right-of-use asset is initially measured at cost. Cost comprises of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, any initial direct costs incurred by the lessee, an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

After the commencement date, a lessee shall measure the right-of-use asset applying cost model, which is Cost less any accumulated depreciation and any accumulated impairment losses and also adjusted for certain re-measurements of the lease liability.

Right-of-use asset is depreciated using straight-line method from the commencement date to the end of the lease term. If the lease transfers the ownership of the underlying asset to the company at the end of the lease term or the cost of the right-of-use asset reflects the company will exercise the purchase option, ROU will be depreciated over the useful life of the underlying asset, which is determined based on the same basis as property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lacs unless otherwise stated.

Lease liability:

Lease liability is initially measured at the present value of lease payments that are not paid at the commencement date. Discounting is done using the implicit interest rate in the lease, if that rate cannot be readily determined, then using the company's incremental borrowing rate. Incremental borrowing rate is determined based on entity's borrowing rate adjusted for terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprises of fixed payments (including in substance fixed payments), variable lease payments that depends on an index or a rate, initially measured using the index or rate at the commencement date, amount expected to be payable under a residual value guarantee, the exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

Lease liability is measured at amortised cost using the effective interest method. Lease liability is re-measured when there is a change in the lease term, a change in its assessment of whether it will exercise a purchase, extension or termination option or a revised in-substance fixed lease payment, a change in the amounts expected to be payable under a residual value guarantee and a change in future lease payments arising from change in an index or rate.

When the lease liability is re-measured corresponding adjustment is made to the carrying amount of the right-of-use asset. If the carrying amount of the right-of-use asset has been reduced to zero it will be recorded in statement of profit and loss.

Right-of-use asset is presented under "Property, Plant & Equipment" and lease liabilities are presented under "Financial liabilities" in the balance sheet.

The company has elected not to recognise right-of-use assets and lease liabilities for short term leases. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

As a Lessor: Lease income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

q) Impairment of non-financial assets:

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets

NOTES TO THE FINANCIAL STATEMENTS

Amount expressed in INR Lacs unless otherwise stated.

are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units).

r) **Borrowing costs:**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred, unless they are capitalised.

TIPS FILMS LIMITED
 NOTES TO FINANCIAL STATEMENTS
 3. Property, Plant and Equipment (PPE)

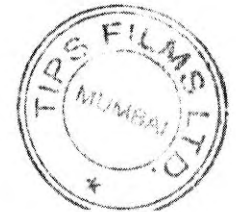
(Amount in INR Lakhs unless otherwise stated)

Description of Assets
 Carrying Amount of
 Plant & Equipment
 Vehicles
 Furniture and Fixture
 Office Equipment
 Total

As at March 31,2022	As at March 31,2021	As at April 01,2020
4.46	-	-
97.84	-	-
0.12	-	3.14
3.68	-	-
106.10	-	3.14

Description of Assets	Plant & Equipment	Furniture & Fixture	Vehicles	Office Equipment	Total
Gross Block Value					
Balance as at April 01, 2020	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Balance as at March 31, 2021	-	-	-	-	-
Add: Addition on account of Composite Scheme of Arrangement (Refer Note No 28(16))	40.31	-	-	-	40.31
Additions	2.62	0.14	25.19	4.31	32.26
Adjustments/Disposals/Transfer	-	-	376.74	-	376.74
Balance as at March 31, 2022	42.93	0.14	401.93	4.31	449.31
Accumulated Depreciation					
Balance as at April 01, 2020	-	-	-	-	-
Depreciation for the year	-	-	-	-	-
Disposals for the year	-	-	-	-	-
Balance as at March 31, 2021	-	-	-	-	-
Add: Addition on account of Composite Scheme of Arrangement (Refer Note No 28(16))	37.17	-	-	-	37.17
Depreciation for the year	1.30	0.02	17.43	0.63	19.38
Adjustments/Disposals/Transfer	-	-	286.65	-	286.65
Balance as at March 31, 2022	38.47	0.02	304.08	0.63	343.21
Net Block Value					
As at March 31,2022	4.46	0.12	97.84	3.68	106.10
As at March 31,2021	-	-	-	-	-
As at April 01, 2020	-	-	-	-	-

9/1



4. Investment Property

I Investment property (at cost less accumulated depreciation)

Opening

Add: Additions

Add: Addition on account of Composite Scheme of Arrangement (Refer Note No 28(16))

Closing

Less: Accumulated depreciation

Opening

Add: Addition on account of Composite Scheme of Arrangement (Refer Note No 28(16))

Add: Depreciation/Amortisation

Closing

Net Block

As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
-	-	-
1,680.95	-	-
1,680.95	-	-
446.79		
25.71	-	-
472.50	-	-
1,208.45	-	-

II. Information regarding income and expenditure of Investment Property

(a) Rental income derived from investment properties

(b) Profit arising from investment properties before depreciation and indirect expenses

Less: Depreciation

Less: Property Tax & Maintenance charges

Profit arising from investment properties before indirect expenses

As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
86.44	-	-
25.71	-	-
10.18	-	-
50.55	-	-

III. Fair Value

Investment Properties

As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
1,849.82	-	-

IV. Estimation of fair value

Fair value of the above Investment Property as at March 31, 2022 is INR 1849.82 Lakhs (March 31, 2021 - Nil, April 01, 2020 - Nil) based on valuation report obtained by management from an independent registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017

V. Title Deeds of the Investment Properties as set out in the above table are in the name of Tips Industries Ltd (Demerged Company) on account of Composite Scheme of Arrangement



TIPS FILMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS

(Amount in INR Lakhs unless otherwise stated)

5. Other Financial Assets (Unsecured, Considered Good)

Other Receivables from Related Parties
Fixed Deposits with Banks against Bank Guarantee with above 12 months- Maturity
Deposits -Others

As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
0.72	-	-
18.29	-	-
0.10	-	-
19.11	-	-

6. Other Non Current Assets (Unsecured, Considered Good)

Advances for Film Projects in hand

As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
932.36	-	-
932.36	-	-

7. Current Investments

Mutual Funds
Investment carried at fair value through Profit & Loss
Baroda Business Cycle Fund

No of units as at March 31, 2022	No of units as at March 31, 2021	No of units as at April 01, 2020	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
199,980,001	-	-	19.86	-	-
			19.86	-	-

Aggregate carrying value of quoted investments and market value thereof
Aggregate carrying value of unquoted investments
Aggregate provision for impairment in the value of investments

19.86	-	-
-	-	-
-	-	-

8. Cash & Cash Equivalents

a) Cash on Hand
b) Balance with Banks in Current Accounts
- Current Account

As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
7.98	0.09	0.15
460.67	-	-
468.65	0.09	0.15

9. Bank Balances other than Cash and Cash Equivalents

Bank Deposits with 3-12 months- Maturity

As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
1,427.34	-	-
1,427.34	-	-

10. Loans (Unsecured, Considered Good)

Employee Loan

As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
3.31	-	-
3.31	-	-

There are no loans or advances in the nature of loans granted to promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:
(a) repayable on demand; or
(b) without specifying any terms or period of repayment

11. Other Financial Assets (Unsecured, Considered Good)

a) Security Deposit against Premises to Related Parties
b) Security Deposits -Others
c) Other Receivables from Related Parties

As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
250.00	-	-
5.00	-	-
0.40	-	-
255.40	-	-

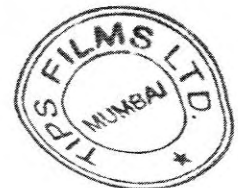
The company has not given any advances to the directors of the company either severally or jointly with any other persons or advances to firm or any other companies respectively in which any director is partner or member.

12. Other Current Assets (Unsecured, Considered Good)

a) Advances for film Projects in Hand
b) Prepaid Expenses
c) Balances with Government Authorities @
d) Advances for Expenses

As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
3,932.48	-	-
1.40	-	-
328.65	-	-
83.97	-	-
4,346.50	-	-

@ This includes INR 17.29 Lakhs (Previous year Nil) on account of deposit for appeal for service tax matter.



13 Equity Share Capital (Refer Note No 28(6))

Authorised

50,00,000 (Previous year 50,000) Equity Shares of INR 10/- each *

* increase in authorised capital is on account of Composite Scheme of Arrangement

Issued, Subscribed and fully paid-up

Total

As at March 31, 2022		As at March 31, 2021		As at April 01, 2020	
Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
5,000,000	500.00	50,000	5.00	50,000	5.00
-	-	50,000	5.00	50,000	5.00
-	-	50,000	5.00	50,000	5.00

Reconciliation of Equity Shares outstanding at the beginning and at the end of the reporting year

At the commencement of the year

Less: Cancelled on account of Composite Scheme of Arrangement (Refer Note No 28(16))

As at March 31, 2022		As at March 31, 2021	
Number of Shares	Amount	Number of Shares	Amount
50,000	5.00	50,000	5.00
50,000	5.00	-	-
-	-	50,000	5.00

13 A. Equity Share Capital Suspense

Equity Shares Capital Suspense #

As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
432.29	-	-
432.29	-	-

43,22,886 (March 31,2021 Nil)(April 01,2020 Nil) Equity shares of INR 10/- each, fully paid to be issued on account of Composite Scheme of Arrangement of Tips Industries Limited (Refer Note No 28(16))

14 Other Equity

- 1 Capital Reserve
- 2 Retained Earnings

Total

As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
5,643.55	-	-
690.20	(4.91)	(4.87)
6,333.75	(4.91)	(4.87)

As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
-	-	-
5,638.55	-	-
5.00	-	-
5,643.55	-	-

1 Capital Reserve

Balance at the beginning of the year

Add: Amount adjusted on account of Composite Scheme of Arrangement (Refer Note No 28(16))

Add: Share cancelled on account of Composite Scheme of Arrangement (Refer Note No 28(16))

Balance at the end of the year

Capital Reserve: This reserve is to be utilised in accordance with the provisions of the Companies Act,2013

2 Retained Earnings

Balance at the beginning of the year

Net profit for the period

Other comprehensive income for the year

Remeasurement gain (loss) of post employment benefit obligations (net of taxes)

Balance at the end of the year

As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
(4.91)	(4.87)	(4.79)
695.35	(0.04)	(0.08)
(0.24)	-	-
690.20	(4.91)	(4.87)

15 Deferred Tax Liabilities (Net)

Deferred Tax Liabilities

Property, Plant, Equipment and Investment Property

Employees benefit obligations

Others

Total

As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
265.68	-	-
(8.14)	-	-
1.37	-	-
258.91	-	-

16 Employee Benefit Obligations(Non Current)

Gratuity (Refer Note No 28(12))

Total

As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
28.92	-	-
28.92	-	-

17 Trade Payables

(a) Total outstanding dues of micro enterprises and small enterprises (Refer Note No 28(7))

(b) Total outstanding dues of Creditors other than micro enterprises and small enterprises

Total

For Ageing Refer Note No (28(14(a)))

As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
527.12	-	-
527.12	-	-



(Amount in INR Lakhs unless otherwise stated)

18 Other Financial Liabilities
Other Payables to Related Party
Total Other Financial Liabilities

As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
923.23	-	-
923.23	-	-

19 Employee Benefit Obligations
Gratuity [Refer Note No.28(12)]
Total

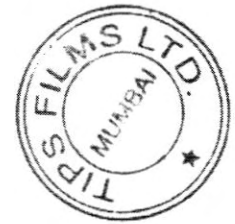
As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
0.35	-	-
0.35	-	-

20 Other Current Liabilities
Statutory Dues
Total

As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
0.71	-	0.02
0.71	-	0.02

21 Current Tax Liabilities (Net)
Provision of Taxation net of Tax collected at source
Total

As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
281.80	-	-
281.80	-	-



22 Revenue from operations

Sale of Services:

Income from Digital Rights/Satelite Rights

Total Revenue from operations

Year ended March 31, 2022	Year ended March 31, 2021
6,683.00	-
6,683.00	-

a) Disaggregation of revenue from contracts with customers

Revenue by geography:

Domestic

International

Digital Rights/Satelite Rights	
Year ended March 31, 2022	Year ended March 31, 2021
6,683.00	-
-	-
6,683.00	-

Timing of Revenue Recognition

Services transferred at a point in time

Total Revenue from Contracts with Customers

6,683.00	
6,683.00	-

b) Contract Balances

Trade Receivables

Year ended March 31, 2022	Year ended March 31, 2021
-	-
-	-

23 Other income

Interest Income

On Fixed Deposits with banks

Rent Income

Amounts Written Back

Insurance Claim Received

Employer Employee Insurance Maturity proceeds

Fair value gain on Mutual Fund at FVTPL

Other Non-operating Income

Total

Year ended March 31, 2022	Year ended March 31, 2021
71.04	-
86.44	-
12.94	-
9.97	-
466.00	-
5.18	-
2.28	-
653.85	-

24 Cost of Production of films

Cost of Production of films

Year ended March 31, 2022	Year ended March 31, 2021
5,542.22	-
5,542.22	-

25 Employee Benefit Expenses

Salary, Wages & Bonus

Contribution to Provident and other Funds

Gratuity

Staff Welfare Expenses

Total

Year ended March 31, 2022	Year ended March 31, 2021
296.05	-
2.09	-
3.34	-
5.05	-
306.53	-



26 Depreciation and Amortization Expense
 On account of Property, Plant and Equipment
 On account of Investment Property
Total

Year ended March 31, 2022	Year ended March 31, 2021
19.38	
25.71	
45.09	-

27 Other Expenses
 Electricity Expenses
 Rent
Repairs & Maintenance :
 -Office Premises
 Insurance
 Rates and Taxes
 Legal and Professional
 Advertisement Expenses
 Travelling and Conveyance
 Auditors Remuneration
 -Statutory Fees
 -Out of pocket expenses
 Donation
 Bad Debts and Advances Written Off
 Miscellaneous Expenses
Total

Year ended March 31, 2022	Year ended March 31, 2021
1.81	-
50.45	-
	-
13.81	-
190.84	-
17.07	-
73.84	-
31.24	-
4.58	0.02
-	-
6.00	-
-	-
24.80	-
9.80	-
69.05	0.02
493.29	0.04



- 28 Notes forming part of Financial Statements
1) Contingent liabilities to the extent not provided for in respect of :
a) Claims against the Company not acknowledged as debt

As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
280.56	-	-

Service Tax matter *

*The Company is hopeful of favourable decisions for the appeal pending before the Commission of Central Excise/Service Tax

- b) There has been a Supreme Court judgement dated 28 February 2019, relating to components of salary structure that need to be taken into account while computing provident fund under the EPF Act. There are interpretive aspects related to the judgement including the effective date of application. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any.
- c) The Code on Social Security, 2020 ("Code") relating to employees benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/ interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

2) Tax expenses

A. Tax expense recognised in the Statement of Profit or Loss

Current Tax

Current Tax on Profit for the year

Deferred tax liability

Total

As at March 31, 2022	As at March 31, 2021
282.00	-
(27.63)	-
254.37	-

B. Amounts recognised in other comprehensive income

Items that will not be reclassified to profit or loss

Remeasurements of defined benefit liability (asset)

Tax (expense)/benefit

Net of taxes

As at March 31, 2022	As at March 31, 2021
(0.33)	-
0.09	-
(0.24)	-

C. Reconciliation of effective tax rate

Profit before tax

Tax using the company's domestic tax rate of 27.82%

Tax effect of:

Non deductible expenses/others

As at March 31, 2022	As at March 31, 2021
949.72	-
264.21	-
(9.85)	-
254.37	-

d) Movement of Deferred tax balances

Particulars	Net balance April 01, 2021	Balance transferred Pursuant to Composite Scheme of Arrangement (Refer Note No 78 (16.11))	Recognised in profit or loss	Recognised in OCI	March 31, 2022		
					Net	Deferred Tax Asset	Deferred Tax Liability
Property, Plant & Equipment and Investment Property	-	(291.89)	(26.21)	-	(265.68)	-	(265.68)
Employee Benefits	-	6.44	(1.61)	(0.09)	8.14	8.14	-
Others	-	(1.18)	0.19	-	(1.37)	-	(1.37)
Net Deferred tax assets (liabilities)	-	(286.63)	(27.63)	(0.09)	(258.91)	8.14	(267.05)

Movement of Deferred tax balances

	Net balance April 1, 2020	Recognised in profit or loss	Recognised in OCI	March 31, 2021		
				Net	Deferred tax asset	Deferred tax liability
Property, Plant & Equipment and Investment Property	-	-	-	-	-	-
Employee Benefits	-	-	-	-	-	-
Others	-	-	-	-	-	-
Net Deferred tax assets (liabilities)	-	-	-	-	-	-

Movement of Deferred tax balances

	Net balance April 1, 2020	Recognised in profit or loss	Recognised in OCI	April 01, 2020		
				Net	Deferred tax asset	Deferred tax liability
Property, Plant & Equipment and Investment Property	-	-	-	-	-	-
Employee Benefits	-	-	-	-	-	-
Others	-	-	-	-	-	-
Net Deferred tax assets (liabilities)	-	-	-	-	-	-

3) Company as a lessee

The Company has incurred expenses relating to short term leases. Terms of such lease include option for renewal on mutually agreed terms. There are no restrictions imposed by lease arrangements and there are no purchase options or sub leases or contingent rents. Operating lease rentals for the year recognised in Statement of Profit and Loss amounts to INR 50.45 Lakhs (2020-21 - NIL).

4) Company as a lessor

Rent income includes payments of INR 86.44 Lakhs (2020-21 - INR NIL Lakhs) for the year relating to agreements entered into by the Company. There are no restrictions imposed by lease arrangements and there are no contingent rents recognised as income for the period. These lease arrangements inter alia include escalation clause/option for renewal.

5) Corporate Social Responsibility

The Corporate Social Responsibility is not applicable to the company. Since there are no profits in preceding 3 (Three) financial years



6] Share Capital

a] **Rights, preferences and restrictions attached to Equity shares :** The company has only one class of equity shares having a par value of INR 10/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

b] **Details of equity shares held by shareholders holding more than 5% of the aggregate equity shares in the Company:**

March 31, 2022		March 31, 2021		April 01, 2020	
No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
-	0.00	25,000	50.00	25,000	50.00
-	0.00	24,500	49.00	24,500	49.00

Information for March 31, 2022, is not given since shares are not allotted.

c] **Details of equity shares held by Promoters in the Company:**

March 31, 2022			March 31, 2021			April 01, 2020		
No. of shares	% of holding	% of change during the year	No. of shares	% of holding	% of change during the year	No. of shares	% of holding	% of change during the year
-	-	-	25,000	50.00	-	25,000	50.00	-
-	-	-	-	-	-	-	-	-

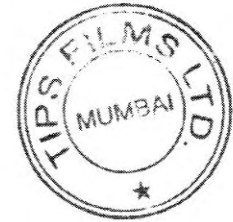
Information for March 31, 2022, is not given since shares are not allotted.

7] **Dues to micro and small suppliers**

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, there are no outstanding dues to the Micro and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006.

- 1] Principal amount remaining unpaid to any supplier as at the year
- 2] Interest due thereon
- 3] Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year
- 4] Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED
- 5] Amount of interest accrued and remaining unpaid at the end of the accounting year

As at March 31, 2022	As at March 31, 2021	As at April 01 2020
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-



TIPS FILMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS

(Amount in INR Lakhs unless otherwise stated)

8) Related Party Disclosure

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

- a) Subsidiaries where control exists
- b) Joint Ventures
- c) Key Management Personnel

NIL

NIL

Mr. Kumar S Taurani - Chairman & Executive Director
Mr. Ramesh S Taurani - Managing Director
Ms. Jaya R Taurani - Executive Director
Mr. Vinit K. Bhanushali- Company Secretary w.e.f 02.05.2022

Non Executive Independent Director

Ms. Radhika Dudhat w.e.f 02.05.2022
Mr. Venkataraman Iyer w.e.f 02.05.2022
Mr. Vinode Thomas w.e.f 01.06.2022

d) 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. Raveena R Taurani
Ms. Krsna Girish Taurani

e) Enterprise owned or significantly influenced by Key Management Personnel or their relatives, where transactions have taken place

Particulars	March 31, 2022		March 31, 2021			
	Key Management Personnel	Relatives of Key Management Personnel	Total	Key Management Personnel	Relatives of Key Management Personnel	Total
Rent Paid	-	42.00	42.00	-	-	-
Rent Received	-	14.52	14.52	-	-	-
Legal & Profession Fees Paid	-	30.00	30.00	-	-	-
Director Remuneration Paid	168.00	64.00	232.00	-	-	-
Net payable on account of Composite Scheme of Arrangement	-	923.23	923.23	-	-	-
Balances Outstanding at the year	-	923.23	923.23	-	-	-
Payable to Demerged Company	-	250.00	250.00	-	-	-
Receivable Deposits	-	-	-	-	-	-

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

9) Segment Reporting

The Company operates in single business segment i.e. Films (Production/Distribution). Accordingly there are no separately reportable as per IndAs 108 on operating segment and no further disclosure required.



TIPS FILMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS

(Amount in INR Lakhs unless otherwise stated)

10] Financial Instruments – Fair values and risk management

A) Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

As at March 31, 2022	Carrying Amount			Total	Fair Value			
	FVTPL	FVTOCI	Amortised Cost		Level 1	Level 2	Level 3	Total
Financial Assets								
Non Current			19.11	19.11				
Other Financial Assets			468.65	468.65				
Current Assets	19.86		1,427.34	1,427.34	19.86			19.86
Investment			3.31	3.31				
Cash & Cash Equivalents			255.40	255.40				
Bank Balances other than above								
Loans								
Other Financial Assets								
Financial Liabilities								
Current Liabilities			527.12	527.12				
Trade Payable			923.23	923.23				
Other Financial Liabilities								



As at March 31, 2021	Carrying Amount			Total	Fair Value			
	FVTPL	FVTOCI	Amortised Cost		Level 1	Level 2	Level 3	Total
Financial Assets								
Cash & Cash Equivalents			0.09	0.09				
Financial Liabilities								

As at April 01, 2020	Carrying Amount			Total	Fair Value			
	FVTPL	FVTOCI	Amortised Cost		Level 1	Level 2	Level 3	Total
Financial Assets								
Cash & Cash Equivalents			0.15	0.15				
Financial Liabilities								

There are no transfers between Level 1 and Level 2 during the year

Financial Instruments – Fair values and risk management

The carrying value of trade receivables, cash and cash equivalents, other bank balances, loans, trade payables and other financial assets and liabilities are considered to be the same as their fair values due to their short term nature. The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in valuation technique. The hierarchy gives highest priority to quoted prices in active market for identical assets or liabilities (Level 1 measurement) and lowest priority to unobservable inputs (Level 3 measurement).

ii) Valuation technique used to determine fair value Specific valuation technique used to value financial instruments include:
The mutual funds are valued using closing NAV available in the market.

B) Financial risk management

The Company has exposure to the following risks arising from financial instruments.

- * Credit Risk ;
- * Liquidity Risk ; and
- * Market Risk

i) Risk Management objectives

The Company's activities expose it to a variety of financial risks viz. credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

ii) Credit risk

a) Credit Risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company deals with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company uses publicly available financial information and its own trading records to rate its major customers. The Company's exposure and credit ratings of its counterparties are regularly monitored and the aggregate value of transactions concluded is spread amongst counterparties.

b) Cash and Cash equivalents and other Bank balances

The Company held cash and cash equivalents and other bank balances of INR 1895.99 Lakhs as on March 31, 2022 (March 31, 2021 : INR 0.09 Lakhs) (April 01, 2020 INR 0.15 Lakhs). The cash and cash equivalents are held with bank counterparties with good credit ratings.

c) Loans and Advances :

The Company held Loans and Advances of INR. 277.82 Lakhs as on March 31, 2022 (March 31, 2021: NIL) (April 01, 2020: NIL) . The loans and advances are in nature of rent deposit paid to landlords, bank deposits with more than 12 month maturity and are fully recoverable.

d) Trade receivables :

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business. Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Maturity profile of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.



March 31, 2022
Financial Liabilities
Trade Payables
Other Financial Liabilities

Carrying Amount	Total	Contractual Cash Flows				
		Less than 6 months	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
527.12	527.12	519.68	-	2.04	5.40	0.00
923.23	923.23	923.23	-	-	-	-

March 31, 2021
Financial Liabilities
Trade Payables
Other Financial Liabilities

Carrying Amount	Total	Contractual Cash Flows				
		Less than 6 months	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
-	-	-	-	-	-	-
-	-	-	-	-	-	-

April 01, 2020
Financial Liabilities
Trade Payables
Other Financial Liabilities

Carrying Amount	Total	Contractual Cash Flows				
		Less than 6 months	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
-	-	-	-	-	-	-
-	-	-	-	-	-	-

iv) Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.



Financial instruments – fair values and risk management

a) Currency Risk

The company is not exposed to currency risk on account of its receivables / payables in foreign currency. The functional currency of the Company is Indian Rupees.

b) Interest Rate Risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

i) Exposure to interest rate risk

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest bearing financial instruments as reported to the management of the Company is as follows

Borrowings
Fixed Rate Borrowings
Variable Rate Borrowings

	March 31, 2022	March 31, 2021	April 01, 2020
Borrowings	-	-	-
Fixed Rate Borrowings	-	-	-
Variable Rate Borrowings	-	-	-

ii) Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

iii) Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant

INR	Profit or (loss)	
	100 bp increase	100 bp decrease
March 31, 2022		
Variable-rate instruments	-	-
Cash flow sensitivity (net)	-	-
March 31, 2021		
Variable-rate instruments	-	-
Cash flow sensitivity (net)	-	-
April 01, 2020		
Variable-rate instruments	-	-
Cash flow sensitivity (net)	-	-

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

c) Price Risk

Price risk refers to risk that the fair value of a financial instrument may fluctuate because of the change in the market price. The Company is exposed to the price risk mainly from investment in mutual funds. Investments in mutual funds are made primarily in units of fixed maturity and liquid funds and are not exposed to significant price risk.

11) Capital Management

Risk Management

The Company's capital management objectives are:

- safeguard their ability to continue as A going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of net debt to equity ratio and maturity profile of overall debt portfolio of the Company

12) Employee Benefits:

The Company contributes to the following post-employment defined benefit plans in India

i) Post Employment Defined Contribution Plans :

The contributions to the Provident Fund and Family Pension fund of certain employees are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution. The Company recognized INR 2.08 Lacs for year ended March 31, 2022. (NIL for March 31, 2021) contributions in the Statement of Profit and Loss.

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes

ii) Post Employment Defined Benefit Plans :

Gratuity

The Company participates in the Employees Gratuity scheme, a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on death or on separation / termination in terms of the provisions of the Payment of Gratuity Act, 1972. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust fund.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2022. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.



Employee Benefits:

Gratuity

The following table sets forth the particulars in respect of the Gratuity Plan (Funded) of the Company

- a) Reconciliation of opening and closing balances of the present value of the defined benefit obligation:
- Present value of obligation at the beginning of the year
Add: Transferred on account of Composite scheme of arrangement (Ref Note No 28(16))
Current service cost
Interest cost
Remeasurements (gains) / losses
Actuarial (gain)/ loss arising from changes in financial assumptions
Actuarial (gain)/ loss arising from changes in experience adjustments
Present value of obligation at the end of the year

	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
	-	-	-
	25.59	-	-
	1.64	-	-
	1.71	-	-
	-	-	-
	(1.49)	-	-
	1.82	-	-
	29.27	-	-

- b) Reconciliation of the opening and closing balances of the fair value of plan assets:

Fair value of plan assets at the beginning of the year

Fair value of plan assets at the end of the year

- c) Reconciliation of the present value of the defined benefit obligation and the fair value of plan assets:

Present value of obligation at the end of the year

Fair value of plan assets at the end of the year

Liabilities recognised in the balance sheet

- d) Actual Return of Plan Assets

- e) Re-measurements losses/(gains) recognised in the Other Comprehensive Income

Return on plan assets (excluding amount included in net interest cost)

Effect of changes in financial assumptions

Effect of changes in experience adjustments

Total re-measurement included in Other Comprehensive Income

- f) Expense recognised in Statement of Profit or Loss:

Current service cost

Net interest cost

Total expense recognised in Statement of Profit and Loss (Refer Note No 25)

- g) Category of plan assets:

Fund with Life Insurance Corporation of India

- h) Maturity profile of defined benefit obligation:

Within 1 year

1 - 2 years

2 - 3 years

3 - 4 years

4 - 5 years

5 - 10 years

- i) Principal actuarial assumptions:

Discount rate

Salary growth rate

Mortality Rate during employment

- j) Sensitivity Analysis

PVO

	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
	-	-	-
	-	-	-
	29.27	-	-
	-	-	-
	29.27	-	-
	-	-	-
	-	-	-
	(1.49)	-	-
	1.82	-	-
	0.33	-	-
	1.64	-	-
	1.71	-	-
	3.35	-	-
	in %	in %	in %
	100	100	100
	0.35	-	-
	0.39	-	-
	0.44	-	-
	0.50	-	-
	0.56	-	-
	31.60	-	-
	7.30%	6.70%	6.70%
	10%	10%	10%
	IALM (2012-14) Ult.	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Discount Rate			
PVO DR + 1%	PVO DR - 1%		
27.03	31.81		
Salary Escalation Rate			
PVO ER + 1%	PVO ER - 1%		
31.71	27.08		

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumption the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the Balance Sheet.

- iii) Leave Obligation

The Company provides leave to employees. The employees at the end of the financial year can carry forward their balance leave to the subsequent financial year and it gets lapsed if not availed in that subsequent financial year. The Company Rules does not provide encashment of Leave at any time during the tenure of employment and also on retirement or termination. The Company records a provision for leave obligation at the end of the financial year. The total provision recorded by the Company towards this obligation was INR 1.05 lakhs as on March 31, 2022 (NIL - March 31, 2021) (NIL - April 1, 2020)



Employee Benefits:

v) Risk Exposure

Through its defined benefit plans, the Company is exposed to some risks, the most significant of which are detailed below:

Discount rate risk

The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase the ultimate cost of providing the above benefit thereby increasing the value of the liability.

Salary growth risks

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

Demographic risk

In the valuation of the liability, certain demographic (mortality and attrition rates) assumptions are made. The Company is exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the benefit cost.

13] Recent accounting pronouncements - Standards issued but not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below:

1) Ind AS 103 – Reference to Conceptual Framework - The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103.

2) Ind AS 16 – Proceeds before intended use - The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.

3) Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract - The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.

4) Ind AS 109 – Annual Improvements to Ind AS (2021) - The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.

5) Ind AS 116 – Annual Improvements to Ind AS (2021) - The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration.

The Company is assessing the impact of these changes and will accordingly incorporate the same in the financial statements for the year ending March 2023.



14 (a) Trade payables as at March 31, 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than year 1	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	519.68	2.04	5.40	-	527.12
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	519.68	2.04	5.40	-	527.12

14 (a) Trade payables as at March 31, 2021

Particulars	Outstanding for following periods from due date of payment				
	Less than year 1	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	-	-	-	-	-

14 (a) Trade payables as at April 01, 2020

Particulars	Outstanding for following periods from due date of payment				
	Less than year 1	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	-	-	-	-	-



14(b) Ratios: The following are analytical ratios for the year ended:

S. No	Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	Variance
1	Current Ratios	Current assets	Current liabilities	3.76	-	100.00%
2	Debt Equity Ratio	Borrowing (current + non current)	Total Equity	-	-	0.00%
3	Debt Service Coverage Ratio	PAT + Depreciation and Amortization Expense + Interest cost on Borrowings + (Profit)/ Loss on sale of Fixed assets)	(Interest cost on Borrowings + Principal repayments made during the period for Long Term Borrowings)	-	-	0.00%
4	Return on Equity %	Net profit after taxes	Average Total equity	11%	-35%	-130.59%
5	Inventory Turnover Ratio	Sales of Product	Average inventory	-	-	0.00%
6	Trade receivables turnover ratio	Gross Revenue from Operations	Average accounts receivable	-	-	0.00%
7	Trade payables turnover ratio	Purchases of Goods	Average trade payables	-	-	0.00%
8	Net capital turnover ratio	Net sales	Working capital	1.40	-	0.00%
9	Net profit ratio %	Profit after Tax	Revenue from Operation	10%	0.00%	0.00%
10	Return on capital employed (ROCE) %	Earning before interest and taxes	(Net worth + Total Debts + Deferred Tax Liabilities)	13.52%	-43.03%	-131.42%
11	Return on Investment %	Profit after Tax	Average Total Equity	11%	-35%	-130.59%

This being first year after demerger, ratios for the current year and previous year are not comparable hence item wise reasons are not given.



Note-14 (c) Additional regulatory information required by Schedule III

- 1 The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- 2 The Company has not advanced or loaned or invested funds to any other person(s) or entity (is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lender invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 3 The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- 4 The Company has not traded or invested in Crypto currency or Virtual Currency during the current or previous year.
- 5 The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- 6 The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.
- 7 The Company has not revalued any of its Property, Plant and Equipment during the year.
- 8 The Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.
- 9 **Relationship with Struck off Companies**
There were no transactions or balances with struck off companies. Further shares were not allotted as on March 31,2022 and hence information is not given for the shareholders.
- 10 The Company does not have any bank borrowings during the current and previous year.
- 11 During the year , the Company has entered into a scheme pursuant to the Composite Scheme of Arrangement (the 'Scheme'), duly sanctioned by the National Company Law Tribunal (NCLT), Mumbai Bench vide Order dated March 3, 2022, with effect from the Appointed Date i.e., April 1, 2021, the Film Production and Distribution business of the Tips Industries Limited ('the demerged undertaking'), stands transferred into the "Tips Films Limited", ('the resulting company' or 'TFL'). of arrangement which has an accounting impact on current financial year. For a detail refer Note No 28(16).



NOTES TO THE FINANCIAL STATEMENTS

15] Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares

a) Profit attributable to Equity holders of company

Profit/(Loss) attributable to equity shareholders

Continuing Operation

Profit attributable to equity holders of the Company for basic earnings

Profit attributable to equity holders of the Company adjusted for the effect of dilution

March 31, 2022	March 31, 2021
695.35	(0.04)
695.35	(0.04)
695.35	(0.04)

b) Weighted average number of ordinary shares

No of Equity shares at beginning of the year

Cancelled on account of Composite Scheme of Arrangement

No of Equity Shares in Share Capital Suspense

No of Equity Shares at end of the year

Weighted average number of shares at March 31 for basic and Diluted EPS

March 31, 2022	March 31, 2021
0.50	0.50
(0.50)	-
43.23	-
43.23	0.50
43.23	0.50

c) Basic and Diluted earnings per share

Basic earnings per share

Diluted earnings per share

March 31, 2022	March 31, 2021
16.09	(0.08)
16.09	(0.08)

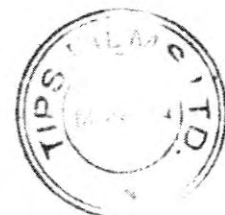
16] Composite Scheme of Arrangement

a) Description

Pursuant to the Composite Scheme of Arrangement (the 'Scheme'), duly sanctioned by the National Company Law Tribunal (NCLT), Mumbai Bench vide Order dated March 3, 2022, with effect from the Appointed Date i.e., April 1, 2021, the Film Production and Distribution business (the demerged undertaking) of Tips Industries Limited ('TIL'), stands transferred to "Tips Films Limited" ('Resulting Company or 'TFL').

On receipt of the order dated March 3, 2022 from NCLT sanctioning the Scheme and upon filing the same with Registrar of Companies on March 23, 2022, the Scheme has become effective. The NCLT order effect has been considered in the financial year ended March 31, 2022 by transferring the carrying amount of assets and liabilities pertaining from the demerged undertaking with effect from the Appointed Date of April 01, 2021.

On scheme becoming effective, the total Net Assets transferred from TIL is INR 6070.84 Lakhs.



b) The details of assets and liabilities transferred from TIL to TFL are as under:

Particulars	As at April 01, 2021
Property, plant and equipment	3.14
Investment Property	1,234.16
Loans & Deposits	9.90
Investments	75.64
Trade receivables	6.72
Cash and cash equivalent	844.27
Bank Balances other than Cash and Cash Equivalents	17.47
Other financial assets	256.30
Other current assets	4,158.36
Total Assets (A)	6,605.96
Deferred tax liabilities (net)	286.63
Other non-current liabilities	25.31
Trade payables	198.92
Other financial liabilities	15.00
Other current liabilities	9.26
Total Liabilities (B)	535.12
Excess of assets over liabilities (A-B)	6,070.84

b) **Equity and Reserves pursuant to the scheme:**

Pursuant to the order the difference between the book value of the assets and liabilities transferred from Demerged Company Tips Industries Limited has been credited as follows:

Particulars	Amount
Equity Share Capital Suspense Account	432.29
Capital reserve	5,638.55
Total	6,070.84

c) **Other matters:**

- i) The Company shall issue and allot 43,22,886 equity shares of INR 10/- each to the share holders of Tips Industries Limited whose names appear in the register of members of Tips Industries Limited as on the record date, 1(one) equity share of INR 10/- each, credited as fully paid up for every 3(three) equity share of INR 10/- each held by them in Tips Industries Limited. Till the allotment, the same would appear in equity share capital suspense account. Since the effect of demerger has been given in the financials, 50,000 equity shares of INR 10/- each allotted to share holders stand cancelled.
- ii) The transactions between the appointed date upto the effective date as appearing in the books of accounts of Tips Industries Limited have been deemed to have been made by the Company.
- iii) All costs, charges and expenses including stamp duties arising out of or incurred so far in carrying out and implementing this Scheme and matters incidental thereto, have been borne by Tips Industries Limited.
- iv) Although, pursuant to the Composite Scheme of Arrangement, the immovable properties belonging to the demerged undertaking of Tips Industries Limited vest in and/or deemed to be transferred to an vested in the Company, the mutation of title/assignment of leases thereof in the name of the Company are yet to be made and recorded by the appropriate authorities. Notwithstanding the same, the Company exercises all rights and privileges and pays ground rent, municipal taxes and fulfils all obligations, in relation to or applicable to such immovable properties.
- v) Mr. Kumar S. Taurani and Mr. Ramesh S. Taurani, Directors of the company have been appointed as Chairman & Executive Director and Managing Director respectively in the board meeting held on May 2, 2022.
- vi) The standalone financial statements of the previous year were audited by a chartered accountant other than SSPA & Associates.



17). First time adoption of Ind AS

A) Transition to Ind AS

For the purposes of reporting as set out in note 28, the Company has transitioned the basis of accounting from Indian generally accepted accounting principles ("IGAAP") to Ind AS. The accounting policies set out in Note 2 have been applied in preparing the financial statements for the period ended March 31, 2022, the comparative information presented in these financial statements for the year ended March 31, 2021 and in the preparation of an opening Ind AS Balance sheet as on April 01, 2020 ("the transition date").

In preparing the opening Ind AS balance sheet as at April 01, 2020 and in presenting the comparative information for the year ended March 31, 2021, the company adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected the financial performance, cash flows and financial position is set out in the following tables. On transition, the company did not revise estimates previously made under IGAAP except where required by Ind AS.

B) Exemption and exceptions availed

B.1 Ind AS mandatory exceptions

B.1.1 Estimates

The estimates as on April 01, 2020 and March 31, 2021 are consistent with those made for the same dates in accordance with the IGAAP (after adjustments to reflect any differences if any, in accounting policies). The company has made estimates for the following in accordance with Ind AS as at the date of transaction as these were not required under IGAAP.

Investment in Mutual Fund carried at FVTPL

B.2.2 Classification and measurement of financial assets

The company has classified and measured the financial assets on the basis of the facts and circumstances that exists at the date of transaction to Ind AS

C.1 Reconciliation between IGAAP and Ind AS

Ind AS 101 requires an entry to reconcile equity, total comprehensive income and cash flows for prior periods. The following table represent the reconciliation from IGAAP to Ind AS.

Notes	As at April 01, 2020			As at March 31, 2021		
	Previous GAAP *	Adj on transition to Ind AS	Ind AS	Previous GAAP *	Adj on transition to Ind AS	Ind AS
ASSETS						
Non-current assets	-	-	-	-	-	-
Current assets						
<u>Financial assets</u>						
Cash and cash equivalents	0.15	-	0.15	0.09	-	0.09
TOTAL ASSETS	0.15	-	0.15	0.09	-	0.09
EQUITY AND LIABILITIES						
Equity share capital	5.00	-	5.00	5.00	-	5.00
Other equity	(4.87)	-	(4.87)	(4.91)	-	(4.91)
Non current liabilities						
<u>Financial Liabilities</u>						
Current liabilities	-	-	-	-	-	-
Other Current Liabilities	0.02	-	0.02	-	-	-
Total Equity and Liabilities	0.15	-	0.15	0.09	-	0.09

C.2 Reconciliation of Total Comprehensive Income for the year ended March 31, 2021

Particulars	IGAAP	Ind AS Adjustment	Ind AS
Revenue from operations	-	-	-
Total Revenue	-	-	-
Expenses:			
Other expenses	0.04	-	0.04
Total Expenses	0.04	-	0.04
Profit before Tax	(0.04)	-	(0.04)
Tax Expenses	-	-	-
Profit / (Loss) for the year	(0.04)	-	(0.04)
Other Comprehensive Income	-	-	-
Total Comprehensive income for the year	(0.04)	-	(0.04)

Earning Per share

- (1) Basic
(2) Diluted

(0.08)

(0.08)

(0.08)

(0.08)



C.3 Reconciliation of total equity as at March 31, 2021 and April 01, 2020

Particulars	As at March 31, 2021	As at April 01, 2020
Total Equity (Shareholder's funds) as per IGAAP	0.09	0.13
Adjustments in retained earnings	-	-
Total Equity as per Ind AS	0.09	0.13

C.4 Reconciliation of total comprehensive income for the year ended March 31, 2021

Particulars	As at March 31, 2021
Net profit as reported under IGAAP	(0.04)
Adjustments:	-
Profit after tax as per Ind AS	(0.04)
Other comprehensive income, net of taxes	-
Total comprehensive income as per Ind AS	(0.04)

18) The figures stated in the current year are not comparable with those of previous period as in the current year, effect has been given to Pursant to Composite Scheme of Arrangement as approved by National Company Law Tribunal.

In terms of our report of even date

For SSPA & Associates

Chartered Accountants

Firm Registration No. 131069W

Parag S. Ved

Parag Ved

Partner

Membership No. 102432

Place : Mumbai

Date: September 02, 2022

For and on behalf of the Board of Directors of

TIPS FILMS LIMITED

CIN :U74940MH2009PTC193028

Kumar S. Taurani

Kumar S. Taurani

Chairman & Executive Director

DIN : 00555831

Vinit K. Bhanushali

Company Secretary

Membership No: A62720

Place : Mumbai

Date: September 02, 2022

Ramesh S. Taurani

Managing Director

DIN : 00010130

Hareesh N Sedhani

Hareesh N Sedhani

Sr. Vice President



MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

This Information Memorandum may include forward-looking statements that involve risks and uncertainties, and our actual financial performance may materially vary from the conditions contemplated in such forward-looking statements as a result of various factors, including those described below and elsewhere in this Information Memorandum Document. For further information, see "Forward-Looking Statements" and "Risk Factors" beginning on page 7 and 11 respectively of this Information Memorandum.

Our Fiscal year ends on March 31 of each year; all references to a particular Fiscal year are to the twelve-month period ended March 31 of that year.

In this section, a reference to the "Company" means Tips Films Limited. Unless the context otherwise requires, references to "we," "us," "our" or "TFL" refers to Tips Films Limited.

The financial information included in this section for financial year ended March 31, 2022 and March 31, 2021, has been extracted from our Audited Financial Statements for financial year ended March 31, 2022 and March 31, 2021, prepared under Ind AS. For further information, see, "Financial Statements" on page 83.

- **Overview**

Tips Films Limited was incorporated as an Unlisted Public Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated June 5, 2009 bearing Registration Number 193028 issued by the Registrar of Companies, Maharashtra, Mumbai. The Company is authorized, by its Memorandum of Association, to carry on the business of production and distribution of motion picture.

Prior to the Scheme of Arrangement and Demerger approved by Hon'ble NCLT, Mumbai Bench, our Company has not commenced any business operations. Pursuant to the Scheme becoming effective, the Film Business Division of Tips Industries Limited has been transferred and vested into our Company from the Appointed Date of the Scheme i.e. April 01, 2021.

Pursuant to the vesting of aforesaid business of Tips Industries Limited in our Company, our Company is now engaging in the business of Production and Distribution of motion pictures.

Significant developments subsequent to the last financial year

- The NCLT, Mumbai bench, vide its order dated March 3, 2022 approved the Scheme.
- Our Board of Directors was reconstituted and KMPs were appointed on May 2, 2022.

- **Significant Factors Affecting our Results of Operations**

Our financial condition and results of operations are affected by numerous factors, the following of which are of particular importance:

1. **Challenging Economic Condition**

Occurrence of events like the recent pandemic or global financial meltdown can have an adverse impact on our business and operations and the entertainment and media industry in general. Factors like liquidity crunch may affect the scale and production of films. Slowdown in advertising budgets can impact the broadcast industry. Entertainment and Media spends are largely discretionary in nature, and in tough economic conditions, consumers may resort to cut in these spends.

While one cannot be totally insulated against challenging economic conditions, we believe that there will always be demand for compelling content, even in tough economic conditions. Only the flavor of content might change with times. Besides, most of the segments we operate in, like cable and satellite are a less expensive form of entertainment & leisure, and sometimes may benefit at the expense of other leisure activities.

2. ***Changes in Technology***

The landscape of the media industry continues to change in response to technological innovation and evolving consumer trends. New mediums and technology like 4G, devices like smart phones and tablets are changing the very definition of media. If we are unable to respond to changes in technology and evolving industry trends, our businesses may not be able to compete effectively.

We have been a key player in the evolution of the media industry. We understand content and its delivery platforms and over the years, have successfully adapted to changing technology by expanding our distribution platforms. Our recent foray includes capturing the new age media platform and we have invested significant efforts in providing content to leading satellite and OTT players.

3. ***Availability of film content***

There is a risk that during certain periods fewer or no major films will release and at other there may be a glut of film releases. Our films' performance may be affected by such cycles of industry.

It is a part of our wider business strategy to purchase rights of content which is compelling and which is not necessarily restricted to box-office success. Several factors like star cast and appeal, popularity of director, and channel positioning are taken into consideration before we purchase the rights.

4. ***Competition***

In all our operating activities, we face competition from individuals as well as large corporates. Besides, most players can easily enter a business like film production with a limited amount of investment. Any major change in strategy by competition or entry of a new player could have an adverse effect on our operations and impact our financial condition.

5. ***Counterparty relationships***

We may face material counterparty risk in relation to our clients, other content owners, telecom operators, OTT platforms and broadcasters.

We have various systems and processes in place which ensures minimal damage and counterparty risk. We have a robust legal due diligence process, having been refined over 25 years of experience. Our experienced management team has strong understanding and knowledge to assess the commercial viability of content deals and products. We also have technical due diligence in place which evaluates the quality of source material and ensures technical superiority of the content.

6. ***Changes in Regulations***

Changes in laws and regulations governing the entertainment and media industry may have an adverse effect on our business. Compliance with and the effects of existing and future regulations could have a material adverse impact on us.

The government, regulatory bodies and members of the industry are actively working together towards reforms that aid the development of Indian media companies. In fact, the impending changes in regulations can only

act as a catalyst to the growth of the sector. The roll out of 5G is one such example.

- **Significant Accounting Policies**

These financial statements ('financial statements') have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

These financial statements have been prepared by the Company's management solely for inclusion in the Information Memorandum to comply with the requirements of Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated 22 December 2020 issued by the Securities and Exchange Board of India ('SEBI'), and the checklist issued by issued by National Stock Exchange of India Limited and BSE Limited on 'Documents required for enlistment of securities of a company pursuant to the Scheme , and are prepared in the manner specified under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended).

All the amounts included in the financial statements are reported in thousands of Indian Rupees ('Rupees' or '₹'), except per share data and unless stated otherwise.

For details of Significant Accounting Policies, please refer to Chapter on "Financial Statements" on page 83 of this Information Memorandum.

- **Changes in the accounting policy if any and their effect on our profits and reserves:**

There is no significant changes in accounting policies since incorporation till the last audited financials for financial year ended March 31, 2022.

- **Results of Operations:**

For details of the Statement of Profit and Loss of the Company for the Audit Period, please refer to Chapter on "Financial Statements" on page 83 of this Information Memorandum.

- **Discussion on our Results of Operations:**

Our Company was incorporated as an unlisted public company on June 5, 2009, we did not generate any income from operations since incorporation. Subsequently, pursuant to the Scheme becoming effective, the Demerged Undertaking Tips Industries Limited has been vested into our Company with effect from the Appointed Date of the Scheme. For further details, see the Chapters titled "Scheme of Arrangement" and "Financial Statements" on pages 60 and 83 respectively.

- **Revenue**

We had total revenue for Audit Period was Rs. 7,336.85 lakhs.

- **Revenue from operations:**

Our Revenue from operations for Audit Period was Rs. 6,683.00 lakhs.

- **Other Income:**

Our aggregate other income for Audit Period was Rs. 653.85 lakhs.

- **Total Expense:**

Our Total Expense for Audit Period was Rs. 6,387.13 lakhs.

- **Profit before Tax:**

Our Company had incurred a Profit before Tax of Rs. 949.72 Lacs for the Audit Period.

- **Cash flows**
For further details, see the Chapter titled “Financial Statements” on page 83.
- **Related Party Transactions**
For details of Related Party transactions, please refer point no. 28(8) of the Audited Financial Statement for the financial year ended March 31, 2022.
- **Reservations, Qualifications and Adverse Remarks Included in Financial Statements:**
There have been no reservations or qualifications or adverse remarks of our Statutory Auditors for the financial year ended March 31, 2022.

SECTION VII - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

In terms of Schedule VI, Part A, para (12), sub-para (A) of the ICDR Regulations, our Board has approved the Materiality Policy for Determination of Group Companies and Litigation. Pursuant to the Policy, our Company is required to disclose in this Information Memorandum, (i) all criminal proceedings; (ii) all civil proceedings; (iii) all actions by statutory/ regulatory authorities which are pending as on date, or taken against the relevant entity in the last 5 years; (iv) taxation proceedings – Separate disclosures regarding claims related to direct and indirect taxes, in a tabular and consolidated manner giving details of number of cases and total amount; and (v) all other pending litigation.

Unless stated to the contrary, the information provided below is as of the date of Information Memorandum

Nature of Cases	Number of Cases	Amount (₹ lakhs)
<i>Litigations against our Company</i>		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil
<i>Litigations by our Company</i>		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil
<i>Litigations against our Promoters</i>		
Criminal proceedings	Nil	Nil
Others	Nil	Nil
Others	Nil	Nil
<i>Litigations by our Promoters</i>		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil
<i>Litigations against our Directors</i>		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil
<i>Litigations by our Directors</i>		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil
<i>Litigations against our Group Company</i>		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil
<i>Litigations by our Group Company</i>		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	2	1700* Not quantifiable#

* Tips has instituted a suit against Wynk / Bharti Airtel for copyright infringement before Hon'ble Bombay High Court in which the Ld. Single Judge, Justice Kathawalla has granted injunctive reliefs in favour of Tips against the Wynk's use of its repertoire on its streaming / downloading platform Wynk. Further, Wynk has filed an appeal against the aforesaid interim order before Division bench at Bombay High court. The suit, appeal and the connected interim applications in the said matter are pending for hearing before Bombay High Court.

Prior to the IPAB Order of 31st December, 2020, Tips had filed suits before Bombay High Court against the radio broadcasters, since these Radio Broadcasters were exploiting the repertoire of Tips even after several intimations that Tips had exited PPL effectively since 1st July 2015. These matters are currently pending before the Bombay High Court. On 31st December 2020, the Intellectual Property Appellate Board (IPAB) passed its order in the statutory licensing applications filed by the radio broadcasters wherein the IPAB decided the quantum of royalties to be paid to authors and owners of sound recordings and underlying works. Appeals have been filed by radio broadcasters on the issue of underlying works royalties in which Tips has also been made a party. Further Tips and few other music labels have also filed appeals against radio broadcasters on the quantum of royalties fixed. The appeals are currently pending before the Delhi High Court.

The Company doesn't have any subsidiary Company.

Continuation of legal proceedings (as per para 6 of the Scheme)

All legal or other proceedings of whatsoever nature by or against the Demerged Undertaking pending and/ or arising on or after the Appointed Date and relating to the Demerged Undertaking or its properties, assets, debts, liabilities, duties and obligations, shall be continued and/ or enforced until the Effective Date as desired by TFL and as and from the Effective Date shall be continued and enforced by or against TFL in the same manner and to the same extent as would or might have been continued and enforced by or against TIL. On and from the Effective Date, TFL shall and may, if required, initiate any legal proceedings in its name in relation to the Demerged Undertaking in the same manner and to the same extent as would or might have been initiated by TIL.

Material Development after the Date of last Financial Statements as on March 31, 2022

Except as given below, in the opinion of our Board, there have not arisen since the date of last Financial Statements for the Financial year ended March 31, 2022, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of our assets or our ability to pay our material liabilities within the next twelve months:

- Our Board of Directors was reconstituted and Directors were appointed/reappointed on May 2, 2022 and June 1, 2022
- Company Secretary and Compliance Officer of our Company was appointed on May 2, 2022.
- In principle approval for listing of 43,22,886 equity shares of Re. 10/- each of the Company received from BSE Limited on **July 28, 2022**
- In principle approval for listing of 43,22,886 equity shares of Re. 10/- each of the Company received from National Stock Exchange of India Limited on **July 26, 2022**
- SEBI granted relaxation under Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 vide its letter dated **August 25, 2022**

GOVERNMENT APPROVALS

Pursuant to the Scheme becoming effective (i.e. March 23, 2022) with effect from the Appointed Date, all permits, licences, registration, allotment, approvals, consents, contracts, deeds, understandings, bonds, guarantees, agreements, instruments and writings and benefits of whatsoever nature pertaining to Demerged Undertaking to which Demerged Company is a party and is subsisting or having effect as on the Effective Date, shall upon coming into effect of the Scheme, shall remain in full force and effect against or in favor of the Resulting Company and may be enforced by or against the Resulting Company as fully and effectually as if instead of the Demerged Company, the Resulting Company had been a party thereto or beneficiary or oblige thereto or thereunder. All consents, agreements, permissions, all statutory or regulatory licenses, contractual licenses, certificates availed by or executed in favor of Demerged Company and which are pertaining to the Demerged Undertaking or any instrument of whatsoever nature including various incentives, subsidies, schemes, special status and other benefits or privileges pertaining to Demerged Undertaking granted by any Governmental and Registration Authorities or by any other person and enjoyed or availed by the Demerged Company shall stand transferred to the Resulting Company as if the same were originally given by, issued to or executed in favor of the Resulting Company and the Resulting Company shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to the Resulting Company. Insofar as the various incentives, subsidies, schemes, special status and other benefits or privileges pertaining to the Demerged Undertaking granted by any Governmental or Registration Authorities or by any other person, or availed by the Demerged Company are concerned, the same shall vest with and be available to the Resulting Company on the same terms and conditions as applicable to the Demerged Company as if the same had been allotted and/or granted and/or sanctioned and/or allowed to the Resulting Company.

Material licenses and approvals obtained by our Company:

A. Corporate Approvals

Certificate of incorporation dated June 05, 2009 issued to our Company by the Registrar of Companies (ROC).
Corporate Identity Number (CIN): U74940MH2009PTC193028
International Securities Identification Number (ISIN): INE0LQS01015

B. Approvals from Tax Authorities

The Permanent Account Number (PAN) of our Company is AAGCT2393E
The Tax Deduction and Collection Account Number (TAN) is MUMT26639E
The Goods and Service Tax (GST) registration number of our Company is: 27AAGCT2393E1Z9

C. Business related approvals

Sr. No	Description	Number	Date of issue
1	Profession Tax Registration Certificate under the Maharashtra State Tax on Profession Trade, Callings and Employment Act, 1975	27831983966P	27-04-2022
2	Professional Tax Enrolment Certificate under the Maharashtra State Tax on Profession Trade, Callings and Employment Act, 1975	99314299812P	01-04-2022
3	Registration under the Employee State Insurance Act, 1948	31001203180000999	23-06-2022
4	Registration under the Employee Provident Fund and Miscellaneous Provisions Act, 1952	MHBAN2690653000	23-06-2022

5	Certificate of Registration under Maharashtra Labour Welfare Fund	MUMUMT000973	23-06-2022
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D. Other Approvals

Our Company may be required to obtain various approvals and licenses under various laws, rules and regulations in order to carry on the business in India.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority of Listing

The Hon'ble National Company Law Tribunal, Mumbai Bench vide its order dated March 03, 2022 has approved the Scheme of Arrangement and Demerger between Tips Industries Limited and Tips Films Limited and their respective shareholders for demerger of the Demerged Undertaking, i.e, Film Division Business from Tips Industries Limited ('Demerged Company') and transfer and vesting, as a going concern, to Tips Films Limited ('Resulting Company') under sections 230 to 232 read with section 66 and other applicable provisions of the Companies Act, 2013. For more details relating to the Scheme, please refer to section titled "Scheme of Arrangement and Demerger" on page 60 of this Information Memorandum. The equity shares of our Company issued pursuant to the Scheme shall be listed and admitted to trading on BSE and NSE. Such listing and admission for trading is not automatic and is subject to fulfillment by the Company of the criteria of BSE and NSE and also subject to such other terms and conditions as may be prescribed by BSE and NSE at the time of application by our Company seeking listing. Tips Industries Limited has received no objection from BSE and NSE in relation to listing of Equity Shares issued pursuant to the Scheme vide their letter no. DCS/AMAL/JR/R37/2012/2021-22 dated July 29, 2021 and NSE/LIST/27137_II dated July 29, 2021 respectively.

The Company has received in-principle approval for listing of its Equity Shares on BSE and NSE vide their letter no DCS/AMAL/MJ/IP/2424/2022-23. and NSE/LIST/75 dated **July 28, 2022** and dated July 26, 2022 respectively. Further, the Company has also received the relaxation under Rule 19 (2) (b) of SCRR from SEBI vide their letter no. **SEBI/HO/CFD/DCR-2/P/OW/2022/45217/1** dated **August 25, 2022** for listing of the Equity Shares of Tips Films Limited on Stock Exchanges.

Eligibility Criteria

There being no initial public offering or rights issue, the eligibility criteria of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 are not applicable; however, SEBI vide its circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended from time to time, if any, has subject to certain conditions permitted unlisted issuer companies to make an application for relaxing from the strict enforcement of Rule 19(2)(b) of SCRR, as amended. Our Company has submitted this Information Memorandum, containing information about itself, making disclosure in line with the disclosure requirement for public issues as applicable to BSE and NSE for making the said Information Memorandum available to public through websites viz. www.bseindia.com and www.nseindia.com. Our Company has made the said Information Memorandum available on its website www.tipsfilms.in. Our Company will publish an advertisement in the newspapers containing details as per the above mentioned circular. The advertisement will draw specific reference to the availability of this Information Memorandum on its website.

Prohibition by SEBI

The Company, its directors, its promoters and promoter group, other companies promoted by the promoters and companies with which the Company's directors are associated as director have not been prohibited from accessing the capital market under any order or direction passed by SEBI.

Further, none of the directors of the Company are associated with the securities market in any manner, and SEBI has not initiated any action against any entity, with whom the directors of the Company are associated.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, Promoters, Promoter Group is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.

Fugitive Economic Offences

None of our Promoters or Directors is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

Willful defaulter by Reserve Bank of India

The Company, its promoters, its promoter group, the relatives (as per the Companies Act, 2013) of Promoters and other companies promoted by the Promoters are not identified as willful defaulters by Reserve Bank of India authorities.

Disclaimer Clause — BSE

As required, a copy of Scheme was submitted to BSE. BSE has vide its letter dated July 29, 2021 granted its observations on the Scheme under Regulation 37 of the SEBI (LODR) Regulations and by virtue of that approval, the BSE's name is included in this Information Memorandum as one of the Stock Exchanges on which the Company's Equity Shares are proposed to be listed.

Disclaimer Clause — NSE

As required, a copy of Scheme was submitted to NSE. NSE has vide its letter dated July 29, 2021 granted its observations on the Scheme under Regulation 37 of the SEBI (LODR) Regulations and by virtue of that approval, the NSE's name is included in this Information Memorandum as one of the Stock Exchanges on which the Company's Equity Shares are proposed to be listed.

Disclaimer –SEBI

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS INFORMATION MEMORANDUM TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS INFORMATION MEMORANDUM.

THE FILING OF THIS INFORMATION MEMORANDUM DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, ANY IRREGULARITIES OR LAPSES IN THIS THIS INFORMATION MEMORANDUM.”

General Disclaimer from the Company

The Company accepts no responsibility for statements made otherwise than in this Information Memorandum or in the advertisements to be published in terms of SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended from time to time, if any, or any other material issued by or at the instance of the Company. Anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Jurisdiction

Exclusive jurisdiction for the purpose of this Information Memorandum is with the competent courts/authorities in Mumbai, India.

Filing

Copy of this Information Memorandum has been filed with BSE and NSE.

Listing

Application has been made to BSE and NSE for permission for listing and trading in and for an official quotation of the Equity Shares of the Company. The Company has nominated BSE Limited as the Designated Stock Exchange for the aforesaid listing of shares. The Company shall ensure that all steps for the completion of necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above within such period as approved by SEBI.

Listing Approval from BSE and NSE

Our Company has obtained in – principle listing approvals from BSE and NSE on July 28, 2022 and July 26, 2022, respectively. Our Company shall make the applications for final listing and trading approvals from BSE and NSE.

Demat Credit

The Company has executed tri-partite agreements with CDSL and NSDL for admitting its securities in demat form. The ISIN allotted to the Company's Equity Shares is INE0LQS01015. Shares have been allotted on May 27, 2022 and credited to the demat accounts of those shareholders who were holding shares in Tips Industries Limited in demat form as on the Record Date, i.e., May 21, 2022. 3,623 equity shares which have been credited in 'Tips Films Limited-Unclaimed Securities Suspense Account' maintained with CDSL on June 20, 2022, as these equity shares were held either in Physical form or were rejected due to reasons such as demat account inactive / closed etc. These eligible shareholders will get their shareholding once they intimate their active demat account details to Company/RTA.

Dispatch of share certificates

Pursuant to the Scheme, the Company has on May 27, 2022, issued and allotted Equity Shares to eligible shareholders or Tips Industries Limited on the Record Date i.e., May 21, 2022 in demat form, to those shareholders holding shares of Tips Industries Limited in demat form as on Record Date. As per the Companies (Prospectus and Allotment of Securities) (Third Amendment) Rules, 2018, the company is required to issue securities in dematerialized form only.

In respect of those shareholders who were holding shares in Tips Industries Limited in Physical form as on the Record Date i.e., May 21, 2022, the same i.e. 3,217 Equity Shares have been credited in 'Tips Films Limited-Unclaimed Securities Suspense Account' maintained with CDSL, on June 20, 2022. These shareholders have to open a demat account and inform Company/RTA details thereof and shares will be credited to their demat accounts respectively. We further confirm / undertake that as soon as the physical shareholders of Tips Industries Limited dematerialize his/her physical shares, we shall immediately credit the eligible shares of our Company into Demat account of such physical shareholders of Tips Industries Limited out of suspense account as mentioned above.

Consent

Our Company has obtained consent from our Directors, Statutory Auditor and Registrar & Share Transfer Agent.

Expert Opinions

Save as stated elsewhere in this Information Memorandum, we have not obtained any expert opinions.

Previous Public or Rights Issue

The Company has not made any Public Issue or Rights Issues since incorporation.

Capital Issue in the last 3 years

Neither the Company, nor any listed Group Company has made any capital issue during the last 3 years.

Commission and Brokerage on previous issues

Since the Company has not issued shares to the public in the past, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since its inception.

Promise vis-a-vis Performance

This is for the first time the Company is getting listed on the Stock Exchange.

Outstanding Debenture or Bonds and Redeemable Preference Shares and other Instruments issued by our Company

There are no outstanding debentures or bonds or redeemable preference shares or other instruments issued by the Company.

Stock Market Data for Equity Shares of the Company

The Equity Shares of our Company are not listed on any stock exchange. Through this Information Memorandum, our Company is seeking approval for listing of its Equity Shares from the Stock Exchanges.

Stock Market data of Demerged Company

The Equity Shares of our Company are not listed on any stock exchange. Through this Information Memorandum, our Company is seeking approval for listing of its Equity Shares from the Stock Exchanges. For details on the stock market data of our Group Company, please see "Group Company" on page 78.

Disposal of Investor Grievances

Link Intime Registrar Private Limited is the Registrar and Transfer Agent of the Company to accept the documents/requests/complaints from the investors/shareholders of the Company. All documents are received at the inward department, where the same are classified based on the nature of the queries/actions to be taken and coded accordingly. The documents are then electronically captured before forwarding to the respective processing units. The documents are processed by professionally trained personnel. The Company/RTA has set up service standards for each of the various processes involved such as effecting the transfer/dematerialization of securities/change of address ranging for 3-7 days.

Mr. Vinit Bhanushali, Company Secretary and Compliance Officer of the Company is vested with responsibility of addressing the Investor Grievance in coordination with Registrar & Transfer Agents.

Alternatively, shareholders can express their grievances by sending mails to cs@tipsfilms.in or raise complaints in SCORES (common portal introduced by SEBI). Further, the Shareholders can also raise their grievances with our Company Secretary and Compliance Officer. As on the date of this Information Memorandum, our Company has not received any investor complaints.

Name and Contact Address of the Company Secretary and Compliance Officer:

Mr. Vinit Bhanushali
Company Secretary and Compliance Officer
501, Durga Chambers, 5th Floor, Linking Road, Khar (West), Mumbai- 400052
Tel.: +91-22-66431188
Email: cs@tipsfilms.in
Website: www.tipsfilms.in

Change in auditors since incorporation

M/s. Abichandani & Associates., Chartered Accountants (Firm Reg. No. 145188W), were appointed as first Statutory Auditors of our Company. Due to the pre-occupation, M/s. Abichandani & Associates had resigned as Statutory Auditors of our Company w.e.f. December 31, 2021.

M/s SSPA & Associates, Chartered Accountants (Firm Reg. No. 131069W) were appointed as Statutory Auditors of the Company, with effect from January 24, 2022, to fill the casual vacancy caused by the resignation of M/s. Abichandani & Associates, to hold the office from the conclusion of the Extraordinary General Meeting, held on March 2, 2022, until the conclusion of the ensuing Annual General Meeting, to conduct the statutory Audit for the period ended March, 31, 2022.

Except as above, there has been no change in the Auditors of our Company since its incorporation.

Capitalization of reserves or profits

Our Company has not capitalized reserves or profits since incorporation.

Revaluation of assets

Our Company has not revalued its assets since incorporation.

Undertaking

The complaints received from the investors shall be attended to by the Company expeditiously and satisfactorily. All steps for completion of the necessary formalities for trading at all stock exchanges where the securities are to be listed are taken within the period prescribed by SEBI.

SECTION VIII - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

1. The Regulations contained in Table 'A' of Schedule I to the Companies Act, 1956, shall apply in so far as and to the extent they are not inconsistent with any of the provisions in these articles.
2. In the interpretation of these Articles the following expressions shall unless repugnant to the subject or context, have the meanings hereby respectively assigned to them.
 - (a) The "Company" means **TIPS FILMS LIMITED**.
 - (b) "The Act" means the Companies Act, 1956 (1 of 1956) or any statutory modification or reenactment thereof for the time being in force.
 - (c) "The Articles" means the Articles of Association of the Company, including the amendments made thereto from time to time.
 - (d) "Auditors" means and includes those persons appointed as such for the time being of the Company.
 - (e) "Board" or "Board of Directors" means Board of Directors of the Company duly constituted, consisting of the Directors collectively and any committee or sub-committee constituted thereof and also includes a meeting of the Board or a committee or sub-committee duly called and constituted or as the case may be the directors assembled at a Board or the requisite number of Directors entitled to pass a circular resolution in accordance with the Articles or the Directors of the Company collectively.
 - (f) "Capital" means the capital for the time being raised or authorised to be raised for the purpose of the Company.
 - (g) "Debentures" include Debenture stock, bonds and any other securities of the Company or any other company as the case may be.
 - (h) "Depositories Act" means Depositories Act, 1996 and includes any statutory modification or re-enactment thereof for the time being in force and "Depository" shall have the meaning assigned thereto by the Depositories Act.
 - (i) "Directors" means the Director or Directors as the case may be for the time being of the Company.
 - (j) "Dividend" includes bonus.
 - (k) "Documents" include summons, notice, requisition, order, other legal process and registers whether issued, sent or kept in pursuance of the Act or any other law or these Articles or otherwise.
 - (l) "Executor" or "Administrator" means a person who has obtained probate or letters of administration as the case may be from a competent court.
 - (m) "In writing" and "Written" includes printing, lithography and other modes or representing or reproducing words in a visible form.
 - (n) "Member" or "Members" mean the duly registered holder or holders from time to time of the shares in the Company and whose name or names is/are entered as member or members in the register of members maintained by the Company and includes the subscribers to the Memorandum and Articles.

PROVIDED THAT every person holding equity share capital of the Company and whose name is entered as beneficial owner in the records of the depository is deemed to be a member of the Company.

- (o) "Memorandum" means the Memorandum of Association of the Company including amendment made thereto from time to time.
- (p) "Meeting" or "General Meeting" means a General Meeting of the members or/and any adjournment holding thereof.
- (q) "Month" means a calendar month.
- (r) "Office" means the Registered Office for the time being of the Company.
- (s) "Paid-up" includes credited as paid-up.
- (t) "Proxy" means an instrument whereby any person is authorised to vote for a Member at the General Meeting on a poll.
- (u) "The Registrar" means the Registrar of Companies, having jurisdiction in the area in which the office of the Company, for the time being, is situated.
- (v) "Seal" means the common seal for the time being of the Company.
- (w) "Shares" means the shares or stocks into which the capital in the Company is divided and the interest corresponding with such shares or stocks except where a distinction between stocks and shares is expressed or implied.
- (x) "Year" means calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(17) of the Act.
- (y) A reference in the Articles to any specific provision of the Act shall be deemed to include a reference to any other applicable provisions of the Act.
- (z) Words importing the masculine gender also include the feminine gender.
- (aa) Words importing singular number include, where the context admits or requires, the plural number and vice versa.
- (ab) Save as aforesaid, any words or expression defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

CAPITAL

3. The Authorised Share Capital of the Company is Rs.5,00,00,000/- (Rupees Five Crores only) divided into 50,00,000 (Fifty Lakhs) equity shares of Rs.10/- (Rupees ten only) each. Subject to the provisions of the Act and these Articles, Shares whether forming part of the original Capital or any increased Capital of the Company may be issued either with the sanction of the Company in General Meeting or by the Board as the case may be sanctioning the issue of such Shares be directed and if no such direction be given and in all cases as the Board shall determine and in particular such Shares may be issued with preferential or qualified right to dividend and in distribution of assets of the Company, without prejudice, however, to any rights and privileges already conferred on the holders of any Shares or class of Shares for the time being issued by the Company.

The paid up Capital of the Company shall be minimum Rs.5,00,000/- (Rupees Five Lakhs only).

PROVIDED THAT the Company in general meeting may, if required, shall consolidate and divide all or any of its share capital into shares of larger amount than its existing shares, convert all or any of its fully paid up shares into stock and reconvert that stock into fully paid up shares of any denomination, sub-divide the shares into shares of smaller amount and cancel the shares which have not been taken up or agreed to be taken up by any person.

4. The Company in General Meeting may, from time to time, increase the Capital by the creation of new shares. Such increase to be of such aggregate amount and to be divided into shares of such respective amount as the resolution shall prescribe. The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereof as the General Meeting shall resolve upon the creation, direct and if no direction be given as the Directors shall determine and in particular such shares may be issued with a preferential or qualified right to dividends and in distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Sections 87 and 88 of the Act.
5. Except so far as otherwise provided by the conditions of issue or by these present any capital raised by the creation of new shares shall be considered as part of the existing capital and shall be subject to the provisions herein contained with reference to the payments of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting or otherwise.
6. The Company may, subject to the provisions of Sections 77A and 77B of the Act, from time to time by passing a Special Resolution in this regard, purchase its own shares and other securities out of its free reserves, securities premium account or the proceeds of any shares or other specified securities, except the proceeds of an earlier issue of the same kind of shares or same kind of other specified securities.
7. The Company may (subject to the provisions of Section 77, 80 and 100 to 105 of the Act) from time to time by Special Resolution, reduce its capital out of any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorised by law, and in particular capital may be paid off on the footing that it may be called up again or otherwise. The Articles shall not derogate from any power the Company would have, if it were omitted.
8. The rights conferred upon the holders of the shares (including Preference Shares, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking pari passu therewith.
9. The Company may issue at discount shares in the Company of a class already issued, if the following conditions are fulfilled, namely:
 - (i) The issue of the shares at a discount is authorised by a resolution passed by the Company in General Meeting and sanctioned by the Company Law Board.
 - (ii) The resolution specifying the maximum rate of discount (not exceeding 10 percent or such higher percentage as the Central Government may permit in any special case) which the shares are to be issued and
 - (iii) The shares to be issued at a discount are issued within two months after the date on which the issue is sanctioned by the Company Law Board or within such extended time as the Company Law Board may allow.

SHARES AND CERTIFICATES

10. (1) Subject to the provisions of these Articles and of the Act, the shares (including any shares forming part of any increased capital of the Company) in the capital shall be under the control of the Board of Directors who may issue, allot or otherwise dispose of the same to such persons on such terms and conditions and at such time as the Board of Directors think fit or be allotted shares of any class of the Company either at a premium or at par or (subject to the provisions of section 79 of the Act) at a discount and for such time and for such consideration as the Board of Directors think fit.

PROVIDED THAT option or right to call of shares shall not be given to any person or persons except with the sanction of the Company in General Meeting.

- (2) Notwithstanding anything contained in these Articles, the Company shall have powers to dematerialise its shares, debentures and other securities to rematerialise the same and to offer and issue new shares, debentures or other securities in a dematerialised form in accordance with the provisions of the Depositories Act. The rights and obligations of the concerned persons with regards to the shares, debentures and other securities in the dematerialised form and all matters in connection therewith and/or incidental thereto shall be governed by the provisions of the Depositories Act and relevant provisions of the Act.
- (3) All securities of the Company held by a Depository shall be dematerialised and be in fungible form and no certificate shall be issued for the securities held by the Depository.
- (4) Every person subscribing to or holding shares, debentures and other securities of the Company will have the option to receive certificate therefore or to hold the same with a Depository in dematerialised form. A beneficial owner i.e. a person whose name is recorded in a Depository in respect of the securities can at any time opt out of the Depository, if permitted by law and in that case the Company shall in the manner and within the prescribed time limit issue the required certificates in respect of the said securities to the beneficial owner.
11. The Board may offer the shares in or the debentures or other securities of the Company, which the Company issues from time to time, to the employees, other than promoters and the part time directors through Employees Stock Option Scheme.

PROVIDED THAT a director who is not a promoter but is an employee is entitled to receive such shares, debentures or other securities which may be offered to the employees.

PROVIDED FURTHER THAT the issue of shares or convertible instruments under an Employee Stock Option Scheme shall not exceed 5% of the paid-up capital of the Company in any one year.

12. Subject to the conditions contained in Section 79A of the Act, the Company can issue equity shares of a class of shares already issued by the Company to employees or directors at a discount or for consideration other than cash for providing know-how or making available right in the nature of intellectual property rights or value addition by whatever name called.
13. Subject to the provisions of Section 80 and 80A of the Act, the Company shall have the power to issue Preference Shares which are or at the option of the Company are to be, liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.
14. (1) Where at the time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares either out of the unissued capital or out of the increased share capital then:

- a) Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as near as circumstances admit, to the capital paid up on those shares at the date.
 - b) Such offer shall be made by a notice specifying the number of shares offered and within not less than thirty days from the date of the offer and the offer if not accepted, will be deemed to have been declined.
 - c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounced the shares offered to them in favour of any other person and the notice referred to in sub-clause (b) hereof shall contain a statement of this right. PROVIDED THAT the directors may decline, without assigning any reason, to allot any shares to any person in whose favour any member may renounce the shares offered to him.
 - d) After expiry of the time in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose off them in such manner and to such person(s) as they may think, in their sole discretion, fit.
- (2) Notwithstanding anything contained in sub-clause (1) hereof, the further shares as aforesaid may be offered to any person (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever.
- a) If a special resolution to that effect is passed by the Company in General meeting, or
 - b) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the Chairman) by the members who, being entitled to do so, vote in person or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.
- (3) Nothing in sub-clause (c) of (1) hereof shall be deemed:
- a) To extend the time within which the offer should be accepted; or
 - b) To authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
- (4) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued or loans raised by the Company:
- a) To convert such debentures or loans into shares in the Company, or
 - b) To subscribe for shares in the Company (whether such option is conferred in these Articles or otherwise).

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:-

- i) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and
 - ii) In the case of debentures or loans, other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the debentures or raising of the loans.
15. The Company shall be entitled to keep in any State or Country outside India a Branch Register of Members resident in that State or Country.
16. The shares in the capital, other than shares held with a depository, shall be numbered progressively according to their several denominations and except in the manner hereinbefore mentioned, no share shall be subdivided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.
17. Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approved (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and ready for delivery such certificate within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive number of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, PROVIDED THAT in respect of a share or shares held jointly by several persons, the Company shall not be borne to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holders.
18. (1) No certificate of any share or shares shall be issued either in exchange for those which are defaced, torn or old, decrepit, worn out or where the cages on the reverse for recording transfers have been fully utilised, unless the Certificate in lieu of which it is issued is surrendered to the Company.

PROVIDED THAT no fee shall be charged for issue of new Certificate in replacement of those which are defaced, torn or old decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilised.

PROVIDED FURTHER THAT in case of any Share Certificate being lost or destroyed the Company may issue a duplicate Certificate in place of the Certificate so lost or destroyed on such terms as to evidence out of pocket expenses in regard to investigation of such evidence and indemnity as the Board may determine.

PROVIDED FURTHER THAT notwithstanding what is stated above the Directors shall comply with such Rules or Regulations or requirements of any Stock Exchange or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act or rules applicable in this behalf.
- (2) When a new share certificate has been issued in pursuance of this Article, it shall state on the face of it against the stub or counterfoil to the effect that it is "duplicate issued in lieu of share certificate No. ____". The word "duplicate" shall be stamped or punched in bold letters across the face of the share certificate.

- (3) The provisions of this Article shall mutatis mutandis apply to debenture of the Company.
19. Notwithstanding anything contained in Article 17, the Board of Directors may at their discretion charge and recover the stamp duty payable on the share certificates issued in replacement of those which are torn, defaced, lost or destroyed or issued on splitting or consolidation of share certificates into the denomination other than marketable unit and such payment should be made by the shareholder prior to the issue of share certificate.
20. (1) All blank forms to be used for issue of share certificate shall be printed and the printing shall be done only on the authority of a resolution of the Board.
- (2) The blank forms shall be consecutively machine numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or such other person as the Board may appoint for the purpose.
- (3) The Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
21. If any share stands in the name of two or more persons, the persons first named in the Register shall, as regards receipt of dividends or bonus or service of notice and all or any other matter connected with the Company, shares, voting at a meeting and the transfer of the shares, be deemed to be the sole holder thereof but the joint holders of a share, shall severally as well as jointly be liable for the payment of all installments and calls due in respect of such share and for all incidents thereof.

PROVIDED THAT no more than three persons shall be registered as joint holders of any share.

PROVIDED FURTHER THAT in case of death of one or more of the joint holders, the survivor or survivors of them shall be the only person or persons entitled to the shares.

22. (1) Every holder of shares in or holders of debentures of, a Company may, at any time, nominate, in the prescribed manner, a person to whom his shares in, or debenture of, the Company shall vest in the event of his death.
- (2) Where the shares in or debentures of a Company are held by more than one person jointly, the joint holders may together nominate, in a prescribed manner, a person to whom all the rights in the share or debentures of the Company shall vest in the event of death of all the joint holders.
- (3) Where the nominee is a minor, it shall be lawful for the holder of the shares or holders of debentures, to make the nomination to appoint, in the prescribed manner, any person to become entitled to shares in or debentures of the Company, in the event of his death, during the minority.
23. Except as ordered by a Court of competent Jurisdiction and except to the extent and in the manner for the purpose laid down under Section 153B or Section 187C of the Act or as by law required, the Company shall not be bound to recognise, even when having notice thereof, any equitable contingent, future or partial interest in any share or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the persons from time to time registered as the holders thereof.
24. Subject to the provisions of Section 76 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in or debentures of the Company, for procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in or debentures of the Company, but so that the commission shall not exceed in the case of shares 5 percent of the price at which the shares are issued and in the case of debentures 2.5 percent of

- the price at which the debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or debentures as the case may be or partly in one way and partly in the other.
25. The Company may pay such brokerage as may be reasonable and lawful on any issue of shares or debentures.
 26. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works, building or the provisions of any plant which cannot be made profitable for a lengthy period of time, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same by way of interest to capital as part of the cost of construction of work or building or the provision of the plant.
 27. (1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by circular resolution, make such calls as it think fit upon the Members in respect of all moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Board.

(2) A call may be revoked or postponed at the discretion of the Board.

(3) A call may be made payable by installments.
 28. Fourteen days notice at least of any call be given by the Company specifying the time and place of payment and the person or persons to whom such call shall be paid.
 29. A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board.
 30. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
 31. The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Members whom, for the reason of residence at a distance or other cause, the Board may deem fairly entitled to such extension but no Member shall be entitled to such extension save as a matter of grace and favour.
 32. If any Member fails to pay any call due from him on the day appointed for payment thereof or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board.
 33. Any sum which, by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium shall for the purpose of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum has become payable by virtue of a call duly made and notified but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any Member.
 34. Subject to the provisions of the Act and these Articles, on the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove:
 - (a) That the name of the Member, in respect of whose shares the money is sought to be recovered, appears to be entered on the Register of Members as the holder, at or subsequently to the date at which the

money sought to be recovered is alleged to have become due, on the shares in respect of which such money is sought to be recovered.

- (b) That the resolution making the call is duly recorded in the minute book; and
 - (c) That notice of such call was duly given to the Member or his representatives sued in pursuance of these Articles and it shall neither be necessary to prove the appointment of the Directors who made such call nor that a quorum of directors was present at the Board at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.
35. (1) (a) That Board may, if it thinks fit, agree to receive from Members willing to advance the same all or any part of the amounts of their respective shares beyond the sums actually called up and upon the moneys so paid in advance or upon so much thereof, from time to time and at any time thereafter as exceed the amount of the calls then made, the Board of Directors may pay or allow interest, at such rates as the Member paying the sum in advance and the Board of Directors agree upon:
- PROVIDED THAT any amount paid up in advance of calls on any shares shall not in respect thereof confer a right to dividend or to participate in profits.
- (b) The Board of Directors may agree to repay at any time amount so advanced or may at any time repay the same upon giving to the Member three months notice in writing.
- (2) No member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.
 - (3) The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.

LIEN

- 36. (1) The Company shall have a first and paramount lien upon all the shares (other than fully paid-up shares) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called repayable at a fixed time in respect of such shares and no equitable interest in any share shall be created except upon the footing and condition that Article 20 hereof will have full effect and such lien shall extend to all dividends and bonus from time to time declared in respect of such shares. Unless otherwise agreed, registration of a transfer of such share will operate as waiver of the Company's lien, if any, on such shares. The Directors may at any time declare any shares wholly or in part to be exempt from the provisions of this clause.
 - (2) Fully paid shares shall be free from all lien and that in the case of partly paid shares, the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.
- 37. (1) For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they shall think fit and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their members to execute a transfer thereof on behalf of and in the name of such Member.
 - (2) No sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or his representative and default shall have

been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagement for fourteen days after service of such notice.

FORFEITURE OF SHARES

38. If any Member fails to pay any call or installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board of Directors may, at any time thereafter, during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have been accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
39. (1) The notice shall name a day (not being less than fourteen days from the day of the notice) and a place or places on and at which such call or installment and such interest as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid.
- (2) The notice shall also state that in the event of the non-payment at or before the time and at the place appointed the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.
40. Neither a judgement nor a decree in favour of the Company nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way of principal or interest or any indulgences granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of shares as hereinafter provided.
41. If the requirements of any such notice as stated in Article 39 shall not be complied with every or any share in respect of which such notice has been given may at any time thereafter before payment of all calls or installments, interest and expenses due in respect thereof be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.
42. When any share shall have been so forfeited notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture and any entry of the forfeiture with the date thereof shall forthwith be made in the Register of Members but no forfeiture shall be in any manner invalidated by any commission or neglect to give such notice or to make any such entry as aforesaid.
43. (1) Any Member whose shares have been forfeited shall notwithstanding the forfeiture be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce the payment thereof, if it think fit.
- (2) The liability of such person shall cease if and when the Company shall have payment in full of all such moneys in respect of the shares.
44. The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in and all claims and demand against the Company in respect of the share and all other rights incidental to the share except only such of those rights as by these Articles are expressly saved.
45. (1) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given the Board of Directors may appoint some person to execute an instrument of transfer of the shares

sold and may cause the purchaser's name to be entered in the Register of Members in respect of the shares sold.

- (2) Upon any such sale, re-allotment or other disposal under the above clause as aforesaid the certificate or certificates originally issued in respect of the shares sold shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.
46. The Board of Directors may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it think fit.
47. (1) A duly verified declaration in writing that the declarant is a Director, the Managing Director or Whole-time Director or Manager or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
- (2) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.
 - (3) The person to whom such share is sold, re-allotted or disposed off shall thereupon be registered as the holder of share.
 - (4) Any such purchaser or allottee shall neither (unless by express agreement) be liable to pay any call, amount, installment, interest or expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interest or bonus accrued which might have accrued upon the share before the time of completion of such purchase or before the time of completion of such purchase or before such allotment.
 - (5) Such purchaser or allottee shall neither be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share.
48. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificates originally issued in respect of the relative share or shares (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said share or shares to the persons entitled thereto.

TERMS OF ISSUE OF DEBENTURE

49. Any debenture, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into share of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of the shares shall be issued only with the consent of the Company in the General Body meeting by a Special Resolution.

TRANSFER AND TRANSMISSION OF SHARES

50. The instrument of transfer shall be in writing and all provisions of Section 108 of the Act shall be duly complied with in respect of all transfer of shares and registration thereof and such instrument of transfer shall be presented to the Company, duly stamped, for registration accompanied by the relative share certificate and such evidence as the Board may require to prove the title of the transfer or his right to transfer the shares and generally under and subject to such conditions and regulations as the Board shall from time to time prescribe and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board of Directors.
51. (1) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee.
- (2) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee in the manner prescribed by Section 110 of the Act and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.
- (3) For the purpose of sub-clause (2) above, notice to the transferee shall be deemed to have been duly given if it is despatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.
52. Every such instrument of transfer duly stamped shall be executed by or on behalf of both the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof.
53. Every such instrument of transfer before delivery thereof to the Company be dated, stamped and executed with the date of presentation of the instrument (save as provided in Section 108 of the Act) to the proper authorities, duly endorsed thereon and shall thereafter be left at the office for registration, accompanied by the certificate of the share to be transferred or if no such certificate is in existence, by the Letter of Allotment of the share and such other evidence as the Board may require to prove the title of the transferor or his right to transfer the share. Every instrument of transfer, which shall be registered, shall be retained by the Company, but any instrument of transfer, which the Board may refuse to register, shall be returned to the person depositing the same.
54. Nothing contained in forgoing article No.s 50 to 53 shall apply to transfer of shares effected by the transferor and the transferee, both of whom are entered as beneficial owner in the record of a depository.
55. Subject to the provisions of the Act, the Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares notwithstanding that the Company may have a notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall, nevertheless, be at liberty to regard and attend to any such notice and give effect thereto if the Board of Directors shall so think fit.
56. In the case of insolvency or liquidation of any one or more of the persons named in the Register of Members as the joint-holders of any share, the remaining holder or holders shall be the only person or persons recognised by the Company as having any title to or interest in such share but nothing herein contained shall be taken to release the estate of the person under insolvency or liquidation from any liability on shares held by him, jointly with other person or persons.

57. The Directors may at any time in their own, absolute and uncontrolled discretion and without assigning any reason or ground decline to register or acknowledge any transfer of any share and in particular may so decline in any case in which the Company has a lien upon the shares desired to be transferred or any call or instrument regarding any of them remains unpaid.

PROVIDED THAT the provisions of Section 111 of the Act, regarding powers to refuse registration of transfer and appeal against such refusal should be adhered to and the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except in case of a lien on shares on account of unpaid call money.

PROVIDED FURTHER THAT nothing herein shall preclude the Board from refusing to register transfer of any share in favour of any person of whom the Board of Directors do not approve irrespective as to whether or not such a person is already as existing member of the Company.

58. If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of the transmission was lodged with the Company send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission as the case may be.
59. In case of the death of anyone or more persons named in the Register of Members as the joint-holders of any share, the survivor/s shall be the only person/s recognised by the Company as having any title to or interest in such share but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.
60. The executors or administrators of a deceased member or the holder of a succession certificate or the legal representation in respect of the shares of a deceased member (not being one of two joint holders) shall be the only person recognised by the Company as having only title to the shares registered in the names of such members and the Company shall not be bound to recognise such executors or administrators or holders of a succession certificate or the legal representation unless such executors or administrators or legal representatives shall have first obtained Probate or Letter of Administration or Succession Certificate, as the case may be, from duly constituted court or other competent authority in the Union of India PROVIDED THAT in any case where the Board in its absolute discretion thinks fit, the Board may, upon such terms as to indemnity or otherwise as the Board may deem proper, dispense with production of Probate or Letter of Administration or Succession Certificate and register under these Articles the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.
61. Any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, liquidation or winding up, as the case may be, of any member or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board (which it shall not be under obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under these articles or of his title as the Board shall require and upon giving such indemnity as the Directors shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Board registered as a member in respect of such shares. PROVIDED NEVERTHELESS THAT if such person shall elect to have his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of such shares. This clause is hereafter referred to as "THE TRANSMISSION CLAUSE".
62. Subject to the provisions of the Act and these Articles, the Board shall have the same right to refuse to register a person entitled by transmission to any share or his nominee as if he were the transferee named in an ordinary transfer presented for registration.
63. The Board shall be entitled to decline to register more than three persons as the holders of any share.

64. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letter of administration, certificate of death or marriage, power of attorney or similar other document.

BORROWING POWERS

65. Subject to the provisions of Sections 58A, 292 and 293 of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board, receive deposits or loans from members either in advance of call or otherwise and generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture stock (perpetual or otherwise) or in any other manner or from any person, firm, company, co-operative society or any corporate body, bank, institution, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sum or sums of money so received, raised or borrowed.
66. The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit and in particular by mortgage, charge, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being or as the guarantee by any Director or Government or any third party and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company or any other person or company of any obligation undertaken by the Company or by any other person or company as the case may be.
67. (1) Any debenture, debenture-stock or other securities may be issued at a discount, premium or otherwise and the moneys so borrowed may be on condition that they or any part of them shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, repayment, allotment of shares, attending (but not voting) at general meeting, appointment of directors and otherwise.
- (2) Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in general meeting.

MEETING OF MEMBERS

68. The Directors may, whenever they think fit, convene extra-ordinary general meeting and they shall on requisition by the members as hereinafter provided forthwith proceed to convene the extra-ordinary general meeting of the Company.
69. Five members entitled to vote and present in person shall be a quorum for a general meeting. No business shall be transacted at the general meeting unless a quorum requisite be present at the commencement of the meeting.
70. Where a resolution is passed at an adjourned meeting of the Company, the resolution shall for all purposes be treated as having been passed on the date on which it is in fact passed and shall not be deemed to have been passed on any earlier date.
71. (1) The Chairman of the Board shall be entitled to take the Chair at every general meeting, whether annual or extra-ordinary.
- (2) If there be no such Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or shall decline to take chair, the Vice-Chairman, if any, shall be entitled to take the chair. If the Vice-Chairman is also not present or is unwilling to take chair,

the Directors present shall elect one of them as Chairman and if no Director be present or if the Directors present decline to take chair, then the members present shall elect one of their numbers to be a Chairman.

- (3) If a poll is demanded on the election of the Chairman it shall be taken forthwith in accordance with the provisions of the Act and the Chairman so elected shall exercise all the powers of the Chairman under the said provisions. If some other person is elected as a result of the poll he shall be the Chairman for the rest of the meeting.
72. No business shall be discussed at any general meeting except the election of a Chairman whilst the chair is vacant.
73. In the case of an equality of vote, the Chairman shall both on a show of hands and on a poll (if any) have a casting vote in addition to the vote or votes to which he may be otherwise entitled.
74. The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than question on which the poll has been demanded.

VOTING RIGHTS OF MEMBERS

75. A member paying the whole or a part of the amount remaining unpaid on any shares held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.
76. No member shall exercise any voting rights in respect of any share registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and had exercised any right or lien.
77. (1) Subject to the provisions of the immediately preceding Articles, every member of the Company holding any equity share capital and otherwise entitled to vote shall, on a show of hands when present in person (or being a body corporate present by a representative duly authorised) have one vote and on a poll, when present in person (including a body corporate by a duly authorised representative) or by an agent duly authorised by proxy, his voting right shall be in proportion to his share of the paid-up equity share capital in the Company.

(2) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote is taken.
78. If there are joint registered holders of any shares, any one of such persons may vote at any meeting personally or by proxy in respect of such shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the meeting and if more than one of such joint holders be present at any meeting either personally or by proxy, that one of the said persons so present whose name, stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares but the other or others of the joint holders shall be entitled to be present at the meeting. PROVIDED ALWAYS THAT a person present at any meeting personally shall be entitled to vote in preference to a person present by proxy though the name of such person present by proxy stands first or higher in the Register in respect of such share. Several executors or administrators of a deceased member in whose name the shares stand shall, for the purpose of this Article, be deemed joint holder thereof.
79. Any person entitled under the Transmission Clause to transfer any shares may vote at any general meeting in respect thereof in the same manner as if he was the registered holder of such shares, PROVIDED THAT at least forty-eight hours before the time of holding the meeting or the adjourned meeting, as the case may be, at which

he proposes to vote he shall satisfy the Directors of his rights to transfer such shares and give such indemnity (if any) as the Directors may require unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

80. An instrument of proxy may appoint a proxy either for the purposes of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.
81. The instrument appointing a proxy and the Power of Attorney or other authority (if any) under which it is signed or a notorially certified copy of that authority, shall be deposited at the office forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.
82. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, in the case of an individual member or winding-up in the case of a corporate member or revocation of the proxy or authority under which such proxy was signed or the transfer of the share in respect of which the vote is given, PROVIDED THAT no intimation in writing of the death, insanity, winding-up, revocation or transfer, as the case may be, shall have been received at the office before the commencement of the meeting or adjourned meeting at which the proxy is used.
83. No objection shall be made to the qualification of any voter or to the validity of a vote except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote, whether given personally or by proxy, not disallowed at such meeting, shall be valid for all purposes. Any such objection made, in due time, shall be referred to the Chairman of the meeting.

DIRECTORS

84. Unless otherwise determined by a general meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors (including Debenture Director, Permanent Directors, Special Directors and Corporate Directors, if any) shall not be less than 3 and more than 12.
85. The First Directors of the Company shall be:
- (i) Mr. Ramesh Taurani
 - (ii) Mr. Rahila Mirza
 - (iii) Mr. Jaikumar Shewakramani
86. Any trust deed for securing debenture or debenture-stock may, if so arranged, provide for the appointment, from time to time by the trustees thereof or by the holders of debentures or debenture-stocks of some person to be a Director of the Company and may empower such Trustees or holders of debentures or debenture-stocks from time to time, to remove and reappoint any Director so appointed. The Director so appointed under this Article is herein referred to as "Debenture Directors". The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be agreed between the Company and the trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.
87. Notwithstanding anything to the contrary contained in these Articles so long as any moneys remain owing by the Company to the Industrial Development Bank of India (IDBI), Life Insurance Corporation of India (LIC), The Industrial Credit and Investment Corporation of India (ICICI), Industrial Finance Corporation of India (IFCI), Unit Trust of India (UTI) or to any other financial corporation or credit corporation or to any other financing company or body out of any loans granted by them to the Company or so long as IDBI, LIC, ICICI,

IFCI, UTI or any other financial corporation or credit corporation or to any other financing company or body (which is hereinafter in this Article referred to as "The Corporation") continue to hold debentures in the Company by direct subscription or private placement or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or conversion of the said loans/ debentures, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors (which Director or Directors is/are hereinafter referred to as "Corporation Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any other person or persons in his or their place/s. At the option of the Corporation, such Corporation Director/s shall not be liable to retire by rotation of Directors. Subject as aforesaid, the Corporation Director/s shall be entitled to the same rights and privileges and be subject to the same obligation as other Directors of the Company.

The Corporation Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Debentures in the Company as a result of direct subscription or conversion of the loans/debentures and the Corporation Director/s so appointed in exercise of the said power shall ipso facto vacate his office immediately after the moneys owing by the Company to the Corporation are paid off or on the Corporation ceasing to hold debentures/shares in the Company.

88. (1) The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period not less than three months from any State in India in which meetings of the Board are ordinarily held.
- (2) Every such Alternate Director shall, subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meeting of Directors and to attend and vote as a Director and be counted for the purpose of a quorum and generally at such meeting to have and exercise all the power and duties and authorities of the original Director.
89. (1) The Board shall have power at any time and from time to time to appoint any person to be a Director to fill a casual vacancy arising out of the office of any Director appointed by the Company in general meeting being vacated before his term of office expires in the normal course.
- (2) Such casual vacancy shall be filled up by the Board at a meeting of the Board.
- (3) Any person so appointed shall hold office only upto the date to which the Director in whose place he is appointed would have held office. However, he shall then be eligible for re-election.
90. (1) The Board of Directors shall also have power at any time and from time to time to appoint any other person to be an Additional Director but so that the total number of Directors shall not at any time exceed the maximum strength fixed for the Board by the Articles.
- (2) Any person so appointed as an Additional Director shall retain his office only upto the date of the next annual general meeting but shall be eligible for election at such meeting subject to the provisions of the Act.
91. A Director shall not be required to hold any qualification shares.
92. The remuneration of a Director for his services shall be such sum as may be fixed by the Board not exceeding such sum within the maximum limit that may be prescribed by the Act or by the Central Government for each meeting of the Board or a committee thereof attended by him. The Directors may subject to the sanction of the Central Government (if any required) be paid such further remuneration as the Company in general meeting shall, from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and manner as the Board may from time to time determine and in default of such determination shall be divided among the Directors equally.

93. Subject to the provisions of the Act, if any Director being willing shall be called upon to perform extra services (which expression shall include work done by the Director or in relation to signing share certificates) or to make special exertions in going or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company shall remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Directors and such remuneration may be either in addition to or in substitution for his share in the remuneration above provided.
94. The Board may subject to the limitations provided by the Act allow to any Director who attends a meeting at a place other than his usual place of residence for the purposes of attending a meeting, such sum as the Board may consider fair compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.
95. The continuing Directors may act notwithstanding any vacancy in their body but if and so long as their number is reduced below the quorum fixed by these Articles for a meeting of the Board, the continuing Directors may act for the purpose of increasing the number of Directors to that fixed for the quorum or for summoning a general meeting of the Company but for no other purpose.
96. Subject to the provisions of the Act, the Board may, from time to time, appoint one or more of their body to be Managing Director or Whole-time Director of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company. The Company may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.
97. Subject to the provisions of the Act and these Articles, the Managing Director or the Whole-time Director shall not while he continues to hold that office, be subject to retirement by rotation. He shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company and he shall ipso facto and immediately ceases to be a Managing Director or Whole-time Director, as the case may be, if he ceases to hold the office of Director for any reason.

PROVIDED THAT if at any time total number of Directors (Including Managing Director and Whole-time Director) as are not subject to retirement by rotation shall exceed one-third of the total number of Directors for the time being, then such of the managing Director or Whole-time Director or two or more of them as the Directors may from time to time determine shall be liable to retirement by rotation in accordance with the provisions of these Articles to the intent that the total number of Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being.

98. The remuneration of the Managing Director or Whole-time Director shall, subject to Section 309 and other applicable provisions of the Act and of these Articles and of any contract between him and the Company, be fixed by the Directors, from time to time, and may be by way of fixed salary and/or perquisites or commission on profits or by fee for each meeting of the Board and/or by all these modes or any other mode not expressly prohibited by the Act.
99. (1) Subject to the superintendence, control and direction of the Board, the day to day management of the Company shall be in the hands of the Managing Director(s) and the Whole-time Director(s) appointed under these Articles with power to the Board to distribute such day to day management functions among such Director(s) in any manner as deemed fit by the board and subject to the provisions of the Act and these Articles the Board may by resolution vest in any such Managing or Whole-time Director(s) such of the powers hereby vested in, may be made exercisable for such period or period and upon such conditions and subject to such restrictions as the Board may determine and the Board may, subject to the provisions of the Act and these Articles or to the exclusion of or in substitution for all or any of the

powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

- (2) Subject to the provisions of the Act and subject to the general control, superintendence and directions of the Board, the Managing Director shall have power on behalf of the Company:-
 - (i) To make all sales and purchases and to enter into all contracts and agreements as he thinks proper for the purposes of the Company, execute and sign all dividend warrants and all the documents, instruments, declaration, statements, affidavits, applications, receipts, releases, discharges and papers on behalf of the Company and to do all other acts, deeds and things as usual, desirable or expedient in the management of the affairs, purposes and business of the Company and in carrying out its objects and shall have the power to appoint and employ in and for the purposes of the transactions and management of the affairs of the Company or otherwise for the purposes thereof such managers, officers, bankers, secretaries, brokers, exporters, engineers, contractors, assistants, clerks, labourers, workmen and other servants, persons or employees as he shall think proper with such powers and duties and upon such terms as to duration of employment, remuneration or otherwise as he shall think fit and from time to time to remove, suspend or dismiss him or them and appoint other or others as he thinks fit and to engage or appoint advocates, legal advisors, chartered accountants or other professionals and technical persons on such terms as he considers appropriate for the business or affairs of the Company.
 - (ii) To borrow, make payments, receive and accept monies and draw, sign, accept, endorse and negotiate on behalf of the Company all bills of exchange, promissory notes, loans or bonds or any other security, debentures, railway receipts, way bills, consignment notes, lorry receipts, bills of lading and all other negotiable or transferable instruments and receipts signed by the Managing Director for any moneys, goods or property in the usual course of business of the Company or for any moneys, goods or property lent or payable or belonging to the Company shall be effectual discharge on behalf of and against the Company for the moneys, goods or property which in such receipts shall be acknowledged to be received and the person paying any such moneys, etc. shall not be bound to see to the application or be answerable for any misapplication thereof.
 - (iii) To commence, institute, conduct, defend or abandon any action or legal proceedings by or against the Company and shall have for such purposes power to sign and verify all complaints, written statements, petitions, appeals, declarations, revisions and applications and shall have power to refer to any claim by or against the Company to arbitration and to perform, observe and challenge the awards.
 - (3) The Managing Director may delegate all or any of his power to such other Director, Manager, Agent or other person as he may think fit and shall have power to grant to any such person such power of attorney as he may deem expedient and also to revoke such power at pleasure.
100. (1) The Board may from time to time appoint a duly qualified person to be the Secretary of the Company on such terms and conditions as they shall deem fit and may from time to time suspend, remove or dismiss him from office and appoint another in his place.
- (2) Subject to the provisions of the Act and these Articles, the Directors may delegate to the Secretary such power and entrust him with such duties as they may deem fit from time to time and revoke, cancel, alter or modify the same and in particular entrust to him the performance of the functions which, by the Act, are to be performed by the Secretary of a Company and other administrative and ministerial duties.

- (3) The remuneration of the Secretary shall be such as may be determined by the Directors from time to time.

PROCEEDING OF THE BOARD OF DIRECTORS

101. A Director may at any time and the Secretary upon the request of a Director made at any time shall convene a meeting of the Board of Directors by giving a notice in writing to every Director for the time being in India and at his usual address in India to every other Director. Notice may be given by telegram to any Director who is not in the State.
102. The board may elect a Chairman of its meetings and determine the period for which he is to hold office. The Chairman so appointed shall not be required to retire by rotation till he continues to hold the office of Chairman. PROVIDED THAT if no such Chairman is elected or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be the Chairman of the meeting.
103. If a meeting of the board could not be held for want of quorum then the meeting shall stand adjourned to such other date, time and place as the Director or Directors present at the meeting decide.
104. Subject to the provisions of Sections 316(2), 372(5) and 386 (2) of the Act, questions arising at any meeting of the Board shall be decided by a majority of votes and in case of any equality of votes, the Chairman of the meeting shall have second or casting vote.
105. (1) The Board may subject to the provisions of section 292 and other relevant provisions of the Act and of these Articles, appoint committees of the Board and delegate any of the powers other than the powers to make calls and to issue debentures to such committee or committees and may from time to time revoke and discharge any such committees either wholly or in part but every committee so formed shall be in exercise of the powers so delegated, confirmed to any regulations that may from time to time be imposed on it by the Board.
- (2) The quorum for a meeting of the Committee shall be two persons present in person.
106. The meeting and proceedings of any such committee of the board shall be governed by the provisions herein contained for regulating meetings and proceedings of the Directors so far as the same are applicable thereto and are not superceded by any regulations made by the Board under the last preceding Articles.
107. (1) A resolution passed by circulation without a meeting of the Board or a Committee shall, subject to the provisions of clause (2) hereof and the Act, be as valid and effectual as a resolution duly passed at a meeting of the Board or of a Committee duly called and held.
- (2) A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, if the resolution has been circulated in draft together with necessary papers, if any, to all the Directors or to all the members of the Committee then in India (not being less in number than in the quorum fixed for a meeting of the Board or Committee, as the case may be), and to all other Directors or members of the Committee at their usual address in India and has been approved by such of the directors or members of the Committee as are in India or by a majority of such of them as are entitled to vote on the resolution.
108. All acts done by any meeting of the board or by a Committee of the board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of one or more of such Directors or any person acting as aforesaid or that they or any of them were disqualified or that

the appointment of any of them was terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person has been duly appointed was qualified to be a Director.

PROVIDED THAT nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

POWER OF THE BOARD

109. The business of the Company shall be managed by the board who may exercise all such powers of the Company and do all such acts and things as are not, by the Act or any other law or by the Memorandum or by the Articles required to be exercised by the Company in general meeting, subject nevertheless to these Articles the provisions of the Act or any other law and to such regulation (being not inconsistent with these Articles or the aforesaid provisions) as may be prescribed by the Company in General Meeting invalidate any prior act of the Board which would have been valid if that regulation had not been made.

THE SEAL

110. (1) The Board shall provided a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof and the Board shall provide for the safe custody of the Seal for the time being under such regulations as the Board may prescribe.
- (2) The Seal shall not be affixed to any instrument except by the authority of the Board or a Committee of the Board previously given and in the presence of atleast one Director of the Company or the Secretary or any other officer specifically authorised in this behalf who shall sign every instrument to which the Seal is affixed.
- (3) The Company shall have, for the transaction of business outside India and for use in any territory outside India, an official seal which is facsimile of the Common Seal of the Company with the Addition on its face, the name of the territory, district or place where it is to be used and the same shall be used in the same manner in which the Common Seal of the Company would have been used.

DIVIDENDS

111. (1) Subject to the rights of persons, if any, entitled to share with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid but if and so long as nothing is paid upon may any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
- (2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of these Articles as paid on the share.
112. The Board of Directors may from time to time pay the members such interim dividends as in their judgement the position of the Company justifies.
113. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends from a particular date such share shall rank for dividend accordingly.
114. Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payment on account of dividends in respect of such share.

115. Any dividend, interest or other moneys payable in respect of shares may be paid by cheque or warrant payable only in India, sent through post direct to the registered address of the member or person entitled to the payment of the dividend or in case of joint holders to the registered address of the member who is first named on the Register of Members in respect of the joint holding or to such person and to such address as the holder or the joint holders may in writing direct.
116. Any general meeting declaring a dividend may on the recommendations of the Directors make a call on the members of such amount as the meeting fixes but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the time as the dividend and the dividend may, if so arranged between the Company and the members be set off against the call.
117. No unpaid dividend shall bear interest as against the Company.
118. Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 42 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 42 days open a special account in that behalf in any schedule bank called "Unpaid Dividend of Tips Films Limited" and transfer to the said account, the total amount of dividend which remain unpaid or in relation to which no dividend warrant has been posted.

Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company to the Investor Education and Protection Fund established by the Central Government.

No unclaimed or unpaid dividend shall be forfeited by the Board.

CAPITALISATION

119. (1) The Company is general meeting may upon the recommendations of the Board resolve that any money, investment or other asset forming part of the undistributed profits of the Company standing to the credit of the Reserve Account or in the hands of the Company and available for dividend or representing premium received on the issue of shares of debentures and standing to the credit of the share premium account be capitalised and distributed amongst such of the members as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footings that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such members in paying up in full either at or at such premium as the resolution may provide any unissued shares of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares or partly in one way and partly in the other and that such distribution or payment shall be accepted by such members in full satisfaction of their interest in the said capitalised sum.
- (2) A general meeting may resolved that any surplus money arising from the realisation of any capital asset of the Company or any investment representing the same or any other undistributed profit of the Company not subject to charge for income-tax be distributed among the members on the footing that they receive the same as capital.
- (3) The Board shall give effect to the resolution passed as aforesaid and for that purpose the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that such cash payments shall be made to any member upon the footing of the value so fixed or that fraction of less value than Rs.10/- may be disregarded in order to adjust the rights of all parties

and may vest any cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalised funds may seem expedient to the Board.

ACCOUNTS

120. (1) The Company shall keep at such other place in India as the Board thinks fit, proper books of account in accordance with Section 209 of the Act on accrual basis as per mercantile system of accounting with respect to:-
- (a) All sums of money received and expended by the Company and the matters in respect of which receipts and expenditure take place.
 - (b) The assets and liabilities of the Company.
 - (c) All sales and purchases of goods by the Company.
- (2) When the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarised returns, made up-to-date at interval of not more than three months are sent by the branch office to the Company at its Registered Office or other place in India at which the Company's books of account are kept as aforesaid.
- (3) The books of accounts shall give a true and fair view of the state of the affairs of the Company or branch office as the case may be and explain its transactions.

AUDIT

121. At least once in every year the accounts of the Company shall be examined and the correctness of the Profit and Loss Account and Balance Sheet be ascertained by the Auditor or Auditors.
122. (1) Every Auditor of the Company shall have a right of access at all times to the books of accounts and vouchers of the Company, whether kept at the office of the Company or elsewhere and shall be entitled to require from the Directors and Officers of the Company such information and explanation as the Auditor may think necessary for the purpose of his or their duties as Auditor.
- (2) The Auditor shall make a report to the Members of the Company on the accounts examined by him and on every Balance Sheet and Profit and Loss Account and on every other document declared by the Act to be part of or annexed to the Balance Sheet or Profit and Loss Account which are laid before the Company in General Meeting during his or their tenure of office and the report shall state whether in his opinion and to the best of his information and according to the explanations given to him the said accounts give the information required by the Act in the manner so required and give a true and fair view:
- (a) In the case of the Balance Sheet, of the state of Company's affairs as at the end of its financial year; and
 - (b) In the case of the Profit and Loss Account, of the Profit or Loss for its financial year.
123. Every account of the Company when audited and approved by a general meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period the account shall forthwith be corrected and thereafter that shall be conclusive, subject to the approval of the Company in general meeting.

DOCUMENTS AND NOTICES

124. A document or notice may be served by the Company on any member thereof either personally or by sending it by post to him at his registered address or if he has no registered address in India, to the address, if any, within India supplied by him to the Company for serving document or notice on him.
125. Where a document or notice is sent by post:
- (a) Service thereof shall be deemed to be effected by properly addressing, preparing and posting a letter containing the document or notice;
 - (b) Such service shall be deemed to have been effected;
 - (i) In the case of a notice of meeting at the expiration of forty-eight hours after the letter containing the same is posted and
 - (ii) In every other case, at the time at which the letter would be delivered in the ordinary course of post.
126. A document or notice may be served by the Company on or to the joint holders of a share by serving or giving it on or to the joint holder named first in the Register in respect of the share.
127. Every person who by operation of law, transfer or other means whatsoever, becomes entitled to any share, shall be bound by every document or notice in respect of such share which prior to his name and address being entered on the Register of Members shall have been duly served on or given to the person from whom he derived his title to such share.

WINDING UP

128. (1) If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be the losses shall be borne by the members in proportions to the capital paid-up or which ought to have been paid-up at the commencement of the winding up on the shares held by them respectively.
- (2) If on the winding-up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding-up, the excess shall be distributed amongst the members (other than those not entitled to a share in excess) in proportion to the capital at the commencement of the winding-up or which ought to have been paid up on the shares held by them respectively.
- (3) This Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.
129. (1) If the Company shall be wound-up, whether voluntarily or otherwise, the liquidator may with the sanction of a special resolution, divide amongst the contributories in specie or kind any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in Trustees upon such trust for the benefit of the contributories or any of them as the liquidator with the sanction shall think fit.

- (2) If thought expedient any such division may, subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributors (except where fixed by the Memorandum of Association) and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributory who would be prejudiced thereby shall have a right to dissent and have ancillary rights as if such determination were a special resolution passed pursuant to Section 494 of the Act.
- (3) In case any share to be divided as aforesaid involve a liability to calls or otherwise, any person entitled under such division to any of the said shares may within ten days after the passing of the special resolution by notice in writing direct the liquidator shall, if practicable, act accordingly.

INDEMNITY

130. (1) Save and except so far as the provisions of this Article shall be avoided by Section 201 of the Act, the Board of Directors, Managing Director, Managers, Secretary and other officers or other employees for the time being of the Company, Auditor and the Trustees, if any, for the time being acting in relation to any of the affairs of the Company and every one of them and every one of their heirs, executors and administrators shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them or their or any of their executors or administrator shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts except such if any as they own willful neglect or default respectively.
- (2) Save and except so far as the provisions of this Articles shall be avoided by Section 201 of the Act, none of them shall be answerable for the acts, receipts, neglect or defaults of the other or others of them or for joining in any receipt for the sake of conformity or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody or for the insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out or invested or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts or in relation thereto, except when the same shall happen by or through their own dishonesty, willful neglect or default respectively.

SECRECY

131. Every Director, Officer and other employee of the Company shall before entering upon his duties sign a declaration in the form as the Director may from time to time direct.
132. No member or other person (not being a Director) shall be entitled to visit or inspect any property or premises of the Company without the permission of the Directors or Managing Director or to require discovery of or any information respecting any detail of the Company's trading or any manner which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

SECTION IX- OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered in the ordinary course of business carried on by our Company), which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company situated at 501, Durga Chambers, 5th Floor, Linking Road, Khar (West), Mumbai- 400052 MH IN from 11:00 a.m. to 3.00 p.m. on working days from the date of the Information Memorandum.

Material contracts and documents for inspection

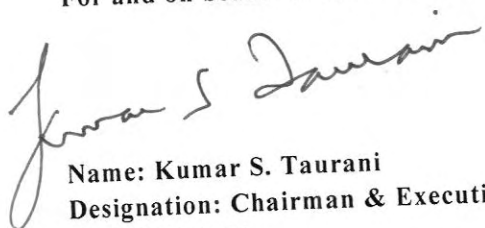
- Certificate of Incorporation of the Company
- Memorandum and Articles of Association, as amended till date.
- Letter under Regulation 37 of the SEBI (LODR) Regulations issued by BSE (DCS/AMAL/JR/R37/2012/2021-22 dated July 29, 2021) and NSE (NSE/LIST/27137_II dated July 29, 2021) according their no-objection to the Scheme.
- Scheme of Arrangement and Demerger between Tips Industries Limited and Tips Films Limited and their respective shareholders.
- Order dated March 03, 2022 of the Hon'ble National Company Law Tribunal, Mumbai Bench sanctioning the Scheme of Arrangement and Demerger between Tips Industries Limited and Tips Films Limited and their respective shareholders under sections 230 to 232 read with section 66 and other applicable provisions of the Companies Act, 2013.
- Board Resolution dated May 2, 2022 for appointment of Chairman, Managing Director, Executive Directors
- Annual Report of the Company for the FY ended March 31, 2021.
- Audited Financial Statements of the Company for financial year ended March 31, 2022 and March 31, 2021.
- Statement of possible special tax benefits dated June 3, 2022 issued by M/s. SSPA & Associates, Statutory Auditors.
- Tripartite Agreement with NSDL, RTA and the Company.
- Tripartite Agreement with CDSL, RTA and the Company.
- BSE letter no. DCS/AMAL/MJ/IP/2424/2022-23 dated July 28, 2022 granting in-principle approval for listing.
- NSE letter no. NSE/LIST/75 dated July 26, 2022 granting in- principle approval for listing.
- SEBI letter no. SEBI/HO/CFD/DCR-2/P/OW/2022/45217/1 dated August 25, 2022 granting relaxation from the applicability of Rule 19(2)(b) of SCRR for listing of the shares of the Company.

Any of the contracts or documents mentioned in the Information Memorandum may be amended or modified at any time if so, required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

All relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Information Memorandum is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements made in this Information Memorandum are true and correct.

For and on behalf of the Board of Directors of Tips Films Limited



Name: Kumar S. Taurani
Designation: Chairman & Executive Director
DIN: 00555831



Name: Mr. Vinit Bhanushali
Designation: Company Secretary and Compliance Officer
Membership No.: A62720



Place: Mumbai
Date: September 26, 2022