



Tips Films Limited
Annual Report 2021-22

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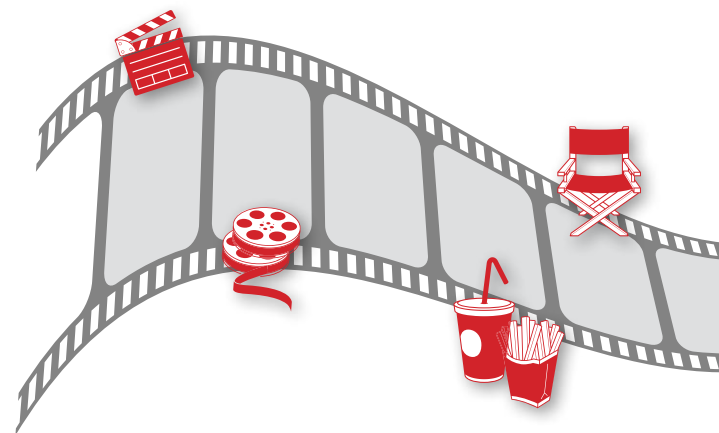
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LIGHTS... CAMERA... ACTION DRAMA, COMEDY EMOTIONS, EXCITEMENT, ENTERTAINMENT!



Films have now been entertaining us for almost a century.

The universal charm and lure of larger-than-life characters have fascinated us through ages : from animated fairy tales to everyday superheroes. There is something uniquely enticing about films that makes us forget the gruel and grind of everyday lives for a few hours, and immerse ourselves in the exaggerated and fantastical world of the silver screen, where we see ourselves in our heroes - vanquishing our villains and emerging champions.

At Tips Films Ltd., we have always made films that have been
ENTERTAINING YOU.

From our very first production, Coolie No. 1 in 1995, to one of the most sought-after franchises - RACE, every film made by Tips Films Ltd. has been all about ENTERTAINING YOU.

As we now look at a post-Covid world where audiences are watching films in theatres, multiplexes as well as on OTT channels, Tips Films Ltd. has been demerged to bring a renewed focus on creating yet more exciting and amazing films for today's India. Films for...

ENTERTAINING YOU



CHAIRMAN'S MESSAGE TO SHAREHOLDERS



Kumar Taurani



Ramesh Taurani

Dear Fellow Shareholders,

The longest journeys begin with one step. On April 01, 2021 the film division was demerged into a standalone business and we have just completed our first year as an independent business entity. It has been a great first one.

Our past has been glorious too and we aim to scale similar heights again. We started partnering with film producers in 1992-93 to learn the craft of filmmaking. In 1995 we launched the first corporate studio in India and announced a plan to produce 10 movies simultaneously. We started production of 6 films at one go, completed each one of them and released them to be greeted with huge success at the box office. We achieved this despite the formidable reputational, financial and legal hurdles created by the false allegations against my brother, Mr. Ramesh Taurani. These 6 films were 1) Jab Pyar Kisise Hota Hai, 2) Soldier, 3) Kachche Dhaage, 4) Kunwara, 5) Kya Kehna and 6) Albela. For the other four movies, we had signed 1) Mr Akshay Kumar, 2) Mr Anil Kapoor, 3) Mr Sanjay Dutt and 4) Mr Suniel Shetty for the lead roles.

So far we have produced fifty movies. We understand the pulse of the audience accurately and therefore we have the best hit ratio in the industry. This understanding of the audience and the corresponding model which we operate have enabled us to thrive in good times and to recoup capital and survive in periods of hardship. We always retain all rights for movies that we produce. This enables us to repeatedly monetise these films through satellite rights or digital rights. We extract full value of the film over many decades.

This year we released one film, Bhoot Police. Due to fears surrounding the second wave of COVID-19, a theatrical release was rendered impossible. This has reduced our profits from the movie. As a company, we intend to produce and release 3 to 5 films per annum, over the medium term. The lack of institutional financing for film production is a major hurdle for the film industry.

Gaslight, Merry Christmas and Ishq Vishq Rebound are currently under production. Scripting and creative work is ongoing for Race 4, Bhoot Police-2, Soldier-2, and other new releases. These are expected to be released over the next 2 to 3 years. Audiences have shown a healthy appetite for films in regional languages, therefore we have forayed into production of regional films.

Over the next 5 years, we intend to scale up our production business to achieve 10 to 12 movie releases per annum. We see a phase of profitable expansion based on robust demand for good quality content.

The change in technology and rise of piracy in the early 2000's had destabilised the business model of studios. Over the past 3 years, that disruption has ended as OTT players started buying film content. This has become an additional source of revenue for movie producers. Studios are now able to monetise movies through Box Office, Satellite Rights, Music Rights and Digital Rights.

As per the FICCI EY Media & Entertainment Report - 2022, 757 films were released in 2021 and over 100 films were released exclusively on OTT platforms. Theatrical revenue was just 34% of 2019 levels. The impact is telling. Only 1 Hindi film crossed ₹ 1bn in gross box office collections in 2021 compared to 20 films in 2019. South Indian films fared better with 3 movies crossing ₹ 1bn in gross box office collections in 2021 compared to 8 in 2019.

Video subscription revenues grew to ₹ 5,400 cr in 2021. This is significant as it is more than 50% of broadcasters share of subscription revenues. Paid video subscriptions scaled to 80mn in 2021. Over 2,500 hours of fresh content was created for streaming platforms, a growth of over 20% over the previous year. All this bodes well for us as premium content producers.



Over the next 5 years, we intend to scale up our production business to achieve 10 to 12 movie releases per annum. We see a phase of profitable expansion based on robust demand for good quality content.

We are actively creating new IP. FY2024 will see higher launches of films from the Tips stable. At this juncture, higher valuation of content rights and technology are both contributing to growth of our business. We believe new technological advancements in the areas of social media, gaming and metaverse will open up new avenues for monetisation. Our focus will remain on creating premium IPR.

Jai Hind

Kumar Taurani



CORPORATE INFORMATION

BOARD OF DIRECTORS:

Mr. Kumar Taurani	<i>Chairman & Executive Director</i>
Mr. Ramesh Taurani	<i>Managing Director</i>
Ms. Jaya Taurani	<i>Executive Director</i>
Ms. Radhika Dudhat	<i>Independent Director</i>
Mr. Venkitaraman Iyer	<i>Independent Director</i>
Mr. Vinode Thomas	<i>Independent Director</i>

COMPANY SECRETARY & COMPLIANCE OFFICER:

Mr. Vinit K. Bhanushali

SENIOR MANAGEMENT:

Mrs. Varsha Taurani	<i>Vice President - Administration</i>
Mr. Haresh Sedhani	<i>Sr. Vice President - Finance</i>

REGISTERED OFFICE:

501, 5th Floor, Durga Chambers,
Linking Road, Khar West,
Mumbai - 400 052
Email: info@tipsfilms.in
Website: www.tipsfilms.in
CIN: U74940MH2009PTC193028

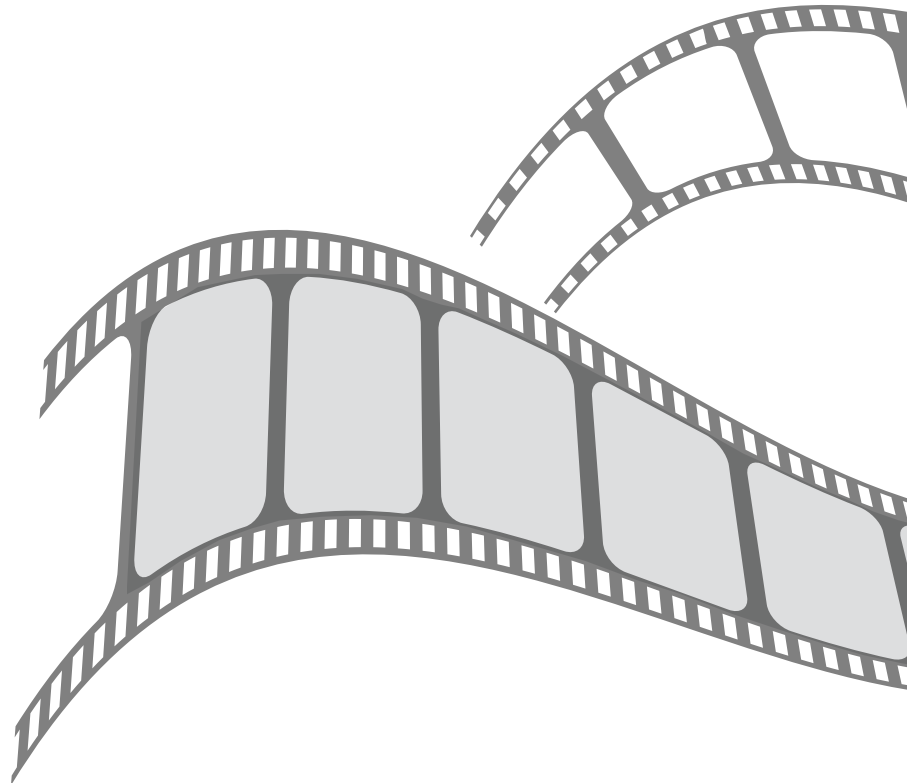
REGISTRAR & SHARE TRANSFER AGENT:

Link Intime India Pvt. Ltd.

C-101, 247 Park, LBS Marg,
Vikhroli (West), Mumbai - 400 083

BANKERS:

Equitas Small Finance Bank Limited
IDBI Bank Limited
HDFC Bank Limited



NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 13th Annual General Meeting of the Members of Tips Films Limited will be held on **Tuesday, December 27, 2022 at 11:00 a.m. (IST)** through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2022 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Kumar Taurani (DIN: 00555831), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to the recommendation of the Audit Committee and the Board of Directors, M/s. Maheshwari & Co., Chartered Accountants (Firm Registration 105834W), be and are hereby appointed as Statutory Auditors of the Company, to hold office for a period of five (5) consecutive years commencing from the conclusion of this Annual General Meeting till the conclusion of the 18th Annual General Meeting to be held in the year 2027 at such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:
"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") and Schedule V of the Act read with Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to other requisite approvals, if any, consent of the Members of the Company be and is hereby

accorded for change in designation of Mr. Ramesh Taurani (DIN: 00010130) as a Managing Director of the Company for a period of three years w.e.f. May 02, 2022 to May 01, 2025 on the terms and conditions of appointment and remuneration as mentioned below and as approved by the Board of Directors of the Company on recommendation of the Nomination and Remuneration Committee.

(A) Remuneration:

Minimum Rs.14 lakh per month only i.e. Rs.168 lakhs per annum only.

(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.

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

(C) Powers and duties as per the provisions of the Articles of Association of the Company.

RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of Mr. Ramesh Taurani as a 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 of the Companies Act, 2013 and rules framed thereunder and any other applicable provisions of the Act, Regulation or any statutory modification(s) or re-enactment thereof.

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

5. To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") and Schedule V of the Act read with Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to other requisite approvals, if any, consent of the Members of the Company be and is hereby accorded for appointment of Ms. Jaya Taurani (DIN: 08209186) as an Executive Director of the Company for a period of three years w.e.f. May 02, 2022 to May 01, 2025 on the terms and conditions of appointment and remuneration as mentioned below and as approved by the Board of Directors of the Company on recommendation of the Nomination and Remuneration Committee.

(A) Remuneration:

Rs.5 lakhs per month only i.e. Rs.60 lakh per annum only

(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.

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

(C) Powers and duties as per the provisions of the Articles of Association of the Company.

RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of Ms. Jaya Taurani as an 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 of the Companies Act, 2013 and rules framed thereunder and any other applicable provisions of the Act, Regulation or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things and execute all such agreements, documents, instruments and writings as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the said appointment as it may in its

sole and absolute discretion deem fit and to delegate all or any of its powers herein conferred to any director(s) and/or officer(s) of the Company, to give effect to this resolution."

6. To consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION:**

RESOLVED THAT pursuant to the provisions of Section 152, 203 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") and Schedule V of the Act read with Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to other requisite approvals, the consent of the members of the Company be and is hereby accorded to appoint Mr. Kumar Taurani (DIN: 00555831) as a Chairman and Executive Director of the Company for a period of three years w.e.f. May 02, 2022 to May 01, 2025 on the terms and conditions of appointment and remuneration as mentioned below and as approved by the Board of Directors of the Company on recommendation of the Nomination and Remuneration Committee.

(A) Remuneration:

The appointment of Mr. Kumar Taurani as a Chairman and Executive Director of the Company shall be without remuneration.

(B) Perquisites:

No Perquisites shall be provided to Mr. Kumar Taurani.

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

(C) Powers and duties as per the provisions of the Articles of Association of the Company.

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

7. To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with Schedule IV of the said Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment thereof for the time being in force) and on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Venkitaraman Iyer (DIN: 00730501), who meets the criteria of independence as prescribed under the Act and the Listing Regulations as amended from time to time, and who was appointed as an Additional Director designated as an Independent Director and in respect of whom the Company has received a notice from member proposing his candidature for the office of Director under Section 160 of the Act, be and is hereby appointed as Non-Executive Independent Director of the Company to hold office for a term of five consecutive years from May 02, 2022, and shall not be liable to retire by rotation.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to do such acts, deeds, things and matters as the Board of Directors may in its absolute discretion consider necessary or appropriate for the aforesaid resolution and matter incidental thereto.”

8. To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with Schedule IV of the said Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment thereof for the time being in force) and on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Ms. Radhika Dudhat (DIN: 00016712), who meets the criteria of independence as prescribed under the Act and the Listing Regulations as amended from time to time, and who was appointed as an Additional Director designated as an Independent Director and in respect of whom the Company has received a notice from member proposing her candidature for the office of Director under Section 160 of the Act, be and is hereby appointed as Non-Executive Independent Director of the Company to hold office for a

term of five consecutive years from May 02, 2022, and shall not be liable to retire by rotation.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to do such acts, deeds, things and matters as the Board of Directors may in its absolute discretion consider necessary or appropriate for the aforesaid resolution and matter incidental thereto.”

9. To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with Schedule IV of the said Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment thereof for the time being in force) and on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Vinode Thomas (DIN: 01893613), who meets the criteria of independence as prescribed under the Act and the Listing Regulations as amended from time to time, and who was appointed as an Additional Director designated as an Independent Director and in respect of whom the Company has received a notice from member proposing his candidature for the office of Director under Section 160 of the Act, be and is hereby appointed as Non-Executive Independent Director of the Company to hold office for a term of five consecutive years from June 01, 2022, and shall not be liable to retire by rotation.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to do such acts, deeds, things and matters as the Board of Directors may in its absolute discretion consider necessary or appropriate for the aforesaid resolution and matter incidental thereto.”

10. To consider and if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with rules made thereunder and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to all applicable approvals, permissions and

such conditions as may be prescribed by any of the concerned authorities while granting such approvals, basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into, contract(s)/ arrangement(s)/ transaction(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) as mentioned in the explanatory statement with Tips Industries Limited for the Financial Year 2022-23, for an aggregate value of up to Rs. 20 Crores, subject to such contract(s)/arrangement(s)/transaction(s) being carried out at arm's length and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board / Committee be and is hereby authorized to agree, make, accept and finalize all such terms, condition(s), modification(s) and alteration(s) as it may deem fit within the aforesaid limits and the Board/ Committee is also hereby authorized to resolve and settle all questions, difficulties or doubts that may arise with regard to such payment and to finalize and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental as the Board / Committee in its absolute discretion may deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have been given approval thereto expressly by the authority of this resolution."

11. To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 180(1) (c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the Board), including any committee thereof for the time being exercising the powers conferred on them by this resolution, to borrow money for and on behalf of Company from time to time as deemed by it to be requisite and proper for the business of Company, but so that the moneys to be borrowed together with the moneys already borrowed by the Company, shall not exceed Rs. 200 Crores (Rupees Two Hundred Crores Only) in excess of the aggregate of its paid share capital, free reserves and securities premium of the Company as per the latest annual audited financial statements, apart from temporary loans obtained from the Company's bankers in the ordinary course of business.

RESOLVED FURTHER THAT The Board of Directors (including its Committee thereof) be and are hereby authorised to do all such acts deeds, matters and things to execute all such documents, instruments and writings as may be required and to delegate all or any of the power herein conferred to any Committee of Director or the Managing Director or any other Director or any other officer(s) of the Company or any other person(s) to give effect to this Resolution"

12. To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 180(1) (a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the Board), including any committee thereof for the time being exercising the powers conferred on them by this resolution, to create mortgage and/or charge and/or hypothecations on all or any of the movable and/or immovable assets of the Company, both present and future and/or whole or any part of the Company in favour of the lenders, agents, trustees for securing the borrowings of the Company availed/to be availed by way of loans (in foreign currency and/or in Indian currency) and securities (comprising of fully/partly convertible debentures and/or secured premium notes and/or floating rates notes/ bonds or other debt instruments) issued/to be issued by the Company from time to time, in one or more trenches, upto an aggregate limit of Rs. 200 Crores (Rupees Two Hundred Crores Only) together with interest as agreed, additional interest in case of default, accumulated interest, liquidated damages and commitment charges, all other costs, charges and expenses and all other monies payable by the Company in terms of respective loan agreement(s) or any other document entered /to be entered into between the Company and the lenders/ agents/investors and trustees in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or any committees thereof and the lenders, agents or trustees.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board or a Committee thereof be and is hereby authorized to finalise, settle and execute such documents/deeds/ writing/papers/ agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deemed necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to Creation of Charge on