



June 4, 2022

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

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

Scrip Code: **532375**

Symbol: **TIPSINDLTD**

Ref: Scheme of Arrangement and Demerger between Tips Industries Limited (“Demerged Company”), Tips Films Limited (“Resulting Company”) and their respective Shareholders (“Scheme”) under Sections 230 to 232 of the Companies Act, 2013.

Sub: Cost of Acquisition of shares of Tips Industries Limited (“Demerged Company”) and Tips Films Limited (“Resulting Company”) as per the provisions of Sections 49(2C) and 49(2D) of the Income Tax Act, 1961.

Dear Sir/Madam,

In continuous to our previous intimations made with respect to the Scheme of Arrangement and Demerger between Tips Industries Limited (“Demerged Company”), Tips Films Limited (“Resulting Company”) and their respective Shareholders, we are enclosing a communication being issued for general guidance of the shareholders on the proportionate cost of acquisition of both Demerged Company and Resulting Company as per the provisions of Sections 49(2C) and 49(2D) of the Income Tax Act, 1961.

This is for your information and records.

Thanking you,

For **Tips Industries Limited**

Bijal R. Patel
Company Secretary

Encl: a/a

TIPS INDUSTRIES LTD.

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



FOR THE ATTENTION OF SHAREHOLDERS OF TIPS INDUSTRIES LIMITED

Subject: Apportionment of Cost of Acquisition of Equity Shares of Tips Industries Limited and Tips Films Limited pursuant to the Scheme of Arrangement and Demerger in relation to Demerger of the Film division undertaking from Tips Industries Limited into Tips Films Limited.

Pursuant to the Scheme of Arrangement and Demerger between Tips Industries Limited (“Demerged Company”), Tips Films Limited (“Resulting Company”) and their respective Shareholders, duly approved by the Hon’ble NCLT, Mumbai vide its Order dated March 3, 2022, the Film Division (as defined in the Scheme) of the Demerged Company has been demerged from Tips Industries Limited and the same has been vested and transferred in Resulting Company on a going concern basis with effect from April 1, 2021, being the Appointed Date fixed in the said Scheme.

The Scheme, though operative from the Appointed Date i.e., April 1, 2021, but has become effective on March 23, 2022 being the date on which certified copies of the Order of the Hon’ble NCLT, Mumbai sanctioning the Scheme was filed with the Registrar of Companies, Mumbai both by the Demerged Company and Resulting Company.

The Board of Directors of the Demerged Company has fixed Saturday, May 21, 2022 as the Record Date for the purpose of determining the shareholders of the Demerged Company who shall be entitled to receive of 1 (one) equity shares of Rs.10/- each fully paid up of Resulting Company for every 3 (three) equity share of Rs.10/- each fully paid up held in Demerged Company, as per clause 13.1 of the Scheme.

Pursuant to the Scheme, On May 27, 2022, the Board of TFL has approved allotment of 43,22,886 Equity shares (Forty Three Lakhs Twenty Two Thousand Eight Hundred and Eighty Six only) of Rs. 10/- each (Rupee Ten only) amounting to Rs. 4,32,28,860 (Rupees Four Crores Thirty Two Lakhs Twenty Eight Thousand Eight Hundred Sixty only) to the shareholders of Demerged Company.

We wish to inform the shareholders the proportionate cost of acquisition both the Demerged Company and the Resulting Company as per the provisions of Sections 49(2C) and 49(2D) of the Income Tax Act, 1961 is to be calculated as under:

Sr.	Particulars	Basis
1	Cost of Acquisition of Resulting Company's shares (Tips Films Limited) (Section 49(2C))	Cost of acquisition of TIL shares x Net Book Value of assets of the Tips Films ----- Net-worth of TIL before Demerger

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2	Cost of Acquisition of Shares of Demerged Company (Tips Industries Limited) (Section 49 (2D))	Original cost of acquisition of Demerged Company less cost of acquisition of Resulting Company's shares (as computed above)
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The ratio of apportionment of cost of acquisition of the original TIL shares pursuant to sections 49(2C) and 49(2D) of the Income Tax Act 1961 is as under:

Sr.	Name of the Company	Percentage of Cost of Acquisition of equity shares
1	Tips Industries Limited (Demerged Company)	40.05%
2	Tips Films Limited (Resulting Company)	59.95%
	Total	100.00%

Accordingly, the cost of acquisition of equity shares allotted in TFL should be 59.95% of the total cost of acquisition of the equity shares held in TIL prior to the demerger.

This communication related with computation of cost of acquisition is meant only for the purposes of providing general guidance to the shareholders of Tips Industries Limited based on Company's understanding and hence, this should not be considered as a substitute for any independent opinion that the shareholder may obtain. Shareholders are advised to consult their own consultants to understand specific tax implications, in their respective cases. Tips Industries Limited takes no express or implied liability in relation to this guidance.

For Tips Industries Limited

Bijal R. Patel

Company Secretary

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