



June 05, 2023

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: **543614**

Symbol: **TIPSFILMS**

**Sub: Transcript of Earnings Conference Call**

Dear Sir/Madam,

In terms of the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of earnings conference call on Audited Financial Results for the quarter and year ended March 31, 2023 held on Tuesday, May 30, 2023.

You are requested to take this information on your record.

Thanking you,

For **Tips Films Limited**

**Vinit K. Bhanushali**  
Company Secretary

Encl: a/a

**TIPS FILMS LTD.**

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CIN: U74940MH2009PTC193028



# “Tips Films Limited Q4 an FY '23 Earnings Conference Call”

**May 30, 2023**



**MANAGEMENT:** **MR. KUMAR TAURANI – CHAIRMAN AND EXECUTIVE DIRECTOR, TIPS FILMS LIMITED**  
**MR. SUNIL CHELLANI – SENIOR VICE PRESIDENT,**  
**MR. HARESH SEDHANI – CFO, TIPS FILMS LIMITED**  
**MR. GIRISH KUMAR – INVITEE**

**MODERATOR:** **MR. NIKUNJ JAIN – ORIENT CAPITAL**



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**Moderator:** Ladies and gentlemen, good day, and welcome to the Q4 and FY '23 Earnings Conference Call of Tips Films Limited.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '\*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Nikunj Jain from Orient Capital. Thank you. And over to you, sir.

**Nikunj Jain:** Thank you, Seema. Welcome to the Q4 and FY '23 Earnings Conference Call of Tips Films Limited.

Today on this call, we have Mr. Kumar Taurani – Chairman and Executive Director. Along with him we have Mr. Sunil Chellani – Senior Vice President; and Mr. Haresh Sedhani - CFO.

Before we proceed with this call, I would like to mention that this conference may contain forward-looking statements about the company which are based on beliefs, opinions and expectations as of today. And actual results may differ materially. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict. A detailed Safe Harbor statement is given on page #2 of the company's Investor Presentation which has been uploaded on the stock exchanges and the company's website as well.

With this, I hand over the call to Mr. Kumar Taurani for his opening remarks. Over to you, sir

**Kumar Taurani:** Thank you, Nikunj. Good afternoon, everyone, and welcome to the Q4 and FY '23 earnings call of Tips Films Limited.

Tips Films is slowly and surely making its mark once again in the film industry. We are making films across different genres as well as languages. Our efforts today will be more clearly visible in the future.

Let me share some of the changes that I have witnessed in the film industry over my career spanning over 30 years. Film breaking has become more professional. By this, I mean that has become possible to complete a project within six months from start of shooting. Earlier you take one to two years depending on the availability of actors, finances, crew, location etc. Almost all of these things have become streamlined.

Two, budgeting and planning has improved dramatically, and very rarely projects go over budget. Our films Ishq Vishq, Merry Christmas, Gaslight have all been produced well within budget.



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Third, the demand for original content has increased from satellite broadcaster, OTT platforms, and all our recent films have shown us that profitability does not entirely dependent on box office collections. This has reduced risk for quality producers like Tips Films.

In numbers, the total number of films produced increased by 9% over calendar year 2019 to 1623. Box office collection have again crossed Rs. 100 billion in calendar year 2022, and 335 Indian films were released abroad.

Coming to Tips Films, in FY '23, we produced three movies and released one Gaslight on an OTT platform. Two other movies will be released in the current year as we get good release windows. We also renewed satellite for a part of our library this year. The company has generated revenues of Rs. 61.44 crores and a profit of Rs. 24.33 crores. This translates to a PAT profit after tax margin of over 39%. We remain optimistic about your company's future.

With this, I now hand over the call to Mr. Haresh Sedhani to discuss the financial of the company.

**Haresh Sedhani:**

Thank you, sir. Good afternoon, everyone, and welcome to the first call of the Tips Films Limited.

We adopted a more conservatory accounting policy, and we are writing off 100% of the cost of the movie within 12 months of the release. Earlier 60% was the written-off policy in the first year, and the remaining over nine years.

Q4 and FY '23 Financial figures were as follows: revenue for the Q4 FY '23 is stood at Rs. 31.66 crores. PAT stood at Rs. 2.71 crores. For FY '23, revenue stood at Rs. 61.44 crores, and PAT was Rs. 24.33 crores. The PAT margin stood at 39%.

With this, I now open the floor for question and answer.

**Moderator:**

Thank you very much. We will now begin with the question-and-answer session. We take the first question from the line of Mr. CA Garvit Goyal Nvest Research. Please go ahead, sir.

**CA Garvit Goyal:**

Sir, my question is on our IPs of 50 movies. So, we do have the IPs of 50 movies. And having mentioned that you are focused on monetizing on them, my question is how it is going to happen? Like these IPs were always there with us in the past as well. Even then if we look at our top line, you can take 60 also, and profitability is 24 odd crores. So, despite we are into the business since a very long time, so how do you look at it? And what is the outlook going ahead not just from the top line perspective, but also from the bottom-line side?

**Kumar Taurani:**

See, these 50 movies whatever we produced, we sell them to OTT players and satellite people, and everyday there is a new technology comes up. So, whenever it comes, so we have rights in



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perpetuity, and we can see exploring. And this OTT and satellite rights we sell for five years, sometimes seven years, sometime 10 years depending upon the monies and the deal, deal to deal basis.

So, every five, six years, guys come back to us, and then again, we sell. Last year also we sold around 17 films from this to Zee TV, and all our other films were earlier sold to some other party, and now all the entire libraries will open up again from '26 to '29. 2026 to '29, all over 50 films will come back to us, and again it will be ready for renewal to some party. So, that is the thing for our repertoire movies.

Going forward, we have a plan to make four, five films a year going up to 10, 12 movies a year in all the language, regional languages plus OTT films or theatrical films. So, that's the idea we are planning and going ahead.

**CA Garvit Goyal:** And sir, how do you look at the profitability? Like in Q4 FY '23, we did 31 Cr kind of top line, right? And our cost of production which is getting reflected in P&L is 28 odd crores. So, just I think the movie was Gaslight, right?

**Kumar Taurani:** Yes.

**CA Garvit Goyal:** So, how do you look at the profitability side, like what kind of margins we can expect from these four to five movies each year we are going to introduce?

**Kumar Taurani:** I think you can, our target is to do around 30, 35%, four, five movies. We are looking at the business of around 150 crores every year, and with the profitability of 30%, 25% to 30% we should have PAT.

**CA Garvit Goyal:** So, what is the target top line and bottom line for FY '24, like we do have three projects which I think get launched in this year only?

**Kumar Taurani:** Top line I feel we have two films already made and plus there is another one or two movies or three movies we will make another. So, you can estimate around 125 crores we will achieve top line, 125 crores, between 125 crores or 150 crores I feel that will be the budget, I think.

**CA Garvit Goyal:** What will be the corresponding PAT against this 125 Cr to 150 Cr kind of top line?

**Kumar Taurani:** What is that?

**CA Garvit Goyal:** Profit after tax. What will be the profit after tax?

**Kumar Taurani:** After tax profitability we are trying to maintain this 25%. So, let's see how it does.



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- CA Garvit Goyal:** And sir, in other current assets, an amount of 80 Cr is getting appeared. So, I think we should mainly relate to these three ongoing projects, right?
- Kumar Taurani:** 80 Cr, what is that?
- CA Garvit Goyal:** Other current assets.
- Kumar Taurani:** Haresh?
- Haresh Sedhani:** This is again the referred as COP, Merry Christmas and Ishq Vishq COP. This is again the referred at COP.
- Moderator:** Thank you, sir. The next question is from the line of Mr. Bala Murali Krishna from Oman Investments Advisors. Please go ahead, sir.
- Bala Murali Krishna:** So, regarding this trade receivables of 21 crore, from which section it is pending?
- Kumar Taurani:** 21 crore trade receivable, what is this, Haresh? Can you tell us?
- Haresh Sedhani:** This is again the movie we sold for Gaslight 15 crore that, and 5 crores received from Zee, so it is 21 total.
- Kumar Taurani:** So, that Hotstar money we already must have received, no?
- Haresh Sedhani:** That we had received now everything.
- Kumar Taurani:** So, receivables from our movie we telecasted, that was telecasted on 31st of March. We were supposed to receive some money from them. So, we have mostly received all the monies from Gaslight, and there is a balance of only 5 crore, 6 crore from Zee TV that is still pending, and that also we expect in this quarter.
- Bala Murali Krishna:** And regarding this movie, so we have two movies we are supposed to receive and release them. So, any further planning in this year, financial year?
- Kumar Taurani:** Yes. We are making three Marathi movies. One is already whose shooting is completed, and two, I feel two will go by next quarter on the floor, and we will release one or two movies Marathi also this year and maybe one more movie Hindi we will produce and release. So, target is to release four to five movies this year.
- Bala Murali Krishna:** And lastly on this cash flow from operation, which is negative this year, so do you expect the same thing to continue in the coming year also?



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**Kumar Taurani:** Cash flow from operation? Cash flow, yes, cash flow, for film business we need cash flow. But I think this year it won't be that because our movies will get released, and we have our own funds. So, I don't think that will be this year it will happen.

**Moderator:** Thank you, sir. The next question is from the line of Simar from Negen Capital Services. Please go ahead.

**Simar:** So, I have a couple of questions. What is the difference in the revenue recovery between the quarterly, between an OTT release, satellite release rights and a theoretical release?

**Kumar Taurani:** See, now there is a very, we are very clear from day one whether we are making this movie theatrical or an OTT. When we are making an OTT movie, so direct it will go on OTT release, and if you are going for a theatrical, so it will release theatrical first and the window now these days there's a eight weeks window from theatrical to after eight weeks it will release on OTT, and after a few weeks I think total four months from theatrical release, it will come on satellite. So, this is the pattern we are following. But films are very clear that the Ishq Vishq will come on OTT. It will release on OTT. Merry Christmas will come in theatres first and then it will release on OTT and satellite.

**Simar:** Sir, based on the sale of Gaslight with a production budget of 20 crores to 25 crores which you sold it for 40 crores to the OTT platform, can you provide a metrics that allows us to assess the potential margin percentage for future productions?

**Kumar Taurani:** See, the way it is now I can't actually, we can't predict that. No one can predict that, but I can give you a ballpark how it works in the industry, overall, what is happening in the industry. See, whatever films are being made today, if it's an OTT film, so we are getting around 25% to 30%, 35% margin, and everyone around gets that much, again depending upon the star cast, story, director, film etc. And if there is a theatrical movie, so you can say theatrical movie, if we keep theatrical revenue aside, and from OTT, satellite and music rights, producers are recovering from 80% to 150%. Minimum 80% of the cost of the movie we are recovering, and maybe sometimes we are recovering more, again depending upon star cast, director, producer, music composer etc. So, that is you can say happening in the industry at this moment.

**Moderator:** Thank you, sir. The next question is from the line of Mr. Yogesh Tiwari from Arihant Capital Market. Please go ahead, sir.

**Yogesh Tiwari:** Sir, my first question is on the revenue part. So, this 31 crores, this is entirely coming from the sale of Gaslight.

**Kumar Taurani:** Yes. It's coming from Gaslight. Gaslight is more, but satellite is releasing later, and we are receiving some money in quarter one. So, balance money we have received 31.66. So, that's that.



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- Yogesh Tiwari:** And sir, how much would be for, we will receive for satellite remaining?
- Kumar Taurani:** The total deal is around 36 crores. And 5 crores for digital, and 31 crores for OTT.
- Yogesh Tiwari:** Actually, I missed the last part.
- Kumar Taurani:** 31 crores are from OTT we have got and 5 crores for satellite.
- Yogesh Tiwari:** And there is no revenue related to the library, right, in the 31 crores? There is nothing related to library. That is over.
- Kumar Taurani:** Yes. That is over. That we already booked in earlier quarters.
- Yogesh Tiwari:** So, last quarters like 12 crores, it was part of the library deal.
- Kumar Taurani:** Yes.
- Yogesh Tiwari:** And sir, regarding the cost of production, this 27 crore, this will be also entirely to Gaslight because we book all the cost when we release?
- Kumar Taurani:** Yes.
- Yogesh Tiwari:** And sir, regarding the pipeline, just wanted to know like the stages of production like pre-production, production and post-production. So, Merry Christmas, we are on track for a quarter to release.
- Kumar Taurani:** Yes. We are on track. It will release in quarter two. Maybe it will go to quarter three, September or October, that is the target.
- Yogesh Tiwari:** And sir, this is the 50-50 partnership with this Matchbox Production, right, in terms of profit and revenue?
- Kumar Taurani:** Yes.
- Yogesh Tiwari:** What would be the stage for a script like we have started pre-production or what would be the state like?
- Kumar Taurani:** Which one?
- Yogesh Tiwari:** For Ishq Vishq Rebound?
- Kumar Taurani:** Yes. Ishq Vishq also, it's also on completion. It will also release in the next two quarters, second quarter or third quarter. It will also release.





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- Yogesh Tiwari:** So, we have completed the production. We are in the post-production for this.
- Kumar Taurani:** Yes.
- Yogesh Tiwari:** In terms of, sir, the new movie Sridevi Prasanna, this is like what would be the stage like for this one?
- Kumar Taurani:** It's a Marathi film. This should also release in this by December. Before December it will release.
- Yogesh Tiwari:** But the pre-production, like the script everything has been finalized, everything?
- Kumar Taurani:** No. Actually, Sridevi Prasanna also production is over. We already completed the shoot.
- Yogesh Tiwari:** So, only post-production is remaining.
- Kumar Taurani:** Yes. Post-production and maybe two, three days some songs shoot is balance.
- Yogesh Tiwari:** And for the upcoming movies, I think, so the next one is Mota Manush from Nilu Phule. This is also the production is complete.
- Kumar Taurani:** No. That is still two other Marathi movies are under scripting, and one, two Hindi movies are also under scripting. So, they will maybe start in next second or third quarter. I feel two Marathi movies will start production, and this one Hindi film, one or two Hindi movie also will start.
- Yogesh Tiwari:** So, two Marathi movies and two Hindi films. This might come in FY ' 25, next year, right?
- Kumar Taurani:** I think one like Ishq Vishq, this Merry Christmas and Sridevi Prasanna plus two Marathi movies come in this year, but two Marathi, two Hindi are confirmed. Maybe we release one more Hindi film this year.
- Yogesh Tiwari:** And these two Marathi films, they will be mostly like OTT, right?
- Kumar Taurani:** No. All Marathi films will be theatrical.
- Moderator:** Thank you, sir. The next question is from the line of Mr. Harish Iyad. Please go ahead, sir.
- Harish Iyad:** My question, sir, regarding your balance sheet item. Whatever film you have produced but not yet released, so those cost whatever you have spent, where does it sit in your balance sheet?
- Kumar Taurani:** We write off everything no?
- Harish Iyad:** No, which is not released. So, there is no revenue book.



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**Kumar Taurani:** Yes.

**Harish Iyad:** So, the cost is sitting in a balance sheet, or do you write it off?

**Kumar Taurani:** No.

**Haresh Sedhani:** It is showing in balance sheet, sir. It is showing in balance sheet in 79 crores.

**Harish Iyad:** It is there only. Okay.

**Kumar Taurani:** Yes.

**Harish Iyad:** And whatever the receivable what you say that you already received everything out of that, 21 crores.

**Haresh Sedhani:** 21 crores, that is received from the movie sold.

**Harish Iyad:** But that's already received as of now, no?

**Haresh Sedhani:** That is as of now we have received everything except Zee.

**Harish Iyad:** And what is the investment into property 1,180 lakhs ??

**Haresh Sedhani:** Investment into property, that is when we are having the property. We have a car. That is investing.

**Harish Iyad:** But there is no synergy of business with this investment in this property.

**Kumar Taurani:** See, when we demerged both the companies, property has come in our share.

**Harish Iyad:** But what revenue do you generate from this property?

**Kumar Taurani:** Property, yes, we have given both the properties on rent. We are getting regular rent from both the properties.

**Harish Iyad:** What is the annual rent we get from these properties?

**Kumar Taurani:** Haresh, can you tell us?

**Haresh Sedhani:** It's 1 crore around.

**Harish Iyad:** How much?



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- Haresh Sedhani:** 1 Cr.
- Harish Iyad:** But what is the market value of this property?
- Haresh Sedhani:** Market value is around 18 Cr.
- Moderator:** Thank you, sir. The next question is from the line of CA Garvit Goyal, Nvest Research. Please go ahead, sir.
- CA Garvit Goyal:** Thanks for the opportunity again. My question is more from the long-term growth outlook side. Like I understand we are looking for four or five movies a year going ahead. So, my question is how we will manage the consistency in our bottom line going ahead like number of movies will be increased year-on-year basis or how it is going to be? Like in FY ' 23, we did 25 Cr. So, whether we are likely to grow over it in FY ' 24 and further so on?
- Kumar Taurani:** Yes. That's the target we should grow year-on-year basis. So, now growth in one, two years, you will see exceptional growth because we are increasing the volume, and then later after two or three years, you will see 25%, 30% growth every year. That's the target. That's the target in my mind.
- CA Garvit Goyal:** So, can we expect in FY ' 24 the bottom-line kind of 30 Cr to 40 Cr considering the projects in line?
- Kumar Taurani:** Yes, it's achievable. That's a target. I think we will achieve this.
- Moderator:** Thank you, sir. The next question is from the line of Mr. Darshan Shah, individual investor. Please go ahead, sir.
- Darshan Shah:** So, I have a couple of questions. So, the Gaslight film, was it produced in partnership with any other producer?
- Kumar Taurani:** Yes. We have another producer partner in this.
- Darshan Shah:** And the production budget for the same?
- Kumar Taurani:** I think we can't actually tell you the exact budget, but it is under whatever we projected the budget, we have achieved in that.
- Darshan Shah:** And we saw a YouTube video on the Disney+Hotstar Channel with Sara Ali Khan and Sharmila Tagore for the promotion. So, just wanted to know for the films that we released directly on OTT, so does the OTT platform also contribute to some marketing cost, or do we bear the entire promotion and marketing cost?



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- Kumar Taurani:** No, we both do. We do our promotions whatever we plan, and they do their promotion whatever they feel fit for the film project to project basis.
- Darshan Shah:** Just a couple more questions. Do we have plans for any other further revenue stream, for example, a new series on OTT or any other things that we might be developing?
- Kumar Taurani:** Yes. We are developing two, three series. You must be hearing something. We are doing many things. We are really working round the clock, and in coming years, you will see many projects.
- Darshan Shah:** Great to know, sir. My final question, do we have any plans to boost the YouTube channel as well? I see many other players like Shemaroo, so they also put emphasis on YouTube. So, are we focusing on that?
- Kumar Taurani:** Yes. In our music business, we are very huge on YouTube, and even films also now we have taken that, and you must be seeing lot of clips are getting released, and many things are happening there. So, you will see over the years big growth in YouTube as well.
- Moderator:** Thank you, sir. The next question is from the line of Simar from Negen Capital Services. Please go ahead.
- Simar:** So, one of my questions have already been asked by the previous analyst about the digital platform. So, there are a couple of questions again. So, there are other two new Marathi movies and one Hindi movie which are planned to release this year. Are these joint ventures or independent productions?
- Kumar Taurani:** That Merry Christmas is a joint venture, and Ishq Vishq is a solo film. We have made that. Even Marathi is a solo film. Tips is the 100% owner or a 100% we have invested the money. So, only one movie Merry Christmas is a joint ownership.
- Simar:** Sir, considering the movie Merry Christmas which is scheduled to release later in the Q2 or probably in the Q3, so probably in the month of December, there is another big budget movie is also supposed to be released called Donkey. How do you anticipate to manage the potential competition and ensuring the success of your movie?
- Kumar Taurani:** Yes. We won't fight directly with the big movie, but we will, see, there is a 52 weeks. So, we will get one week, no? It's not a big deal. And our movie is also not a it's a bit size movie, good movie. Sriram Raghavan is a very reputable director. Katrina Kaif, Vijay Sethupathi. It's a two-language film, Tamil and Hindi. So, I think we will get a proper window. And there is an understanding in the industry. When you are releasing, I won't affect you, and there's a understanding that happens in the industry. So, I am confident we will get a proper week.



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**Moderator:** Thank you, sir. The next question is from the line of Mr. Nakul Joshi from Wealth and Financial Services. Please go ahead.

**Nakul Joshi:** My first question is what strategies is the company adopting to mitigate the challenges and opportunities in this sector? As we know that this sector is highly competitive. So, are we looking to follow a different strategy and opportunities in the sector?

**Kumar Taurani:** Actually, if you see, there is not really any challenges. Everybody has their own thinking. Everybody has their own projects. Everybody has their own liking of the script or a story. So, when we reject so many films, so it's not very challenging, and we are doing this business since last 1993-94. So, I don't feel that problem we have. And we always have a knack. If you see our all the old films, we have a success ratio of 85%, 90%.

So, touchwood, we are on the track, and if you see in 90s, when we started this business, at that time we were the number one studio, and I feel in next two to three years, we will be top five studio. Maybe today we are in top 10, but very soon you will see us in top five studios making films in India. So, I don't think that written or any problem I have, and we all have a different subjects, different actors, different movies. So, there is no problem. I don't see any problem there.

**Nakul Joshi:** And also, in terms of marketing and distribution strategies, so in order to maximize our outreach and profitability of the upcoming films, so are there any new marketing or distribution strategies which we are looking for other than the, you know, the conventional marketing strategies as well as the influence of marketing? So, other than that, are we looking for any different marketing strategy?

**Kumar Taurani:** Yes. We always do something out of the new. So, we have a proper setup within us, and we know this business last as I told you earlier also, we are doing 30 years, and we have done so many new things with each film or each even earlier we used to do that our composite joint company, we have released music of 500 films. And initially, every film's music gets released. So, we have that experience. So, we have that knowledge, and I think we will do best in both the areas marketing, making, marketing, distribution, everything.

**Moderator:** Thank you, sir. We take the next question from the line of Mr. Bala Murali Krishna from Oman Investments Advisor. Please go ahead, sir.

**Bala Murali Krishna:** So, I think you have given guidance for revenue and PAT numbers for FY ' 24. Could you please repeat that one, sir?

I think you have given guidance for the FY ' 24 revenue and PAT number. So, could you please repeat that? I missed that one.



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**Kumar Taurani:** Yes. I feel we will touch around, it will be around 125 crores and 150 crores top line, and you can estimate PAT will be around 20%, 25% PAT. 25% is how much? 25 crores and 25% PAT will be there.

**Moderator:** Thank you. Ladies and gentlemen, that was the last question for the day I would now like to hand the conference over to Mr. Nikunj Jain for closing comments. Thank you, and over to you, sir.

**Nikunj Jain:** Thank you for participating in the first conference call of the Tips Films Limited. We hope that we have answered all your questions, and we will look forward to connecting with you all again. If you have any further questions, please contact Orient Capital team. Thank you.

**Moderator:** Thank you. On behalf of Tips Films Limited, we conclude this conference. Thank you for joining us and you may now disconnect your lines.