PUBLIC ANNOUNCEMENT FOR THE BUY-BACK OF EQUITY SHARES OF

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TIPS INDUSTRIES LIMITED

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FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS / BENEFICIAL OWNERS OF THE EQUITY SHARES OF TIPS INDUSTRIES LIMITED

This Public Announcement ('PA') is made pursuant to the provisions of Regulation 8 (1) read with Regulation 15 (c) and in compliance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 for the time being in force including any statutory modifications and amendments from time to time ('Buy-Back Regulations') and contains the disclosures as specified in Schedule II to the Buy-Back Regulations.

OFFER FOR BUY BACK OF EQUITY SHARES FROM OPEN MARKET THROUGH STOCK EXCHANGES

1. BUY-BACK OFFER AND OFFER PRICE

1.1 Tips Industries Limited ('TIL' or the 'Company') hereby announces the Buy-back ('Buy-back') of its fully paid- up Equity Shares of the face value of Rs. 10/- each from the Equity Shareholders / Beneficial Owners of the Equity Shares of the Company from the open market using the electronic trading facilities of Bombay Stock Exchange Limited ('BSE') and the National Stock Exchange of India Limited ('NSE'), (hereinafter collectively referred to as 'Stock Exchanges'), pursuant to Article 6 of the Articles of Association of the Company and in accordance with the provisions of Sections 77A, 77AA, 77B and other applicable provisions, if any, of the Companies Act, 1956, ('Act') and the Buy-Back Regulations, at a price not exceeding Rs. 75/- per Equity Share ('Maximum Buy back Price') payable in cash, aggregating to amount not exceeding Rs. 1981.00 Lacs (Rupees One Thousand Nine Hundred and Eighty One Lacs only) ('Buy-back Size') which represents approximately 25% of the total paid-up capital and free reserves of the Company as on March 31, 2009 (the date of the last audited accounts).

1.2 The number of Equity Shares bought back would depend upon the average price paid for Equity Shares bought back and aggregate consideration paid for such Equity Shares bought back. As an illustration, at the proposed maximum Buy-back price of Rs. 75/- per Equity Share and for an aggregate amount of Rs. 1981.00 Lacs deployed, the number of Equity Shares bought back would be 26,41,333 which would amount to approximately 15.26% of the paid up share capital as on March 31, 2009. Should the average purchase price be lower than Rs. 75/- per share, the number of Equity Shares bought back would be more, assuming the deployment of an aggregate amount of Rs. 1981.00 Lacs. The Company hereby proposes to buy-back a minimum of 3,50,000 Equity Shares ('Minimum Offer Shares'). The maximum number of Equity Shares that can be bought back will be in consonance with the continuous listing requirements of the Stock Exchanges.

1.3 The Company, by way of Open Market purchases through the BSE and the NSE using their nationwide electronic trading facilities, will implement the Buy-back. The Company shall not buy-back its Equity Shares from any person through negotiated deals whether on or off the Stock Exchange or through spot transactions or through any private arrangement in implementation of the Buy-back.

1.4 The amount deployed for the Buy-back aggregating to Rs. 1981.00 Lacs will be met out of share premium account and/or other free reserves of the Company. The maximum offer price of Rs. 75/- per share has been arrived at after considering various factors including but not limited to book value, trends in the market price of Equity Shares on the Stock Exchanges and the possible impact of buy-back on the earnings per share.

1.5 The buy-back from equity shareholders who are persons resident outside India, including Foreign Institutional Investors, Overseas Corporate Bodies, shall be subject to such approvals from the RBI under the Foreign Exchange Management Act, 1999 and the rules, regulations framed there under.

1.6 The Promoters of the Company, currently hold 95,16,634 Equity Shares, representing 54.99% of the Equity Share Capital/Voting Rights of the Company. The Promoters of the Company, undertakes that, they will apply for exemption from making an open offer as required by regulation 11 of the Takeover Regulations after completion of buy-back of such number of Equity Shares by the Company, which would result in an increase of 5% voting rights in the Company.

2. AUTHORITY FOR THE BUY-BACK

Pursuant to provisions contained in Article 6 of the Articles of Association of the Company and Sections 77A, 77AA and 77B and all other applicable provisions, if any, of the Act and the Buy-Back Regulations, the present offer for Buy-back of Equity Shares of the Company from open market through the Stock Exchanges has been duly authorized by:

a) a resolution passed by the Board of Directors of the Company (hereinafter referred to as the 'Board') at its meeting held on June 27, 2009.

b) a special resolution passed by the shareholders of the Company by means of a postal ballot, the result of which was declared on August 24, 2009.

3. BRIEF INFORMATION ABOUT THE COMPANY

3.1 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 Act. The Registered Office of the Company is situated at 601, 6th Floor, Durga Chambers, Linking Road, Khar (West), Mumbai - 400 052. The Company is in the business of films production, non-film music albums, films distribution, etc. The Company is engaged in manufacturing activity of audio cassettes, the factory being located at Silvassa. In case of CDs, the same are outsourced on providing the Master Copies for the same. Recently, Artist Management - a new segment has been initiated by the Company and is one of the leading business segments.

3.2 The Company's shares are listed on Bombay Stock Exchange Limited ('BSE') and National Stock Exchange of India Limited ('NSE').

3.3 The financial information of the Company as per the audited results for the last three years and certified financials for the period ended December 2009 are as follows:

(Rs. in Lacs)

Particulars	Dec. 09	FY2009	FY2008	FY2007
Months	9	12	12	12
Total Income	6475.05	6629.81	11367.21	2608.25
Total Expenses	4558.96	4974.13	8930.55	2269.82
Interest (Net)	312.05	213.33	75.14	79.63
Depreciation (net of transfer from revaluation reserve)	96.67	92.11	152.43	117.02
Profit Before Exceptional Items and Tax	1534.11	1350.24	2209.09	141.78
Add /(Less):				
Extraordinary Items	Nil	42.34	Nil	11.04
Profit Before Tax	1534.11	1307.90	2209.09	130.74
Provision For Tax (including Deferred Tax)	254.00	162.50	258.69	26.21
Profit/(Loss) After Tax	1280.11	1145.40	1950.40	104.53
Equity Share Capital	1730.59	1730.59	1730.59	1483.59
Reserves & Surplus	2383.20	6196.31	5273.63	2863.67
Net worth *	4113.79	7926.90	7004.22	4347.26
Total debt				
- Secured	4594.92	4524.60	1199.27	2549.95
- Unsecured	2104.29	1149.00	Nil	350.00

* Net worth = Share Capital + Free Reserves

Key Financial Ratios:

Particulars	Dec. 09	FY2009	FY2008	FY2007
Months	9	12	12	12
Earnings per share (Rs.)	7.40	6.62	11.27	0.70
Return on Networth (%)	31.11%	14.45%	27.85%	2.40%
Book value per share (Rs.)	23.77	45.80	40.47	29.30
Total Debt: Net worth	1.63	0.72	0.17	0.67

4. NECESSITY FOR BUY BACK

The Buy-back is being proposed in keeping with Company's desire to create better, long term shareholder value in future, and enhancing the return on equity, earnings per share and book value of the Company. The proposed Buy-back is expected to lead to reduction of outstanding Equity Shares, which may in turn increase the earnings per share and return on equity of the Company in future, thereby creating long-term shareholder value for the continuing shareholders. The proposed Buy-back is also a reflection of confidence of the management in the future growth prospects of the Company.

5. EXTRACT OF THE EXPLANATORY STATEMENT TO THE NOTICE DATED JUNE 27, 2009 SENT TO THE SHAREHOLDERS FOR PASSING THE SPECIAL RESOLUTION BY POSTAL BALLOT

5.1 The Board of Directors of the Company at their meeting held on June 27, 2009 have approved the proposal for Buy-back of its own fully paid-up Equity Shares of Rs. 10/- each subject to passing of a special resolution by the members of the Company in terms of the Companies (Passing of Resolution by Postal Ballot) Rules, 2001.

5.2 As per requirements of Sections 77A (3), 173 (2) and all other applicable provisions of the Companies Act, 1956 and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 read with Schedule I to the Regulations, the Explanatory Statement sets out the relevant and material information to enable the shareholders to consider and approve the special resolution on Buy-back of Equity Shares of the Company.

5.3 The Company has thought it appropriate for a reduction in the share capital of the Company, by way of Buy-back of the fully paid-up Equity Shares.

5.4 The proposed Buy-back is aimed at creating better, long-term shareholder value in the future, and enhancing the return on equity, earnings per share and book value of the Company. While the Buy-back would result in return of capital to the shareholders, the Board has taken care to see that the Company's capital requirement is not hampered consequent to the reduction in the funds available to the Company. The proposed Buy-back is also a reflection of the confidence of the management in the future growth prospects of the Company.

5.5 Accordingly, the Board of Directors of the Company considered and approved the proposal for the Buy-back of minimum of 3,50,000 Equity Shares ('Minimum Offer Shares') and maximum up to such number of Equity Shares in compliance with the continuous listing requirements, which would depend upon the actual price paid for the shares bought back and cash outflow of Rs. 1981 Lacs (Rupees One Thousand Nine Hundred Eighty One Lacs only) at a price not exceeding Rs.75/- per Share in accordance with the provisions contained in Article 6 of the Articles of Association of the Company and subject to the provisions of sections 77A, 77AA, 77B and all other applicable provisions of the Act and the Buy-back Regulations.

5.6 Company has accumulated free reserves and has sufficient liquidity. At present, there is no immediate need of funds. Returning the surplus funds to the shareholders through a Buy-back of Equity Shares is expected to enhance the overall shareholder's value by enhancing the earning per share of the Company and the return on capital employed. The Buy-back of Equity Shares is also an efficient mechanism for providing an exit opportunity to the shareholders opting for Buy-back in an investor friendly manner. Buy-back will not in any manner impair the liquidity position of the Company and will not have any impact on the ability of the Company to pursue future growth opportunities and meet its future funds requirements for business operations.

5.7 The shares of the Company are listed on Bombay Stock Exchange Limited ('BSE') and National Stock Exchange of India Limited ('NSE').

5.8 The Buy-back is proposed to be implemented by the Company by the methodology of open market purchases through the Stock Exchanges in the manner as may be prescribed by the Act and under the Buy-back Regulations and on such terms and conditions as may be determined by the Board at a later date.

5.9 The aggregate paid-up share capital and free reserves of the Company as on March 31, 2009 was Rs. 7926.90 Lacs and in accordance with the provisions of the Act, the funds deployed for Buy-back shall not exceed 25% of the paid-up share capital and free reserves of the Company. Accordingly, the maximum amount allowed to be utilized for the present Buy-back is Rs. 1981.72 Lacs. However, the Company proposes to utilize a maximum amount of Rs. 1981.00 Lacs for the proposed Buy-back. The funds required for the Buy-back will be met out of the share premium account and/or other free reserves of the Company.

5.10 The Equity Shares of the Company are proposed to be bought back at a maximum price of Rs. 75/- per Equity Share.

5.11 The said price has been arrived at after considering various factors including but not limited to the book value, trends in the market price of the Equity Shares during the last six months prior to the date of Board meeting, price earnings ratio and impact on other financial parameters and the possible impact of Buy-back on the earnings per share. The Buy-back of Equity Shares will be made at a maximum price of Rs. 75/- per Equity Share which represents a premium of 92.55% and 91.08% to the closing price on NSE and BSE respectively, on the last trading date prior to the date of Board Meeting i.e. June 27, 2009. The closing price of Equity Shares on June 26, 2009 on NSE and BSE was Rs. 38.95 and Rs. 39.25 respectively.

5.12 The debt equity ratio of the company after the Buy-back will be well within the limit of 2:1 as prescribed under the Act.

5.13 There will be no Buy-back from any persons through negotiated deals whether through the stock exchange or through spot transaction or through any private arrangement.

5.14 The aggregate paid-up Equity Share capital and free reserves of the Company as at March 31, 2009 is Rs. 7926.90 Lacs. Under the provisions of the Act, the funds deployed on Buy-back shall not exceed 25% of the paid-up Equity Share capital and free reserves of the Company which is Rs. 1981.00 Lacs. Further under the Act, the number of shares bought back shall not exceed 25% of the paid-up equity capital in a financial year, which is not exceeding 43,26,475 Equity Shares.

5.15 The Buy-back of the Equity Shares will be completed within a period of twelve months from the date of passing of special resolution by the members of the Company. The Board shall determine the time frame for completion of Buy-back and may close the offer any time after buying back the Minimum Offer Shares before the aforesaid period of twelve months.

5.16 The aggregate shareholding of the Promoters and of the Persons who are in control of the Company as on the date hereof is 95,16,634 Equity Shares constituting 54.99% of the issued and paid-up share capital of the Company.

5.17 The Promoters do not intend to tender their shares to the Company for Buy-back.

5.18 There has been no purchase and sale of Equity Shares of the Company by the promoters, persons acting in concert and persons in control of the Company during the six months period preceding the date of the Board Meeting approving the Buy-back and from that date to the date hereof.

Total quantity purchased by Promoters/ Persons in Control	Max. Price (Rs. per share)	Date of Max. Price	Min. Price (Rs. per share)	Date of Min. Price
N.A	N.A	N.A	N.A	N.A
Total quantity sold by Promoters/ Persons in Control	**Max. Price (Rs. per share)**	**Date of Max. Price**	**Min. Price (Rs. per share)**	**Date of Min. Price**
N.A	N.A	N.A	N.A	N.A

5.19 As per the Regulation 15(b) of the Buy back Regulations, the Buy-back of shares shall not be made from the promoters, persons acting in concert and persons in control of the Company.

5.20 In accordance with the regulatory provisions, the Equity Shares bought back by the Company will compulsorily be cancelled and will not be held for re-issue at a later date.

5.21 As per the provisions of the Act, the Company will not be allowed to issue fresh Equity Shares within a period of six months after the completion of Buy-back except by way of bonus shares or shares issued in discharge of subsisting obligations, if any, such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares.

5.22 The Company confirms that there are no defaults subsisting in the repayment of deposits and interests thereon, redemption of debentures or preference shares or repayment of term loans to financial institutions or banks.

5.23 The Board confirms that it has made the necessary and full enquiry into the affairs and prospects of the Company and has formed the opinion:

(a) That immediately following the date on which the results of the postal ballot are declared, there will be no grounds on which the Company could be found unable to pay its debts;

(b) That as regards its prospects for the year immediately following the date on which the results of the postal ballot are declared, having regard to their intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will, in the view of the Board, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the aforesaid date; and

(c) That in forming its opinion for the above purposes, the Board has taken into account the liabilities including prospective and contingent liabilities as if the Company is being wound up under the provisions of the Act.

5.24 The text of the report dated June 27, 2009 received from M/s B. K. Khare & Co, Chartered Accountants, the Statutory Auditors of the Company, addressed to the Board is reproduced below:

"In connection with the proposed Buy-back of Equity Shares approved by the Board of Directors of Tips Industries Limited ("the Company") at their meeting held on June 27, 2009, in pursuance of the provisions of Sections 77A, 77AA and 77B of the Companies Act, 1956 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, we have examined the audited financial statements of the Company for the year ended March 31, 2009 and other relevant records maintained by the Company. On the basis of such verification and according to the information and explanations given to us, we report that:

(a) We have enquired into the state of affairs of the Company with reference to its audited financial statements for the year ended March 31, 2009 as adopted by the Board of Directors of the Company at its meeting held on June 27, 2009. These financial statements have been adopted by the Board of Directors of the Company at their meeting held on June 27, 2009.

(b) The capital payment (including premium) of an amount not exceeding Rs. 1981 Lacs towards the Buy-back of Equity Shares, as approved by the Board of Directors, has been properly determined in accordance with section 77A(2)(c) of the Companies Act, 1956 and is within the permissible amount of 25% of the paid-up equity capital and free reserves of the Company, as computed below:

Particulars	As at March 31, 2009 Amount (Rs. in Lacs)
Equity Share Capital	1730.59
Free Reserves	
- Share Premium Account	3560.11
General Reserve	253.00
Profit and Loss Account – Surplus	2383.20
TOTAL	**7926.90**
Maximum amount permissible for the buy back i.e. 25% of total paid up capital and free reserves	1981.72

(c) Based on the representations made by the Company and other information and explanations given to us, which to the best of our knowledge and belief were necessary for this purpose, we report that:

The Board of Directors at their meeting held on June 27, 2009 have formed their opinion as specified in clause (x) of Schedule I of the Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of declaration of results of postal ballot."

6. PRESENT CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

6.1 The Equity Share Capital of the Company as on the date of this Public Announcement is as follows:

	Rs. in Lacs
Authorized Capital	
2,00,00,000 Equity Shares of Rs. 10/- each	2000.00
Issued, Subscribed and Paid-Up Capital	
1,73,05,900 Equity Shares of Rs. 10/- each	1730.59

6.2 There are no partly paid-up shares or outstanding convertible instruments as on the date of Public Announcement.

6.3 The shareholding pattern of the Company as on December 31, 2009 and post Buy-back assuming completion of the Buy-back to the fullest extent and at the maximum price is as follows:

Particulars	No. of Shares held	% Holding Pre Buy- back	No. of Shares held Post Buy-back*	% Holding Post Buy-back
Promoter's Holding				
Indian Promoters – Individuals	95,16,634	54.99	95,16,634	64.90
Total Promoter's Holding (A)	**95,16,634**	**54.99**	**95,16,634**	**64.90**
Non- Promoters Holding				
Institutional Investors				
Mutual Funds and UTI	-	-	51,47,933	35.10
Banks, FIs, Insurance Co.	-	-		
FIIs	5,624	0.03		
Sub Total (a)	**5,624**	**0.03**		
Others				
Private Corporate Bodies	32,01,038	18.50		
Indian Public	42,88,999	24.78		
NRI / OCBs	71,266	0.41		
Any Other – Clearing Members	2,22,339	1.29		
Sub Total (b)	**77,83,642**	**44.98**		
Total Non- Promoters Holding (B)=(a+b)	**77,89,266**	**45.01**		
GRAND TOTAL (A) + (B)	**1,73,05,900**	**100.00**	**1,46,64,567**	**100.00**

* It is assumed that at the proposed maximum price of Rs. 75/- per Equity Share and for the buy back size of Rs. 1981.00 lacs, approximately 26,41,333 Equity Shares would be bought back. The shareholding post Buy-back may differ depending upon the actual number of shares bought back under the Buy-back.

6.4 Information about the shareholding of the Promoters:

6.4.1 Promoters holdings of Tips Industries Limited as on December 31, 2009

Particulars	No. of Equity Shares held	% of holdings
a) Mr. Kumar S. Taurani	23,72,184	13.71
b) Mr. Ramesh S. Taurani	23,75,684	13.73
c) Ms. Renu K. Taurani	23,76,933	13.73
d) Ms. Varsha R. Taurani	23,73,433	13.71
e) Ms. Kavita S. Lakhani	4,500	0.03
f) Mr. Rajeev Sogani	7,350	0.04
g) Mr. Shyam Lakhani	6,550	0.04
Total	**95,16,634**	**54.99**

6.4.2 The Promoters, directors of promoters and persons who are in control of the Company (collectively referred to as 'the Promoters') have not purchased or sold any Equity Shares of the Company during the twelve months preceding March 3, 2010, being the date of this Public Announcement.

6.4.3 The Promoters do not intend to participate in the Buy-back.

7. MAXIMUM AMOUNT TO BE INVESTED AND SOURCES OF FUNDS

7.1 As certified by M/s B. K. Khare & Co., Chartered Accountants, Statutory Auditors of the Company, the maximum amount, which the Company would deploy for the purposes of the said Buy-back is Rs. 1981.00 Lacs which is within 25% of the Company's paid-up capital and free reserves as per the latest audited balance sheet as on March 31, 2009.

7.2 The Company has substantial accumulated free reserves, which is reflected in cash and bank balances and other liquid investments of the Company and the same would be utilized for the Buy-back. The funds required for the Buy-back will be drawn out of the free reserves of the Company. The Company's favorable liquidity position also permits the Buy-back and hence, the Company will not be required to borrow funds for the Buy-back. The cost of financing the Buy-back would therefore be reduction in other income, which the Company could have otherwise earned on the funds deployed in the liquid assets.

7.3 As the Buy-back is funded through funds available with the Company, there will not be any cost of financing the Buy-back other than the cost of implementation of the Buy-back.

7.4 The Company, vide its declaration of solvency dated September 7, 2009 has declared that it is capable of meeting its total liabilities and will not be rendered insolvent within a period of one year from the above mentioned date.

8. LISTING DETAILS AND STOCK MARKET DATA

8.1 The Equity Shares of the Company are listed on Bombay Stock Exchange Limited ('BSE') and National Stock Exchange of India Limited ('NSE').

8.2 The high and low market prices for the last three years and the monthly high, low and average market prices for six months preceding this Public Announcement and the corresponding volumes on Stock Exchanges where the Equity Shares of the Company is traded.

Details of Equity Shares traded on BSE

Period	High Rs.	Date of High	No. of shares traded.	Low Rs.	Date of Low	No. of shares traded.	Average price Rs.	Total Volume Traded
Preceding three calendar years								
2009	57.90	19/11/09	62085	21.50	26/03/09	13260	37.05	9562087
2008	142.00	15/01/08	1149942	19.55	02/12/08	1958	47.79	8926446
2007	118.50	28/12/07	407955	23.00	13/02/07	16653	50.23	26186066
Preceding six months								
Feb'10	51.40	02/02/10	58667	43.60	23/02/10	8301	46.80	512730
Jan'10	62.70	06/01/10	914571	42.90	29/01/10	52811	55.03	1909014
Dec'09	56.00	03/12/09	58851	46.10	29/12/09	17822	51.97	548126
Nov'09	57.90	19/11/09	62085	44.65	03/11/09	25086	53.29	980047
Oct'09	56.70	26/10/09	237631	42.15	01/10/09	19699	48.27	2085846
Sept'09	46.65	09/09/09	107281	39.50	18/09/09	10733	41.98	757008
Aug'09	50.10	03/08/09	1363113	38.10	11/08/09	22012	41.97	2288105

(Source: Official website of BSE)

Details of Equity Shares traded on NSE

Period	High Rs.	Date of High	No. of shares traded.	Low Rs.	Date of Low	No. of shares traded.	Average price Rs.	Total Volume Traded
Preceding three calendar years								
2009	57.90	19/11/09	34786	21.15	27/03/09	11224	37.04	9003570
2008	142.40	15/01/08	972078	18.60	28/10/08	1074	52.99	4746720
2007	118.10	28/12/07	278352	24.00	13/02/07	20383	50.19	14283655
Preceding six months								
Feb'10	50.90	02/02/10	92742	43.00	05/02/10	26547	46.77	835806
Jan'10	63.00	06/01/10	1242955	45.15	29/01/10	15019	55.06	2450166
Dec'09	56.00	07/12/09	33413	47.20	21/12/09	14039	51.80	368039
Nov'09	57.90	19/11/09	34786	41.60	03/11/09	21998	53.26	802717
Oct'09	56.90	26/10/09	281705	42.30	01/10/09	20744	48.24	2719103
Sept'09	46.60	10/09/09	31424	39.60	18/09/09	6547	42.08	615630
Aug'09	50.50	04/08/09	358526	38.00	21/08/09	19377	41.92	2205586

(Source: Official website of NSE)

8.3 The closing market price on BSE and NSE immediately after the date of the resolution of the Board of Directors approving the Buy-back (i.e. June 27, 2009) is Rs. 41.55 and Rs. 41.35 respectively. (Source: Official website of BSE and NSE).

9. MANAGEMENT DISCUSSION AND ANALYSIS ON LIKELY IMPACT OF BUY BACK ON THE COMPANY

9.1 The Buy-back is not likely to cause any material impact on the income / profits of the Company except to a reduction in the other income, which the Company could have otherwise earned on the funds deployed in liquid assets.

9.2 The Buy-back is expected to improve the financial ratios and enhance of the shareholders' value. The Buy-back would lead to (a) reduction in outstanding number of Equity Shares, and consequent increase in earnings per share over a period of time; and (b) improvement in Return on Net Worth.

9.3 The Promoters will not offer shares held by them under the Buy-back. The holding of the Promoters as a result of the Buy-back would increase beyond the existing 54.99% of the total paid up capital as on December 31, 2009. The Buy-back of Equity Shares will not result in any change in control of the Company.

9.4 Consequent to the Buy-back and based on the number of shares bought back from the non resident shareholders, Foreign Institutional Investors (FII's), Indian Financial Institutions, banks, mutual funds and the public including the other bodies corporate, the shareholding pattern would undergo a consequential change but would be in compliance with Clause 40A of the Listing Agreement.

9.5 The Debt-Equity Ratio post Buy-back shall be within the limit of 2:1 as prescribed under Section 77A of the Act.

9.6 The Promoters shall not deal in Equity Shares of the Company in the stock exchanges during the period for which the Buy-back Offer is open except to the extent of inter-se transfer between Promoters as may be permitted by SEBI or under applicable laws.

9.7 The Company shall not issue bonus shares during the period the Buy-back is open.

9.8 The Company shall not withdraw the offer of Buy-back after the Public Announcement is made.

10. STATUTORY APPROVALS

10.1 The Board of Directors of the Company has approved the Buy-back Offer at its meeting held on June 27, 2009 and the Shareholders have approved the same on August 24, 2009 through Postal Ballot, as statutorily required by the Act.

10.2 The Company shall obtain such approvals as may be prescribed from time to time.

10.3 The Buy-back from Equity Shareholders who are persons resident outside India, including Foreign Institutional Investors, Overseas Corporate Bodies, shall be subject to such approvals from the RBI under the Foreign Exchange Management Act, 1999 and the rules, regulations framed there under.

11. PROPOSED TIME TABLE

Board Meeting approving the Buy-back	June 27, 2009
Date of passing of special resolution by the Equity Shareholders of the Company through postal ballot approving the Buy-back	August 24,2009
Date of Public Announcement	March 3, 2010
Date of opening of the Buy-back Offer	March 17, 2010
Acceptance of Equity Shares	Within 15 days of the relevant pay out days of the stock exchanges
Extinguishment of Equity Shares	Within 15 days of acceptance of Equity Shares. Further, all the Equity Shares bought back will be extinguished within 7 days of the last date of completion of Buy-back.
Last date for the Buy-back	August 23, 2010 (i.e. 12 months from the date of the Special Resolution). However, the shareholders have authorised the Board to close the Buy-back as per their discretion at an earlier date, in the event the Minimum Offer Shares have been purchased under the Buy-back, even if the Buy-back Size has not been reached, by giving appropriate notice of such date in accordance with relevant laws and regulations. All payment obligations related to the Buy-back shall be completed by the last date for the Buy-back.

12. PROCESS AND METHODOLOGY FOR BUY BACK PROGRAMME

12.1 The Buy-back is open to all Equity Shareholders / Beneficial Owners of the Equity Shares, both registered and unregistered holding shares either in physical and / or electronic form except Promoters, Promoter Group, Persons Acting in Concert with them of the Company as indicated in this Public Announcement.

12.2 The Company proposes to implement Buy-back from the Open Market through electronic terminals of the BSE and the NSE.

12.3 For the aforesaid Buy-back the Company has appointed ITI Financial Services Limited, through whom the purchases and settlement on account of the Buy back would be made. The Company is not required to open an escrow account for making the payment.

12.4 The Buy-back of Equity Shares will be made only through the order matching mechanism except 'all or none' order matching system.

12.5 The Company shall place 'buy' orders on the BSE and/or the NSE to buy Equity Shares through the broker, in such quantity and in such prices, not exceeding Rs. 75/- per Equity Share as it may deem fit, depending on the prevailing quotations of the shares on the Stock Exchanges. The identity of the Company as purchaser shall be available to the market participants of BSE and/or NSE when the Company places an order for Buy-back of Shares.

12.6 The Equity Shares of the Company are traded in compulsory demat mode under the trading code(s) 532375 at BSE and TIPSINDLTD at NSE. Shareholders holding Equity Shares in physical form can sell their Equity Shares in the odd lot trading segment on BSE and NSE, only if and when the Company places an order in that segment.

12.7 Equity Shareholders / Beneficial Owners who desire to sell their Equity Shares under the Buy-back would have to do so through a stock broker who is a member of either BSE and/or NSE, by indicating to their broker the details of shares they intend to sell whenever the Company has placed a 'buy' order for Buy-back of shares. The trade would be executed at the price at which the order matches and that price would be the price for that seller. The execution of the order, issuance of contract note, delivery of stock to the member and receipt of payment from the member would be carried out in accordance with the Stock Exchanges and SEBI requirements. The Company shall intimate the Stock Exchanges as well as the public through its release in the newspapers regarding quantity of shares purchased and amount utilized for Buy-back as prescribed by the Buy-back Regulations.

12.8 It may be noted that all the Equity Shares bought back by the Company may not be at a uniform price. Further, the Company is under no obligation to place a 'buy' order on a daily basis, nor is the Company under any obligation to place an order on both the odd lots as well as the normal trading segment of the Stock Exchange, as applicable.

12.9 Nothing contained herein shall confer any right on the part of any Shareholder to offer, or any obligation on the part of the Company or the Board of Directors to accept even if maximum limit of Buy-back has not been reached, and / or impair any power of the Company or the Board of Directors to terminate any process in relation to the Buy-back, if so permissible by law.

13. METHOD OF SETTLEMENT

13.1 The Company will pay the consideration to the Appointed Broker to the offer on or before pay-in date for each settlement date, as applicable in respect of shares bought back.

13.2 The Equity Shareholders / Beneficial Owners holding shares in the demat form would be required to transfer the number of Equity Shares sold by tendering the delivery instructions to their respective depository participant ('DP') for debiting their beneficiary account maintained with the DP and crediting the same to the pool account of the appointed broker through whom the trade was executed. The Equity Shareholders/ Beneficial Owners holding shares in physical form may present the Share Certificates along with valid transfer deeds to their respective brokers through whom the trade was executed.

13.3 The Company has opened a Special Depository Account styled 'Tips Industries Limited Buy back of Equity Shares Account 2010' with ITI Financial Services Limited. The shares bought back in the demat form would be transferred into the aforesaid account by the Appointed Brokers on receipt of the Equity Shares from the clearing and settlement mechanism of BSE and NSE.

13.4 The Equity Shares bought back in demat form shall be extinguished and destroyed in the manner specified in the Securities and Exchange Board of India (Depository and Participants) Regulations, 1996 and its bye-laws.

13.5 In respect of Equity Shares bought back in physical form, Equity Shares will be extinguished and the physical certificates will be destroyed in the presence of the Registrar or the Manager to the Buy-back Offer and Statutory Auditor of the Company.

13.6 The Equity Shares acquired under the Buy-back Offer will be periodically extinguished within 15 days from the date of acceptance of the Equity Shares in the manner specified in the Buy-back Regulations. Further, all the Equity Shares bought back will be extinguished within 7 days of the last date of completion of the Buy-back.

13.7 The details of the Equity Shares extinguished would be notified to the Securities and Exchange Board of India (SEBI) and Stock Exchanges as per the provisions of the Buy-back Regulations.

14 . COMPLIANCE OFFICER

Ms. Sheetal Pardeshi
Company Secretary
601, 6th Floor, Durga Chambers,
Linking Road, Khar (West), Mumbai – 400 052
Tel: +91-22-66431188 Fax: +91-22-66431189
Email : buyback@tips.in Website: www.tips.in

In case of any queries, the Shareholders may contact the Compliance Officer of the Company at the above mentioned address on any working day (except Saturday, Sunday and Public Holidays) between 3.00 p.m. and 5.00 p.m.

15. MANAGER TO THE BUY BACK OFFER

Collins Stewart Inga

Collins Stewart Inga Private Limited
A – 404, Neelam Centre, Hind Cycle Road,
Worli, Mumbai – 400 030
Contact Person : Mr. Mihir B. Pandhi
Tel.: +91-22 – 2498 2919, 2498 2954
Fax: +91-22 – 2498 2956
Email: tipsbuyback@csinga.com

Magic & Logic

16 DIRECTORS' RESPONSIBILITY

The Board of Directors of the Company accepts full responsibility for the information contained in this Public Announcement.

For and on behalf of the Board of Directors
of **Tips Industries Limited**

	sd/-	**sd/-**	**sd/-**
Place : Mumbai	**Kumar S. Taurani**	**Ramesh S. Taurani**	**Sheetal A. Pardeshi**
Date : March 3, 2010	**Chairman & Managing Director**	**Managing Director**	**Company Secretary**