PUBLIC ANNOUNCEMENT FOR THE BUY-BACK OF EQUITY SHARES OF

tips.in

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 15(c) and regulation 15(d) read with regulation 8(1) 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.

SCHEDULE II - PART A

1. AUTHORITY OF BUYBACK

Pursuant to the Section 77A, 77AA and 77B of the Companies Act, 1956 (the "Act") and read with Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended (the "Buy-back Regulations") and in accordance with the Article 6 of the Articles of Association of the Company, the Board of Directors of Tips Industries Limited (the "Company") at their meeting held on July 25, 2012 (the "Board Meeting") had approved the proposal of buyback ("Buy-back") of fully paid-up equity shares in the following manner:

(a) The total amount to be deployed shall not exceed Rs. 800 Lacs (excluding brokerage, transactional charges and taxes, if any), which represents 9.61% of paid-up capital and free reserves of the Company based on the audited financials of the Company as at March 31, 2012 ("Maximum Buy-back Size");

(b) The equity shares to be bought back at a price not exceeding Rs. 90/- (Rupees Ninety only) per equity share ("Maximum Buy-back Price");

(c) The maximum number of equity shares to be bought back shall not exceed 16,00,000 (the "Maximum Offer Shares");

(d) The minimum number of equity shares to be bought back would be 1,00,000 ("Minimum Offer Shares");

(e) The Company to implement Buy-back from the open market purchases through BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") (hereinafter collectively referred to as the "Stock Exchanges") using their nationwide electronic terminals;

(f) The equity shares of the Company to be bought back from the existing owners of equity shares of the Company other than promoters/ persons who are in control of the Company (hereinafter collectively referred to as the "Promoters").

2. NECESSITY FOR BUY-BACK

The Buy-back is being proposed in keeping with Company's desire to enhance overall shareholders' value. This is proposed to be achieved by returning surplus cash back to the willing shareholders and to create long term value for continuing shareholders. The Buy-back would lead to reduction of outstanding equity shares, possible improvement in earnings per share and enhance return on networth. The proposed Buy-back is also a reflection of confidence of the management in the future growth prospects of the Company.

3. MAXIMUM AMOUNT, MAXIMUM PRICE AND MAXIMUM NUMBER OF EQUITY SHARES PROPOSED TO BE BOUGHT BACK

3.1 The aggregate amount proposed to be expended for the Buy-back is Rs. 800 lacs, representing 9.61% of the paid-up capital and free reserves of the Company, which is within the maximum amount allowed under the Act i.e. 10% of paid-up capital and free reserves of the Company.

3.2 The equity shares will be bought back at a price not exceeding Rs. 90/- (Rupees Ninety only) per equity share. The maximum price 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. The maximum Buy-back price of Rs. 90/- is at a premium of 52.54% and 51.52% over the closing prices on the BSE (i.e. Rs. 59.00) and NSE (i.e. Rs. 59.40) respectively prevailing on the date of the board meeting approving the Buy-back i.e. July 25, 2012.

3.3 The maximum number of equity shares that the Company proposes to buy-back are 16,00,000 equity shares (the "Maximum Offer Shares"), which is within the limits prescribed under the provisions of Section 77A of the Act and is in compliance with Clause 40A of the listing agreement entered between the Company and Stock Exchanges with regards to continuous listing of equity shares.

3.4 The Minimum number of shares to be bought back would be 1,00,000 equity shares of the Company ("Minimum Offer Shares").

4. BUY-BACK MECHANISM

4.1 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.

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

5. PROMOTERS HOLDING AND DETAILS OF PURCHASES AND SALES OF THE COMPANY'S EQUITY SHARES BY THEM :

5.1 The aggregate shareholding of the Promoters of the Company, as on the date of Board Meeting i.e. July 25, 2012, is 1,07,12,762 equity shares representing 67.13% of paid-up share capital of the Company.

5.2 The details of the purchases and sale of equity shares of the Company by the Promoters during the period of six months preceding July 25, 2012, i.e. the date of meeting of the Board of Directors at which the Buy-back was approved, are as under:

Purchases:

Name of the Promoters	Quantity Purchased	Maximum Price*	Date of Maximum Price	Minimum Price*	Date of Minimum Price
Ramesh S Taurani	3,76,037	67.62	May 04,2012	48.58	February 27,2012
Kumar S Taurani	3,85,541	67.75	May 04,2012	48.64	February 27,2012
Renu K Taurani	71,306	51.51	February 24,2012	48.00	January 25,2012
Varsha R Taurani	81,046	51.68	February 24,2012	47.98	February 14,2012

* Gross rate per security, excluding brokerage and other charges

Sales : NIL

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

6. CONFIRMATIONS

6.1 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.

6.2 The Company does not require any approval from any bank or financial institution for Buy-back of equity shares.

6.3 The Board hereby confirms that it has made full inquiry into the affairs and prospects of the Company and that they have formed the opinion –

(a) that, immediately following the date of Board Meeting there will be no grounds on which the Company could be found unable to pay its debts;

(b) that, as regards the prospects for the year immediately following the date of Board Meeting, having regard to the 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 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 Board Meeting date; and

(c) that in forming their opinion for the above purposes, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act, 1956 (including prospective and contingent liabilities).

7. REPORT OF AUDITOR

The text of the report dated July 25, 2012 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 July 25, 2012, 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, 2012 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, 2012 as adopted by the Board of Directors of the Company at its meeting held on May 18, 2012 which have been audited by us.

(b) The capital payment (including premium) of an amount not exceeding Rs 800 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) of the Companies Act, 1956 and is within the permissible amount of 10% of the paid-up capital and free reserves of the Company, as computed below:

(Rs. In lacs)

Particulars	As at March 31, 2012
Equity Share Capital	1,595.87
Free Reserves	
- Share Premium Account	2,919.13
- General Reserve	376.50
- Profit and Loss Account – Surplus	3,431.21
TOTAL	**8,322.71**
Maximum amount permissible for the buy back i.e.10% of total paid up capital and free reserves	832.27

(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 July 25, 2012 have formed their opinion as specified in clause (x) of Part A of Schedule II 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 passing of resolution by the Board of Directors of the Company."

SCHEDULE II - PART B

8. THE MINIMUM AND MAXIMUM NUMBER OF EQUITY SHARES PROPOSED TO BE BOUGHT BACK, SOURCES OF FUNDS AND COST OF FINANCING

8.1 The maximum number of equity shares that the Company proposes to buy-back are 16,00,000 (the "Maximum Offer Shares"), which is within the limits prescribed under the provisions of Section 77A of the Act and is in compliance with Clause 40A of the listing agreement entered between the Company and Stock Exchanges with regards to continuous listing of shares.

8.2 The minimum number of equity shares to be bought back would be 1,00,000 ("Minimum Offer Shares").

8.3 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. 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.

9. PROPOSED TIME TABLE

Board meeting approving Buy-back	July 25, 2012
Date of Opening of Buy-back	August 14, 2012
Acceptance of equity shares	Within 15 days of the relevant pay-out dates of the Stock Exchanges
Extinguishment of equity shares	Within 15 days of acceptance of equity shares as mentioned above provided further that the Company shall ensure that all equity shares bought back are extinguished within 7 days from the last date of completion of Buy-back.
Last date for the Buy-back	July 24, 2013 (i.e. 12 months from the date of the resolution passed by the Board of Directors) or when the Company completes the Buy-back to the extent of Rs. 800 lacs, whichever is earlier, or at such earlier date as may be determined by the Board, in the event the Minimum Offer Shares have been purchased under the Buy-back, even if the Maximum Buy-back Size has not been reached, by giving appropriate notice of such date and completing all formalities in this regard as per relevant laws and regulations. All payment obligations related to the Buy-back shall be completed by the last date for the Buy-back.

10. PROCESS AND METHODOLOGY FOR BUY-BACK PROGRAMME

10.1 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 of the Company as indicated in this Public Announcement.

10.2 The Company will implement Buy-back from the open market purchases through the BSE and the NSE using their nationwide electronic terminals.

10.3 For the aforesaid Buy-back the Company has appointed ITI Financial Services Limited, registered broker ("Appointed Broker") through whom the purchases and settlement on account of the Buy-back would be made. While the requirement of opening an Escrow Account is not applicable as the Buy-back is from the open market through Stock Exchanges.

10.4 The Buy-back of equity shares will be made only through the order matching mechanism except "all or none" order matching system.

10.5 The Company may, from time to time, but not earlier than the date of opening of Buy-back place 'buy' orders at least once in every week on the BSE and the NSE to buy equity shares through the broker, in such quantity and at such prices, not exceeding the Maximum Price of Rs. 90/- 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 equity shares.

10.6 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 of 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.

10.7 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. The Orders for buying back the equity shares will be placed on both normal and odd lot trading segment of BSE and NSE at least once a week.

10.8 The equity shares of the Company are traded in compulsory demat mode under the trading code(s) TIPS/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.

10.9 Subject to the Company purchasing Minimum Offer Shares, nothing contained herein shall create any obligation on the part of the Company or the Board to buy-back any equity shares (other than Minimum Offer Shares) or confer any right on the part of shareholder to offer any equity shares for buy-back, even if the Buy-back Size i.e. Rs. 800 lacs has not been reached, and/or impair any power of the Company or the Board to terminate any process in relation to the Buy-back, if so permissible by law.

11. METHOD OF SETTLEMENT

11.1 The Company will pay the consideration to the Appointed Broker on every settlement date as applicable to the respective Stock Exchanges in respect of equity shares bought back.

11.2 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.

11.3 The Company has opened a Special Depository Account styled "TIPS INDUSTRIES LIMITED - BUY BACK OF EQUITY SHARES ACCOUNT 2012" with ITI Financial Services Limited with DP ID 12039400 and Client ID 00246860. The equity shares bought back in the demat form would be transferred into the aforesaid account by the Appointed Broker on receipt of the equity shares from the clearing and settlement mechanism of BSE and NSE. The ISIN of the Company is INE716B01011.

11.4 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 and in the manner specified in the Buy-back Regulations.

11.5 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.

11.6 In respect of equity shares bought back in the physical form, the equity shares would be extinguished and the physical certificates will be destroyed in the manner specified in Buy-back Regulations within 15 days of acceptance of such shares.

11.7 The equity shares acquired under the Buy-back Offer will be periodically extinguished within fifteen (15) days from the date of acceptance of the equity shares in the manner specified in the Buy-back Regulations. Further, all equity shares bought back will be extinguished within seven (7) days of the last date of completion of the Buy-back.

11.8 The details of 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.

12. BRIEF INFORMATION ABOUT THE COMPANY

12.1 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 CDs are outsourced on providing the Master Copies for the same, which are packed and dispatched from the factory located at Silvassa. One of the business segments of the Company also includes Artist Management.

12.2 The Company's shares are listed on BSE Limited and National Stock Exchange of India Limited.

13. BRIEF FINANCIAL INFORMATION OF THE COMPANY

The financial information of the Company as per the audited results for the last three years are as follows:

(Rs. in Lacs)

Particulars	March 31, 2012 Audited	March 31, 2011 Audited	March 31, 2010 Audited
Months	**12**	**12**	**12**
Income from operations	7,232	6,662	8,424
Other Income	481	62	82
Total Income	**7,713**	**6,724**	**8,506**
Total Expenditure	**5,955**	**5,513**	**6,956**
Profit / (Loss) before Depreciation, Interest, Tax and Prior Period Expenses	**1,758**	**1,211**	**1,550**
Depreciation	158	162	135
Interest	537	642	434
Profit / (Loss) before Tax and Prior Period Expenses	**1,063**	**406**	**981**
Prior Period Expenses	4	17	-
Profit / (Loss) before Tax	**1,059**	**389**	**981**
Provision for Tax	178	91	134
Profit / (Loss) after Tax	**881**	**298**	**848**
Paid up Equity share capital	1,596	1,596	1,731
Reserves & Surplus	6,862	6,352	6,792
Net worth	8,457	7,948	8,522
Secured Debt	3,720	3,028	4,055
Unsecured Debt	276	2,354	1,412

Key Ratios	March 31, 2012 Audited	March 31, 2011 Audited	March 31, 2010 Audited
Earnings Per Share (Rs.)	5.52	1.81	4.90
Return on Net Worth (%)	10.41	3.75	9.95
Book Value Per Share (Rs.)	53.00	48.25	49.24
Debt-Equity Ratio	0.47	0.68	0.64

The Key ratios have been computed as below:

Key Ratios	Computation
Earnings Per Share	Profit / (Loss) after Tax / Weighted average number of equity shares
Return on Net Worth (%)	Profit / (Loss) after Tax / Net Worth
Book Value Per Share	Networth / Weighted average number of equity shares
Debt-Equity Ratio	Debt / Networth

14. LISTING DETAILS AND STOCK MARKET DATA

14.1 The Company's equity shares are listed on the BSE and NSE.

14.2 The high, low and average market prices for last three years and the monthly high, low and average market prices for the six months preceding this Public Announcement and the corresponding volumes on BSE and NSE where equity shares of the Company are traded are as follows:

BSE

Period	High Rs.	Date of High	No. of equity shares traded on that day	Low Rs.	Date of Low	No. of equity shares traded on that day	Average price (Rs)#	Total Volume Traded in that period
Preceding three calendar years								
C. Y. 2009	57.90	19/11/09	62,085	21.50	26/03/09	13,260	36.84	95,62,087
C. Y. 2010	62.70	06/01/10	9,14,571	33.85	09/12/10	26,586	45.88	97,66,302
C. Y. 2011	45.00	12/01/11	4,22,522	23.70	22/08/11	4,690	30.63	37,16,345
Preceding six months								
Jan '12	51.95	27/01/12	19,468	40.00	02/01/12	1,860	45.42	1,81,536
Feb '12	58.85	17/02/12	1,16,946	43.75	13/02/12	24,679	48.88	6,23,713
Mar '12	57.30	15/03/12	5,955	47.40	02/03/12	2,30,983	53.67	4,97,117
April '12	62.50	26/04/12	7,388	47.05	18/04/12	2,434	58.67	1,41,322
May '12	69.50	03/05/12	26,776	55.50	21/05/12	7,515	60.07	2,06,798
June '12	59.30	07/06/12	41,500	50.40	04/06/12	18,582	55.39	1,52,493

Source: www.bseindia.com . # Arithmetic average of the closing prices during that period

NSE

Period	High Rs.	Date of High	No. of equity shares traded on that day	Low Rs.	Date of Low	No. of equity shares traded on that day	Average price (Rs)#	Total Volume Traded in that period
Preceding three calendar years								
C. Y. 2009	57.90	19/11/09	34,786	21.15	27/03/09	11,224	36.84	90,03,570
C. Y. 2010	63.00	06/01/10	12,42,955	34.10	09/12/10	33,356	45.91	1,42,92,564
C. Y. 2011	44.90	12/01/11	7,22,768	23.05	19/08/11	9,840	30.58	53,00,871
Preceding six months								
Jan '12	49.10	27/01/12	26,666	39.10	02/01/12	10,690	45.39	2,53,900
Feb '12	58.95	17/02/12	1,07,389	44.00	03/02/12	9,311	48.81	7,41,269
Mar '12	58.00	16/03/12	10,897	50.00	02/03/12	8,839	53.57	2,26,739
April '12	62.80	26/04/12	4,879	53.15	02/04/12	4,115	58.69	1,65,525
May '12	69.70	28/05/12	2,364	55.50	21/05/12	3,953	60.15	2,88,478
June '12	59.90	11/06/12	683	50.40	04/06/12	29,973	55.18	1,77,618

Source: www.nseindia.com . # Arithmetic average of the closing prices during that period

Stock Market data for the period marked by changes in Capital Structure:

Period	High Rs.	Date of High	No. of equity shares traded on that day	Low Rs.	Date of Low	No. of equity shares traded on that day	Average price (Rs)#	Total Volume Traded in that period
13,47,200 equity shares of the Company were extinguished pursuant to Buy-back								
BSE Data								
11/06/2010 to 23/08/2010	51.00	11/06/10	16,015	42.30	12/08/10	43,280	45.93	14,29,532
NSE Data								
11/06/2010 to 23/08/2010	50.70	11/06/10	19,180	42.30	29/07/10	11,484	46.04	25,56,253

Source: www.bseindia.com and www.nseindia.com . # Arithmetic average of the closing prices during that period

15. PRESENT CAPITAL STRUCTURE AND SHARE HOLDING PATTERN

15.1 The share capital of the Company as on date of this Public Announcement is as follows

(Rupees)

Authorized	
2,00,00,000 equity shares of Rs. 10/- each	20,00,00,000
Issued and Subscribed	
1,59,58,700 equity shares of Rs. 10/- each fully paid up	15,95,87,000
Paid up	
1,59,58,700 equity shares of Rs. 10/- each fully paid up	15,95,87,000

15.2 The shareholding pattern of the Company as on June 30, 2012, and after the proposed Buy-back is as given below:

Particulars	No. of Shares held	% Holding Pre Buy- back	No. of Shares held Post Buy-back*	% Holding Post Buy-back
Promoter's Holding				
Promoters				
Indian Promoters	1,07,12,762	67.13	1,07,12,762	74.61
Foreign Promoters	Nil	NA	Nil	NA
Persons acting in concert	Nil	NA	Nil	NA
Sub Total (A)	1,07,12,762	67.13	1,07,12,762	74.61
Public shareholding				
Institutional Investors				
Mutual Funds	Nil	NA	**36,45,938**	**25.39**
UTI	Nil	NA		
Banks	Nil	NA		
Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non-Govt. Institutions)	Nil	NA		
Foreign Institutional Investors	Nil	NA		
Sub Total (B)	Nil	NA		
Non Institutional Investors				
Corporate Bodies	19,98,850	12.53		
Individual	31,80,700	19.93		
Non Resident Indians	32,963	0.21		
Clearing Members	33,425	0.21		
Sub Total (C)	**52,45,938**	**32.87**		
Total Non- Promoters Holding D = (B + C)	**52,45,938**	**32.87**	**36,45,938**	**28.91**
GRAND TOTAL E = (A + D)	**1,59,58,700**	**100.00**	**1,43,58,700**	**100.00**

* Assuming that as a part of Buy-back 16,00,000 equity shares (Maximum Offer Shares) are bought back. Please note that the shareholding post the Buy-back may differ depending on the actual number of equity shares bought back under the Buy-back from the different category of shareholders.

15.3 As on the date of this Public Announcement, there are no partly paid up equity shares and calls in arrears in the Company. There are no convertible debentures or preference shares or any other convertible instruments outstanding. In terms of regulation 19 (1) (b) of the Buy-back Regulations, the Company shall not issue and allot any equity shares including by way of bonus or convert any outstanding warrants or outstanding instruments or stock options into equity shares, from the commencement of Buy-back till the date of closure of the proposed Buy-back. In accordance with the regulatory provisions, the equity shares bought back by the Company will compulsorily be extinguished and destroyed and will not be held for re-issue at a later date. As per the provisions of Section 77A (8) of the Act, the Company will not issue fresh equity shares within a period of six months after the completion of the Buy-back except that it may by way of bonus shares or shares issued in the discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into equity shares.

15.4 The aggregate shareholding of the Promoters of the Company, as on the date hereof is 1,07,12,762 equity shares equivalent to 67.13% of paid-up share capital of the Company.

15.5 The details of the purchases and sale of equity shares of the Company by the Promoters during the period of twelve months preceding the date of this PA, are as under:

Purchases:

Name of the Promoters	Quantity Purchased	Maximum Price*	Date of Maximum Price	Minimum Price*	Date of Minimum Price
Ramesh S Taurani	5,00,227	67.62	May 04,2012	32.60	October 31,2011
Kumar S Taurani	5,09,731	67.75	May 04,2012	32.00	October 31,2011
Renu K Taurani	91,785	51.51	February 24,2012	40.00	January 02,2012
Varsha R Taurani	1,01,285	51.68	February 24,2012	40.00	January 02,2012

* Gross rate per security, excluding brokerage and other charges

Sale : NIL

16. MANAGEMENT DISCUSSION AND ANALYSIS ON LIKELY IMPACT OF BUY-BACK ON THE COMPANY'S EARNINGS, PUBLIC HOLDINGS, HOLDINGS OF NRIS / FIIS ETC., PROMOTERS HOLDINGS AND ANY CHANGE IN MANAGEMENT STRUCTURE:

16.1 The Buy-back is being proposed in keeping with Company's desire to enhance overall shareholders' value. This is proposed to be achieved by returning surplus cash back to the willing shareholders and to create long term value for continuing shareholders. The Buy-back would lead to reduction of outstanding equity shares, possible improvement in earnings per share and enhance return on net worth. The proposed Buy-back is also a reflection of confidence of the management in the future growth prospects of the Company.

16.2 As per regulation 15 (b) of the Buy-back Regulations, the Buy-back of equity shares shall not be made from the Promoters of the Company. During the financial year 2012-13, the Promoters of the Company have acquired 4,85,234 equity shares representing 3.04% of the paid-up share capital of Company by way of market purchases and thereby the shareholding of Promoters increased from 64.09% to 67.13% of the paid-up share capital of the Company. The shareholding / voting rights of the Promoters as a result of the buy-back would stand increased to 74.61% from 67.13% of the paid-up share capital assuming that 16,00,000 equity shares (Maximum Offer Shares) bought back and also assuming that the number of equity shares held by Promoters do not undergo a change. Such an increase in shareholding / voting rights attracts regulation 3(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 ("Takeover Regulations"). In view of the exemption available in terms of the clause (iii) to the Proviso to regulation 10(4)(c) of the Takeover Regulations, please note that the Company has duly complied with the proviso of the aforesaid clause of the Takeover Regulations. The Promoter Directors of the Company being interested in the resolution approving the Buy-back in their capacity as Directors of the Company have abstained themselves from voting in resolution approving the Buy-back passed by the Board of Directors of the Company at its meeting held on July 25, 2012. The existing Promoters are already in control over the Company and an increase in shareholding / voting rights pursuant to the Buy-back will not result in any change in control over the Company. Thus any consequential increase in the shareholding / voting rights of the Promoters will be exempt in terms of the clause (iii) to the Proviso to regulation 10(4)(c) of the Takeover Regulations, 2011 subject to compliance of the provisions of the said Take over Regulations.

16.3 The Buy-back of equity shares will not result in a change in control of the Company or otherwise affect the existing management structure of the Company.

16.4 Consequent to the Buy-back and based on the number of equity shares bought back from the non-resident Indian (NRI) shareholders, foreign institutional investors (FII's), Indian financial institutions, banks, mutual funds and the public including other bodies corporate, the shareholding pattern would undergo a consequential change but would be in compliance with clause 40A of the Listing Agreement.

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

16.6 The Promoters shall not deal in the equity shares of the Company on the Stock Exchanges during the period for which the Buy-back offer is open except to the extent of inter-se transfer if any between the Promoters as may be permitted by SEBI or under applicable laws.

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

17. STATUTORY APPROVALS

17.1 The Board of Directors of the Company at its meeting held on July 25, 2012 has approved buy-back of equity shares.

17.2 The Company shall obtain such other approvals as may be prescribed or applicable from time to time.

17.3 Buy-back of equity shares from equity shareholders who are persons resident outside India, including Foreign Institutional Investors, Overseas Corporate Bodies, shall be subject to RBI approval under the Foreign Exchange Management Act, 1999, and the rules and regulations framed there under, if applicable or such other approvals as may be required

18. NAME OF COMPLIANCE OFFICER, AND DETAILS OF INVESTOR SERVICE CENTRES AND MANAGER TO THE BUY-BACK OFFER

In case of any query, clarification or for redressal of grievances, a shareholder may contact at the following address on any working day (except Saturdays, Sundays and Public Holidays) between 11 a.m. and 3 p.m.

COMPLIANCE OFFICER	INVESTOR SERVICE CENTRE
I T Gursahani Vice President - Legal & Corporate Affairs and Compliance Officer tips.in **TIPS INDUSTRIES LIMITED** 601, 6th Floor, Durga Chambers, Linking Road, Khar (West),Mumbai – 400 052 Tel. No.: +91-22-6643 1188; Fax No.: +91-22-6643 1189 Website: www.tips.in; Email: buyback@tips.in	LINK INTIME INDIA PVT LTD (Formerly INTIME SPECTRUM REGISTRY LTD) **LINK INTIME INDIA PRIVATE LIMITED** C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West),Mumbai 400078 Tel. No.: +91-22-2596 7878;Fax No.: +91-22-2596 0320 Email: tips.buyback@linkintime.co.in Contact Person: Mr. Pravin Kasare

MANAGER TO THE BUY BACK OFFER

Inga Capital

INGA CAPITAL PRIVATE LIMITED
A – 404, Neelam Centre, 4th Floor, Hind Cycle Road,Worli, Mumbai – 400 030;
Tel. No.: +91-22-2498 2919, 2498 2937;Fax No.: +91-22-2498 2956;
Email: tipsbuyback@ingacapital.com
Contact Person: Mr. Mihir B. Pandhi / Mr. Sanchit Agarwal

19. DIRECTORS' RESPONSIBILITY

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

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

Place : Mumbai
Date : July 26, 2012

sd/-	sd/-	sd/-
Kumar S. Taurani	**Ramesh S. Taurani**	**Bhoomi R. Thakker**
Chairman & Managing Director	**Managing Director**	**Company Secretary**

Logic & Magic