

April 10, 2024

To, BSE Limited Pheeroze Jeejeebhoy Towers, Dalal Street, Fort Mumbai – 400 001	To, National Stock Exchange of India Limited Exchange Plaza, C-1, Block G Bandra Kurla Complex, Bandra (East) Mumbai – 400 051
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Dear Sir/Madam,

Sub: Filing of Public Announcement and Board Resolution for Buyback of Equity Shares of Tips Industries Limited pursuant to the provisions of Regulation 7(i) and 5(v) of SEBI (Buy Back of Securities) Regulations, 2018, as amended (“Buyback Regulations”)

With reference to the captioned subject, we are pleased to inform you that we have been appointed as Manager to the Buyback by Tips Industries Limited having its registered office at 601, Durga Chambers, 6th Floor, Linking Road, Khar - West, Mumbai, Maharashtra, 400052, for the proposed Buyback of Equity Shares through tender offer route.

With reference to the captioned Buyback, the Public Announcement has been published in pursuance of the provisions of Regulation 7(i) of the Buyback Regulations. The said Public Announcement is published in following newspapers on April 10, 2024:

1. Business Standard (English Edition)
2. Business Standard (Hindi Edition)
3. Mumbai Lakshadeep (Marathi –Mumbai Edition)

Kindly receive the same in order and take the same on records.

Thanking you,

Yours faithfully,

For Inga Ventures Private Limited



Name: Kavita Shah
Designation: Partner
Email: kavita@ingaventures.com



- m) The ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up capital and free reserves after the Buyback as prescribed under Buyback Regulations, the Companies Act, the rules made thereunder and other applicable laws;
- n) The Company shall not make any offer of Buyback within a period of one year reckoned from the expiry of the Buyback Period, i.e., the date on which the payment of consideration is made to the shareholders who have accepted the Buyback;
- o) There is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act as on date;
- p) The Company will not withdraw the Buyback after the public announcement of the Buyback is made;
- q) The Company is not undertaking the Buyback to delist its equity shares or other specified securities from the stock exchanges;
- r) Consideration of the equity shares bought back by the Company will be paid only by way of cash;
- s) The Company does not have outstanding borrowing facilities or debt with any lenders. Therefore, compliance with Regulation 5(i) c read with schedule I clause 12 of the Buyback Regulation is not applicable;
- t) The Buyback shall be completed within 12 months from the date of passing of Special Resolution by the members.

9. CONFIRMATION BY THE BOARD:

The Board of Directors of the Company has confirmed that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion:

- a) Immediately following the date of this board meeting and the date on which the results of the shareholders' resolution will be declared ("Postal Ballot Resolution"), approving the Buyback, there will be no grounds on which the Company could be found unable to pay its debts;
- b) As regards the Company's prospects for the year immediately following the date of this board meeting and the Postal Ballot Resolution that, having regard to the Board's 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 Board's view, 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 date of the Board meeting and also from the date of the Postal Ballot Resolution;
- c) In forming an opinion as aforesaid, the Board has taken into account the liabilities, as if the Company were being wound up under the provisions of the Companies Act or the Insolvency and Bankruptcy Code, 2016, as applicable (including prospective and contingent liabilities) as amended from time to time.

10. THE TEXT OF THE REPORT DATED FEBRUARY 28, 2024 ADOPTED BY THE BOARD OF DIRECTORS MEETING ADDRESSED TO THE BOARD OF DIRECTORS BY THE COMPANY'S AUDITORS ON THE PERMISSIBLE CAPITAL PAYMENT OPINION FORMED BY DIRECTORS REGARDING INSOLVENCY IS REPRODUCED BELOW:

Quote

To,
The Board of Directors,
Tips Industries Limited
 601, Durga Chambers, 6th Floor,
 Opposite B.P.L. Gallery
 27B/E, Linking Road, Khar (West)
 Mumbai - 400 052

Dear Sir,

Sub: Statutory Auditor's certificate in connection with proposed buyback of equity shares of face value of Re. 1/- each of Tips Industries Limited ('Company') in terms of Securities and Exchange Board of India (Buy Back of Securities) Regulations 2018 ('Buyback Regulations'), as amended, through Tender Offer ('Buyback')

1. This Report is issued in accordance with the terms of our engagement letter dated February 22, 2024.
2. The Management of the Company has prepared the accompanying "Annexure A" - Statement of permissible capital payment as on December 31, 2023 (the "Statement") pursuant to the proposed buyback of equity shares approved by the Board of Directors of the Company (hereinafter the "Board of Directors") in their meeting held on February 28, 2024, in accordance with the provisions of sections 68, 69 and 70 of the Companies Act, 2013, as amended and the rules made thereunder, as amended (together the "Companies Act") and the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended (the "SEBI Buyback Regulations"). The Statement contains the computation of amount of permissible capital payment towards buyback of equity shares in accordance with the requirements of Section 68(2) read with Regulation 4(i) of the SEBI Buyback Regulations and based on the latest audited standalone financial statements for the period ended December 31, 2023. We have initialled the Statement for identification purposes only.

Management's Responsibility for the Statement

3. The preparation of the Statement in accordance with the requirements of section 68(2)(c) of the Companies Act and ensuring compliance with the SEBI Buyback Regulations, is the responsibility of the management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Board of Directors are responsible to make a full inquiry into the affairs and prospects of the Company and to form an opinion on reasonable grounds that the Company will be able to pay its debts from the date of Board meeting approving the buyback of its equity shares i.e., February 28, 2024 (hereinafter referred as the "date of the Board meeting") and will not be rendered insolvent within a period of one year from the date of the Board meeting, and in forming the opinion, it has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Companies Act or the Insolvency and Bankruptcy Code, 2016.

Auditor's Responsibility

5. Pursuant to the requirements of the SEBI Buyback Regulations, it is our responsibility to provide reasonable assurance on:
- a. Whether we have inquired into the state of affairs of the Company in relation of audited standalone financial statements for the period ended December 31, 2023;
- b. Whether the amount of capital payment for the buyback, as stated in the Statement, is within the permissible limit and computed in accordance with the provisions of Section 68(2)(c) read with Regulation 4(i) of the SEBI Buyback Regulations; and
- c. Whether the Board of Directors of the Company, in its meeting held on February 28, 2024, has formed the opinion as specified in clause (x) of Schedule I to the SEBI Buyback Regulations, 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 the Board meeting.
6. The audited standalone financial statements for the period ended December 31, 2023 were audited by us, on which we issued an unmodified audit opinion vide our report dated February 28, 2024. Our audit of these financial statements was conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India (the "ICAI"). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Such audit was not planned and performed in connection with any transactions to identify matters that maybe of potential interest to third parties.
7. We conducted our examination of the Statement in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes ("Guidance Note")', issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the matters as mentioned in this paragraph below. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the matters mentioned in this paragraph below. We have performed the

following procedures in relation to the matters mentioned in this paragraph below:

- a. Inquired into the state of affairs of the Company in relation to the audited standalone financial statements for the period ended December 31, 2023;
- b. Examined authorization for buyback from the Articles of Association of the Company, approved by Board of Directors in its meeting held on February 28, 2024;
- c. Traced the amounts of paid-up equity share capital, securities premium account, general reserve and retained earnings as at December 31, 2023 as disclosed in the accompanying Statement, with the audited standalone financial statements of the Company for the period ended December 31, 2023;
- d. Examined that the ratio of the aggregate of secured and unsecured debts owed by the Company after the Buyback shall not be more than twice its paid-up capital and free reserves based on both, audited standalone financial statements of the Company as on December 31, 2023;
- e. Examined that all the shares for buy-back are fully paid-up;
- f. Examined that the Company has not availed any borrowings to discharge its obligations under the Buyback;
- g. Examined that the amount of capital payment for the buyback as detailed in the Statement is within the permissible limit computed in accordance with section 68(2)(c) read with Regulation 4(i) of the SEBI Buyback Regulations;
- h. Inquired if the Board of Directors of the Company, in its meeting held on February 28, 2024 has formed the opinion as specified in Clause (x) of Schedule I to the SEBI Buyback Regulations, 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 the Board meeting;
- i. Examined Director's declarations in respect of the buyback and solvency of the Company; and
- j. Obtained necessary representations from the management of the Company.

Opinion

10. Based on inquiries conducted and our examination as above, and according to the information and explanations provided to us by the management of the Company we report that:

- a. We have inquired into the state of affairs of the Company in relation to its latest standalone audited financial statements for the period ended December 31, 2023;
- b. The permissible capital payment towards buyback of equity shares, as stated in the Statement, is in our view properly determined in accordance with Section 68(2)(c) of the Companies Act read with Regulation 4(i) of the SEBI Buyback Regulations, based on the audited standalone for the period ended December 31, 2023; and
- c. The Board of Directors, in their meeting held on February 28, 2024 has formed the opinion, as specified in clause (x) of Schedule I of the SEBI Buyback Regulations, on reasonable grounds, 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 Board meeting and we are not aware of anything to indicate that the opinion expressed by the directors in the declaration as to any of the matters mentioned in the declaration of insolvency is unreasonable in the circumstances as of the date of declaration.

Restriction on Use

11. This report has been issued at the request of the Company solely for use of the Company (i) in connection with the proposed Buyback of Equity Shares of the Company in pursuance to the provisions of Sections 68 and other applicable provisions of the Act and the Buyback Regulations, (ii) to enable the Board of Directors of the Company to include in public announcement, and other documents pertaining to Buyback to be sent to the shareholders of the Company or filed with (a) the Registrar of Companies, Securities and Exchange Board of India, stock exchanges, public shareholders and any other regulatory authority as per applicable law and (b) the Central Depository Services (India) Limited, National Securities Depository Limited and (iii) for providing to the Managers in connection with the proposed Buyback of Equity Shares of the Company in pursuance to the provisions of Sections 68 and other applicable provisions of the Companies Act and the Buyback Regulations, and may not be suitable for any other purpose.

Yours faithfully,

For SSPA & Associates
Chartered Accountants
Firm Registration No. 131069W
Parag Ved
Partner
Membership No.: 102432
UDIN: 24102432BKICIXA2744

Place: Mumbai
 Date: February 28, 2024

ANNEXURE A - STATEMENT OF PERMISSIBLE CAPITAL PAYMENT

Computation of amount of permissible capital payment towards buyback of equity shares in accordance with Section 68(2)(c) of the Companies Act, 2013 ("the Act"), based on audited standalone financial statements as at and for the period ended December 31, 2023.

(Rs. in Lakhs)

Particulars	As at	As at
	December 31, 2023	December 31, 2023
	(Standalone)	(Consolidated)
Equity Share Capital-Subscribed and Paid-up (A)	1,284.27	
Free Reserves		
- Securities Premium Account	-	
- General Reserve	403.65	
- Surplus in Statement of Profit and Loss (Excluding OCI)	17,107.07	
TOTAL FREE RESERVES (B)	17,510.72	
TOTAL (A+B)	18,794.99	
Less: Dividend paid subsequent to December 31, 2023 (Refer Note 2)	3,852.80	
Total	14,942.19	
Maximum amount permissible for the Buy-back under Section 68 of the Act i.e. 25% of total paid up equity capital and free reserves	3,735.55	
Maximum amount permissible for buy back under section 68 of the Act, within the powers of the Board of Directors - 10% of total paid-up equity share capital and free reserves.	1,494.22	
Amount proposed by Board Resolution dated February 28, 2024 approving the Buyback. (Refer note 3)	3,718.75	

Not Applicable

Note

- 1) The consolidation statements are not prepared by the Company, as they do not have any subsidiary, joint venture or associates, which requires consolidation.
- 2) Subsequent to December 31, 2023, the Company has declared & paid interim dividend of Rs.3/- per equity share. The same has been adjusted from reserves.
- 3) The impact of taxes on Buy back and transaction costs related of Buy back is not considered.

For Tips Industries Limited

Name: Kumar S. Taurani
Designation: Chairman & Managing Director
 Place: Mumbai
 Date: February 28, 2024
Unquoted

11. PRIOR APPROVAL FROM LENDERS

The Company does not have outstanding borrowing facilities or debt with any lenders. Therefore, compliance with Regulation 5(i) c read with schedule I clause 12 of the Buyback Regulation is not applicable;

12. RECORD DATE AND SHAREHOLDER'S ENTITLEMENT

- 12.1. As required under the Buyback Regulations, the Company has fixed Monday, April 22, 2024 as the record date (the "Record Date") for the purpose of determining the entitlement and the names of the equity shareholders who are eligible to participate in the Buyback. Eligible Shareholders will receive a letter of offer along with a Tender/ offer form indicating their entitlement.
- 12.2. As required under the Buyback Regulations, the dispatch of the letter of offer shall be through electronic mode in accordance with the provisions of the Companies Act within two (2) working days from the Record Date. If the Company receives a request from any Eligible Shareholder to receive a copy of the letter of offer in physical form, the same shall be provided.
- 12.3. The Equity Shares to be bought back as part of the Buyback are divided into two categories:
- Reserved category for small shareholders (as defined below); and
 - General category for all Eligible Shareholders.
- 12.4. As defined in Regulation 2(i)(n) of the Buyback Regulations, a "small shareholder" is a shareholder who holds equity shares having market value, on the basis of closing price on the stock exchange having highest trading volume as on Record Date, of not more than ₹2,00,00,000/- (Rupees Two Lakhs only).
- 12.5. In accordance with Regulation 6 of the Buyback Regulations, 15% (fifteen percent) of the number of Equity Shares which the Company proposes to buyback or such number of Equity Shares entitled as per the shareholding of small shareholders as on the Record Date, whichever is higher, shall be reserved for the small shareholders as part of this Buyback.
- 12.6. On the basis of the shareholding on the Record Date, the Company will determine the entitlement of each Eligible Shareholder, including small shareholders, to tender their Equity Shares in the Buyback. This entitlement for each Eligible Shareholder will be calculated based on the number of Equity Shares held by the respective shareholder on the Record Date and the ratio of the Buyback applicable in the category to which such shareholder belongs. The final number of Equity Shares that the Company will purchase from each Eligible Shareholder will be based on the total number of Equity Shares tendered. Accordingly, the Company may not purchase all of the Equity Shares tendered by an Eligible Shareholder.
- 12.7. In accordance with Regulation 9(ix) of the Buyback Regulations, in order to ensure that the same shareholders with multiple demat accounts/folios do not receive a higher entitlement under the small shareholder category, the Company will club together the Equity shares held by such shareholders with a common Permanent Account Number (PAN) for determining the category (small shareholder or general) and entitlement under the Buyback. In case of joint shareholding, the Company will club together the Equity shares held in cases where the sequence of the PANs of the joint shareholders is identical. In case of physical shareholders, where the sequence of PANs is identical, the Company will club together the Equity shares held in such cases. Similarly, in case of physical shareholders where PAN is not available, the Company will check the sequence of names of the joint holders and club together the Equity shares held in such cases where the sequence of name of joint shareholders is identical. The shareholding of institutional investors like mutual funds, pension funds/trusts, insurance companies, clearing members etc. with common PAN will not be clubbed together for determining the category and will be considered separately, where these Equity Shares are held for different schemes and have a different demat account nomenclature based on information prepared by the registrar and transfer agent (the "Registrar") as per the shareholder records received from the depositories.
- 12.8. After accepting the Equity Shares tendered on the basis of entitlement, the Equity Shares left to be bought back, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered over and above their entitlement in the offer by Eligible Shareholders in that category, and thereafter from Eligible Shareholders who have tendered over and above their entitlement in other category.
- 12.9. The participation of Eligible Shareholders in the Buyback is voluntary. Eligible Shareholders can choose to participate and get cash in lieu of shares to be accepted under the Buyback or they may choose not to participate. Eligible Shareholders may also accept a part of their entitlement. Eligible Shareholders also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other Eligible Shareholders, if any. If the Buyback entitlement for any shareholder is not a round number, then the fractional entitlement shall be ignored for computation of entitlement to tender Equity Shares in the Buyback.
- 12.10. The maximum tender under the Buyback by any Eligible Shareholder cannot exceed the number of Equity Shares held by the Eligible Shareholder as on the Record Date. In case the Eligible Shareholder holds Equity Shares through multiple demat accounts, the tender through a demat account cannot exceed the number of Equity Shares held in that demat account.
- 12.11. The Equity Shares tendered as per the entitlement by the Eligible Shareholder as well as additional Equity Shares tendered, if any, will be accepted as per the procedure laid down in the Buyback Regulations. The settlement of the tenders under the Buyback will be done using the "Mechanism for acquisition of shares through Stock Exchange pursuant to Tender-Offer under Takeovers Buy Back and Delisting" notified under the SEBI Circulars.
- 12.12. Small Shareholders holdings of multiple demat accounts would be clubbed together for identification of small shareholder if sequence of Permanent Account Number for all holders is matching. Similarly, in case of physical shareholders, if the sequence of names of joint holders is matching, holding under such folios should be clubbed together for identification of small shareholder.
- 12.13. Eligible Shareholders will have to transfer their Equity Shares from the same demat account in which they were holding such Equity Shares as on the Record Date, and in case of multiple demat accounts, Eligible Shareholders are advised to tender the applications separately from each demat account in which they hold the Equity Shares as on the Record Date. In case of any changes in the demat account in which the Equity Shares were held as on Record Date, such Eligible Shareholders should provide sufficient proof of the same to the Registrar to the Buyback and such tendered Equity Shares may be accepted subject to appropriate verification and validation by the Registrar to the Buyback.
- 12.14. Participation in the Buyback by shareholders will trigger the Buyback Tax in India and such tax is to be discharged by the Company. Any income received by Eligible Shareholders pursuant to the Buyback of shares will not be included in the total taxable income of such shareholders. The Buyback will also be chargeable to securities transaction tax in India. The shareholders are advised to consult their own legal, financial and tax advisors prior to participating in the Buyback.
- 12.15. Detailed instructions for participation in the Buyback (tender of Equity Shares in the Buyback) as well as the relevant time table will be included in the letter of offer to be sent in due course to the Eligible Shareholders.

13. PROCESS AND METHODOLOGY FOR THE BUYBACK

- 13.1. The Buyback is open to all Eligible Shareholders/ beneficial owners of the Company holding Equity Shares either in Physical or electronic form, as on the Record Date.
- 13.2. The Buyback will be implemented using the "Mechanism for acquisition of shares through Stock Exchange" notified vide the SEBI Circulars and in accordance with the procedure prescribed in the Companies Act and the SEBI Buyback Regulations, and as may be determined by the Board, on such terms and conditions as may be permitted by law from time to time.
- 13.3. For implementation of the Buyback, the Company has appointed ITI Securities Broking Limited as the registered broker to the Company ("Company's Broker") through whom the purchases and settlement on account of the Buyback would be made by the Company. The contact details of the Company's Broker are as follows:
- ITI Securities Broking Limited**
 ITI House, 36 Dr. R. K. Shirodkar Marg, Behind Bata Showroom,
 Opp HDFC house, Parel, Mumbai 400 012
Tel. No.: 022-69093655/56
Contact Person: Mr. Himanshu Shah
Email: himanshu.shah@itiorg.com
Website: https://www.itiorg.com
Investor Grievance E-mail: igsb@itiorg.com
SEBI Registration Number: IN200005835
Corporate Identity Number: U17420MH1994PLC077946
- 13.4. The Company will request both the Stock Exchanges, to provide the separate acquisition window ("Acquisition Window") to facilitate placing of sell orders by Eligible Shareholders who wish to tender their Equity Shares in the Buyback. BSE will be the designated stock exchange for the purpose of this Buyback. The details of the Acquisition Window will be specified by the Stock Exchanges from time to time.

