



February 18, 2020

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

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

Scrip Code: **532375**

Symbol: **TIPSINDLTD**

Sub: Notice of Postal Ballot

Dear Sir/Madam,

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable statutory provisions, we are submitting herewith the Notice of Postal Ballot dated February 13, 2020 for passing resolutions by way of the Postal Ballot (including e-voting) in respect to the business as mentioned in the Notice.

Kindly take the above mentioned document on your record and acknowledge a receipt of the same.

Thanking you,

For **Tips Industries Limited**

Bijal R. Patel
Company Secretary



Encl: a/a

TIPS INDUSTRIES LTD.

601, Durga Chambers, 6th Floor, Linking Road, Khar (West), Mumbai - 400 052.
Tel. : 022-6643 1188 Email : response@tips.in Website : www.tips.in
CIN : L92120MH1996PLC099359



TIPS INDUSTRIES LIMITED

Regd. Office: 601, 6th Floor, Durga Chambers, Linking Road, Khar (W), Mumbai 400052

Tel No.: 91-22-66431188 Fax No.: 91-22- 66431189

Email: response@tips.in Website: www.tips.in

CIN: L92120MH1996PLC099359

POSTAL BALLOT NOTICE

NOTICE PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014, OTHER APPLICABLE PROVISIONS, IF ANY, OF THE COMPANIES ACT, 2013 (INCLUDING ANY STATUTORY MODIFICATION OR RE-ENACTMENT THEREOF FOR THE TIME BEING IN FORCE) AND REGULATION 44 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

Dear Shareholders,

Notice is hereby given, pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 (“Management Rules”) (including any statutory modification or re-enactment thereof for the time being in force, and as amended from time to time) and pursuant to other applicable laws and regulations, that the special resolution appended below for buyback of equity shares of Tips Industries Limited (the “Company”) is proposed for approval of the shareholders of the Company through postal ballot (“Postal Ballot”)/electronic voting (“e-voting”).

The explanatory statement pursuant to Sections 102, 110 and other applicable provisions, if any, of the Act pertaining to the aforesaid resolution setting out the material facts and the reasons thereof is annexed hereto for your consideration, along with a postal ballot form (“Postal Ballot Form”).

Pursuant to Management Rules 22(5) of the Rules, the Board of Directors of the Company, at its meeting held on February 13, 2020, has appointed Mr. Shirish Shetye, Practicing Company Secretary, (FCS: 1926 CP: 825), as the Scrutinizer for conducting the Postal Ballot and e-voting process in a fair and transparent manner. Shareholders have the option to vote either by Postal Ballot or through e-voting. Shareholders desiring to exercise their vote by Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the same duly completed in the enclosed self-addressed Business Reply Envelope.

A Postal Ballot Form sent by courier or by registered post/speed post at the expense of the shareholder(s) will also be accepted. The duly completed Postal Ballot Form should reach the Scrutinizer not later than 17:00 Hours IST on March 20, 2020, to be eligible for being considered, failing which it will be strictly considered that no reply has been received from the shareholder. Shareholders desiring to opt for e-voting as per the facilities arranged by the Company are requested to read the instructions in the Notes under the section “Voting through electronic means”. References to postal ballot(s) in this postal ballot notice (“Postal Ballot Notice”) include votes received electronically. The Scrutinizer will submit his report to the Chairman or any other authorized person of the Company after completion of scrutiny of the postal ballots (including e-voting). The results shall be declared on or before March 22, 2020 and communicated to BSE Limited (“BSE”), National Stock Exchange of India Limited (“NSE”) (together the “Stock Exchanges”) and shall also be displayed on the Company’s website i.e. www.tips.in and CDSL i.e. www.evotingindia.com.

In the event the resolutions is passed by requisite majority, the date of passing the resolutions shall be deemed to be Friday, March 20, 2020 viz. last date specified by the Company for receipt of duly completed Postal Ballot Forms or e-voting.

SPECIAL BUSINESS:

Approval for Buyback of Equity Shares

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Article 6 of the Articles of Association of the Company and the provisions of Sections 68, 69, 70 and 110 and all other applicable provisions, if any, of the Companies Act, 2013, as amended (“Act”), the Companies (Share Capital and Debentures) Rules, 2014 (“Share Capital Rules”), the Companies (Management and Administration) Rules, 2014 (“Management Rules”) to the extent applicable, and in compliance with Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended (“Buyback Regulations”), the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (“Listing Regulations”) including any amendments, statutory modifications or re-enactments for the time being in force, and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed by the Board of Directors of the Company (hereinafter referred to as the “Board”, which expression shall include any Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution) and on the terms and conditions set out in the explanatory statement (which may be modified based on regulatory requirements), the approval of the shareholders be and is hereby accorded for the buyback by the Company of up to 13,50,000 (Thirteen Lakhs Fifty Thousand Only) fully paid-up equity shares of Rs. 10/- (Rupees Ten only) each of the Company (“Equity Shares”) representing up to 9.43% of the total issued and paid-up Equity Share capital of the Company at a price of Rs. 140/- (Rupees One Hundred and Forty only) per Equity Share (“Buyback Price”) payable in cash for an aggregate amount of up to Rs. 18,90,00,000/- (Rupees Eighteen Crores and Ninety Lakhs only) (“Buyback Size”), which is up to 24.62% of the aggregate of the fully paid-up Equity Share capital and free reserves as per the unaudited limited review nine months ended Financial Statements as at and for the period ended December 31, 2019 (the “Unaudited Limited reviewed Financial Statements”), on a proportionate basis through the “tender offer” route as prescribed under the Buyback Regulations, from all of the shareholders who hold Equity Shares as of the record date (“Buyback”) and the Buyback Size does not include transaction costs viz. brokerage, applicable taxes inter- alia including Buyback taxes, securities transaction tax, GST, stamp duty, expenses incurred or to be incurred for the Buyback like filing fees payable to the Securities and Exchange Board of India (“SEBI”), advisors/legal fees, public announcement publication expenses, printing and

dispatch expenses and other incidental and related expenses, etc. The Buyback period shall commence from the date of passing of special resolution by postal ballot until the last date on which the payment of consideration for the Equity Shares bought back by the Company is made (“**Buyback Period**”), in accordance with, and compliance, with the provisions contained in the Buyback Regulations, the Companies Act, Share Capital Rules, the Management Rules and the Listing Regulations.

RESOLVED FURTHER THAT all of the shareholders of the Company will be eligible to participate in the Buyback including promoters and promoter group of the Company and their associates who hold Equity Shares as of the record date, persons in control (including such persons acting in concert) who hold Equity Shares as of the record date.

RESOLVED FURTHER THAT as required by Regulation 6 of the Buyback Regulations, the Company may buyback Equity Shares from existing members holding Equity Shares of the Company on a proportionate basis under the tender offer route through stock exchange mechanism, provided that 15% of the number of Equity Shares which the Company proposes to buyback or the number of Equity Shares that the small shareholders are entitled to as per the shareholding of small shareholders as on the record date, whichever is higher, shall be reserved for Small Shareholders, as defined in the Buyback Regulations (“**Small Shareholders**”).

RESOLVED FURTHER THAT the Company, to the extent legally permissible, shall implement the Buyback using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, including any amendments or statutory modifications for the time being in force.

RESOLVED FURTHER THAT the Buyback would be subject to the conditions of maintaining minimum public shareholding requirements as specified in Regulation 38 of the Listing Regulations.

RESOLVED FURTHER THAT the amount required by the Company for the Buyback is intended to be met out of the Company's free reserves and/or such other sources as may be permitted by law through Tender Offer route as required by the Buyback regulations and the Companies Act and on such terms and conditions as the Board may decide from time to time at its absolute discretion.

RESOLVED FURTHER THAT the Buyback from the shareholders who are residents outside India including Foreign Corporate Bodies (including erstwhile Overseas Corporate Bodies), Foreign Institutional Investors/Foreign Portfolio Investors, Non-Resident Indians, shareholders of foreign nationality, shall be subject to such approvals, if any and to the extent required from the concerned authorities including approvals from the Reserve Bank of India (“**RBI**”) under the Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder, and that such approvals shall be required to be taken by such non-resident shareholders.

RESOLVED FURTHER THAT the Board be and is hereby authorised to give effect to the aforesaid resolutions, including but not limited to finalizing the terms of the Buyback like record date, entitlement ratio, determination of the Buyback Size, time frame for completion of Buyback; appointment of merchant banker, brokers, lawyers, depository participants, escrow agents, bankers, advisors, registrars, scrutinizers, consultants/intermediaries/agencies, as may be required, for the implementation of the Buyback; preparing, finalizing, signing and filing of the public announcement, the draft letter of offer/letter of offer with SEBI, the Stock Exchanges where the Equity Shares are listed and other appropriate authorities and to make all necessary applications to the appropriate authorities for their approvals including but not limited to approvals as may be required from the SEBI and RBI; and initiating all necessary actions for preparation and issue of various documents including public announcement, draft letter of offer, letter of offer, opening, operation and closure of necessary accounts including escrow account, special payment account with the bank, entering into escrow agreements as required under the Buyback Regulations, filing of declaration of solvency, obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law, extinguishing Equity Shares bought back by the Company, and filing such other undertakings, agreements, papers, documents and correspondence, under the Common Seal of the Company, as may be required to be filed in connection with the Buyback with SEBI, RBI, Stock Exchanges, Registrar of Companies, Depositories and/or other regulators and statutory authorities as may be required from time to time.

RESOLVED FURTHER THAT nothing contained herein shall confer any right on the part of any shareholders to offer and/or any obligation on the part of the Company or the Board to Buyback any shares, and/or impair any power of the Company or the Board to terminate any process in relation to such Buyback, if so permissible by law.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board is hereby empowered and authorised on behalf of the Company to accept and make any alteration(s), modification(s) to the terms and conditions as it may deem necessary, concerning any aspect of the Buyback, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or doubts that may arise and generally, to do all acts, deeds, matters and things as the Board and/or any person authorised by the Board may, in its/his/her absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters consequential to the Buyback without seeking any further consent or approval of the shareholders or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.”

**By Order of the Board
For Tips Industries Limited**

Bijal R. Patel
Company Secretary

**Date: February 13, 2020
Place: Mumbai**

Notes:

1. The explanatory statement pursuant to Sections 102 and 110 of the Act stating all material facts and the reasons for the proposal is annexed herewith. It also contains all the disclosures as specified in the Buyback Regulations.
2. The Postal Ballot Notice is being sent to the shareholders of the Company whose names appear on the Register of Members/List of Beneficial Owners as received from the Depositories as on February 14, 2020. The Postal Ballot Notice is being sent to shareholders in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding)/the Company's Registrar and Share Transfer Agent (in case of physical shareholding). For shareholders whose email IDs are not registered, physical copies of the Postal Ballot Notice are being sent by permitted mode along with a postage prepaid self-addressed Business Reply Envelope.
3. The Postal Ballot Notice will also be available on the Company's website i.e. www.tips.in.
4. Shareholders whose names appear on the Register of Members/List of Beneficial Owners as on February 14, 2020 will be considered for the purpose of voting.
5. Resolutions passed by the shareholders through Postal Ballot are deemed to have been passed as if they have been passed at a General Meeting of the shareholders.
6. The shareholders can opt for only one mode of voting, i.e., either by physical ballot or e-voting. In case shareholders cast their votes through both the modes, votes cast through e-voting shall be treated as valid and votes cast through physical Postal Ballot Form will be treated as invalid.
7. In case a shareholder is desirous of obtaining a printed Postal Ballot Form or a duplicate, he or she may send an e-mail to www.linkintime.co.in. The Registrar and Transfer Agent/Company shall forward the same along with postage-prepaid self-addressed Business Reply Envelope to the shareholder.
8. Voting rights shall be reckoned on the paid-up value of equity shares registered in the name of the shareholders as on February 14, 2020. A person who is not a shareholder on the relevant date should treat this notice for information purpose only.
9. In compliance with Sections 108 and 110 of the Companies Act, 2013 and the Rules made there under and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided the facility to the shareholders to exercise their votes electronically and vote on the resolutions through the e-voting service facility arranged by CDSL. The instructions for e-voting are annexed to this Postal Ballot Notice.
10. A shareholder cannot exercise his vote by proxy on Postal Ballot.
11. Shareholders desiring to exercise their vote by physical Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed, in the enclosed self-addressed Business Reply Envelope to the Scrutinizer, so that it reaches the Scrutinizer not later than close of working hours (i.e., 17:00 hours IST) on March 20, 2020. The postage will be borne by the Company. However, envelopes containing Postal Ballots, if sent by courier or registered/speed post at the expense of the shareholders will also be accepted. Any Postal Ballot received after 17:00 hours IST on March 20, 2020 will be considered invalid.
12. The Scrutinizer will submit his report to the Chairman or any other authorised person after the completion of scrutiny, and the result of the voting by Postal Ballot will be announced by the Chairman or any other authorised person of the Company, on or before March 22, 2020 at the registered office and will also be displayed on the website of the Company i.e. www.tips.in, besides being communicated to the Stock Exchanges and CDSL.
13. The resolutions, if passed by the requisite majority shall be deemed to have been passed on March 20, 2020 i.e., the last date specified for receipt of duly completed Postal Ballot Forms or e-voting.
14. In accordance with the proviso to regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from April 1, 2019, transfers of securities of the Company shall not be processed unless the securities are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in corporate actions such as buyback.
15. All the material documents referred to in the explanatory statement will be available for inspection at the registered office of the Company during office hours on all working days from the date of dispatch of the Postal Ballot Notice until the last date for receipt of votes by Postal Ballot/e-voting.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on February 20, 2020 at 9.00 a.m. and ends on March 20, 2020 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of February 14, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders / Members
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Tips Industries Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Members can call on toll free no.: 1800225533 or contact Mr. Rakesh Dalvi, Manager, Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg, Lower Parel, Mumbai 400013, Email – helpdesk.evoting@cdslindia.com for grievances connected with e-Voting.

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTIONS 102 AND 110 OF THE COMPANIES ACT, 2013

Approval for Buyback of Equity Shares

The Board of Directors of the Company at its meeting held on February 13, 2020 ("**Board Meeting**") has, subject to the approval of the shareholders of the Company by way of special resolution through postal ballot/e-voting and subject to such approvals of statutory regulatory or governmental authorities as may be required under applicable laws, approved the buyback of fully paid-up Equity Shares of face value of Rs. 10/- (Ten Rupees only) each ("**Equity Shares**") up to 13,50,000 (Rupees Thirteen Lakhs Fifty Thousand) Equity Shares, on a proportionate basis through the tender offer route through the Stock Exchange mechanism in accordance with the Companies Act, 2013 (the "Act"), the Companies (Share Capital and Debentures) Rules, 2014 ("**Share Capital Rules**"), Companies (Management and Administration) Rules, 2014 ("**Management Rules**"), (to the extent applicable), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015, the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended from time to time, (the "**Buyback Regulations**"), read with the Securities and Exchange Board of India Circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with Circular FD/DCR2/CIR/P/2016/131 dated December 9, 2016, as amended from time to time, ("**SEBI Circular**"), at a price of Rs. 140/- (Rupees One Hundred and Forty only) per Equity Share payable in cash for an aggregate consideration of up to Rs. 18,90,00,000/- (Rupees Eighteen Crores Ninety Lakhs only) ("**Offer Size**") excluding transaction costs viz. brokerage, applicable taxes such as Buyback tax, securities transaction tax, Goods and Service Tax (GST), stamp duty, expenses incurred or to be incurred for the Buyback like filing fees payable to SEBI, advisors/legal fees, public announcement publication expenses, printing and dispatch expenses and other incidental and related expenses, etc. (the "**Buyback**"). The Buyback is within 25% of the aggregate of paid up capital and free reserves of the Company as per the latest unaudited limited review nine months ended financial Statements as on December 31, 2019 (the "**Unaudited Limited Reviewed Financial Statements**") being the latest Unaudited Limited Reviewed Financial Statements available on the date of the Board Meeting recommending the proposal of Buyback. The Offer Size of the Buyback constitutes 24.62% of the aggregate of the paid-up equity share capital and free reserves of the Company, and represents 9.43% of the total issued and paid-up equity share capital of the Company.

Since the Buyback constitutes more than 10% of the total paid-up equity capital and free reserves of the Company, in terms of Section 68(2)(b) of the Act, it is necessary to obtain the consent of the shareholders of the Company, for the Buyback by way of a special resolution. Further, as per Section 110 of the Act read with Rule 22(16)(g) of the Rules, the consent of the shareholders of the Company to the Buyback can be obtained by means of postal ballot. Accordingly, the Company is seeking your consent for the aforesaid proposal as contained in the resolution appended to this Postal Ballot Notice. Certain figures contained in this Postal Ballot Notice, including financial information, have been subject to rounding-off adjustments. All decimals have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

Requisite details and material information relating to the Buyback are given below:

(a) Date of the Board meeting at which the proposal for Buyback was approved by the Board of Directors of the Company -
February 13, 2020

(b) Necessity for the Buyback

The Buyback is being proposed by the Company to service the equity more efficiently. Additionally, the Company's management strives to increase equity shareholders value and the Buyback would result in amongst other things:

- a) The Buyback is being done to return surplus funds, after taking into account the strategic and operational cash needs of the Company in the short to medium term
- b) The Buyback may help in improving earnings per share, return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders' value;
- c) The Buyback gives an option to the equity shareholders, who can either (i) choose to participate and get cash in lieu of Equity Shares to be accepted under the Buyback; or (ii) choose to not participate and enjoy a resultant increase in their percentage shareholding, post the Buyback, without additional investment;
- d) The Buyback, which is being implemented through the Tender Offer as prescribed under the Buyback Regulations, would involve minimum reservation of 15% for Small Shareholders and allocation of higher of number of shares as per their entitlement or 15% of the number of shares to be bought back, reserved for the Small Shareholders. The Company believes that this reservation for Small Shareholders would benefit a large number of public shareholders, who would get classified as Small Shareholder.

(c) Maximum number of securities that the Company proposes to Buyback

The Company proposes to buyback up to 13,50,000 (Thirteen Lakhs Fifty Thousand) fully paid-up Equity Shares of face value of Rs. 10/- (Rupees Ten only) each aggregating upto 9.43% of the total issued and paid up Equity Share capital of the Company as per the Unaudited Limited Reviewed Financial Statements from the Equity Shareholders of the Company as on the Record Date for an amount not exceeding Rs. 18,90,00,000/- (Rupees Eighteen Crores Ninety Lakhs Only.)

(d) Buyback price and the basis of arriving at the Buyback price

The Equity Shares of the Company are proposed to be bought back at a price of Rs. 140/- (Rupees One Hundred and Forty Only) per Equity Share. The Buyback Price has been arrived at after considering various factors including, but not limited to, the trends in the volume weighted average price and closing price of the Equity Shares on the BSE and NSE

The Buyback Price represents:

- i. Premium of 16.67 % and 17.40 % over the closing price of the Equity Shares on BSE and NSE, respectively, as on February 10, 2020 being the date on which the Company intimated to the Stock Exchanges of the date of the meeting of the Board of Directors wherein the proposal of Buyback was considered.
- ii. Premium of 24.30 % and 25.33 % over the volume weighted average market price of the Equity Shares on BSE and NSE, respectively, during the two weeks preceding the date of intimation to the Stock Exchanges of the date of the meeting of the Board of Directors wherein the proposal of Buyback was considered.
- iii. Premium of 37.05 % and 34.19 % over the volume weighted average market price of the Equity Shares on BSE and NSE, respectively, during the 30 trading days preceding the date of intimation to the Stock Exchanges of the date of the meeting of the Board of Directors wherein the proposal of Buyback was considered.
- iv. Premium of 41.96 % and 46.95 % over the volume weighted average market price of the Equity Shares on BSE and NSE, respectively, during the 60 trading days preceding the date of intimation to the Stock Exchanges of the date of the meeting of the Board of Directors wherein the proposal of Buyback was considered.

(e) Maximum amount required under the Buyback and its percentage of the total paid up capital and free reserves

The maximum amount required for Buyback will not exceed Rs. 18,90,00,000/- (Rupees Eighteen Crores Ninety Lakhs only), excluding transaction costs viz. brokerage, applicable taxes inter alia including Buyback taxes, securities transaction tax, GST, stamp duty, expenses incurred or to be incurred for the Buyback like filing fees payable to the SEBI, advisors/legal fees, public announcement publication expenses, printing and dispatch expenses and other incidental and related expenses, etc.

The maximum amount mentioned aforesaid is 24.62% of the aggregate of the fully paid-up equity share capital and free reserves as per the latest unaudited Limited Reviewed Financial Statement of the Company as at December 31, 2019, which is within the prescribed limit of 25%.

The funds for the implementation of the proposed Buyback will be sourced out of the free reserves of the Company or such other source as may be permitted by the Buyback Regulations or the Companies Act. The funds borrowed if any shall not be utilized for the purpose of Buyback. The Company shall transfer from its free reserves, a sum equal to the nominal value of the Equity Shares so bought back to the Capital Redemption Reserve Account and details of such transfer shall be disclosed in its subsequent audited Financial Statements.

(f) Method to be adopted for the Buyback

The Buyback shall be on a proportionate basis through the tender offer route, as prescribed under the Buyback Regulations, to the extent permissible, and the "Mechanism for acquisition of shares through Stock Exchanges" as prescribed under the SEBI Circular. The Buyback will be implemented in accordance with the Act, Rules, to the extent applicable, the Buyback Regulations and on such terms and conditions as may be deemed fit by the Company.

As required under the Buyback Regulations, the Company will announce a record date for the Buyback for determining the names of the shareholders holding Equity Shares of the Company who will be eligible to participate in the Buyback ("Eligible Shareholder(s)"). Subject to the approval of the special resolution under this Postal Ballot Notice and subject to SEBI's comments on the draft letter of offer, Eligible Shareholders will receive a letter of offer along with a tender/offer form indicating their entitlement.

The Equity Shares to be bought back is divided in two categories:

- (i) Reserved category for small shareholders; and
- (ii) General category for all other shareholders.

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 Stock Exchange having highest trading volume as on record date, of not more than Rs. 2,00,000/- (Rupees Two Lakhs only).

In accordance with Regulation 6 of the Buyback Regulations, 15% 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.

Based on the holding on the record date, the Company will determine the entitlement of each Eligible Shareholder to tender their 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 as on the record date and the ratio of the Buyback applicable in the category to which such shareholder belongs. 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 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 as per the shareholder records received from the Depositories.

Shareholders' participation in Buyback will be voluntary. Eligible Shareholders holding Equity Shares of the Company 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 holding Equity Shares of the Company may also accept a part of their entitlement. Eligible Shareholders holding equity shares of the Company 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 shareholders, if any.

The maximum tender under the Buyback by any Eligible Shareholder cannot exceed the number of Equity Shares held by the shareholder as on the record date.

The Equity Shares tendered as per the entitlement by Eligible Shareholders holding Equity Shares of the Company as well as additional shares tendered, if any, will be accepted as per the procedure laid down in Buyback Regulations. The settlement of the tenders under the Buyback will be done using the "Mechanism for acquisition of shares through Stock Exchange" notified under the SEBI Circular.

As per the proviso to regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (notified by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018), effective from April 1, 2019, transfers of securities of the Company shall not be processed unless the securities are held in the dematerialized form with a depository. Accordingly, the Company will not be able to accept Equity Shares tendered in physical form in the Buyback. Shareholders are advised to approach the concerned depository participant to have their Equity Shares dematerialized before tendering their Equity Shares in the Buyback.

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 to the Eligible Shareholder(s).

(g) Time limit for completing the Buyback

Subject to receipt of regulatory consents and approvals, if any, the Buyback is proposed to be completed within One year from the date of passing of special resolution detailed in this Postal Ballot Notice.

(h) Compliance with Section 68(2)(c) of the Act

The aggregate paid-up share capital and free reserves as per the latest Unaudited Limited Reviewed Financial Statement of the Company as at December 31, 2019 is Rs. 76,77.34 lakhs. Under the provisions of the Act, the funds deployed for the Buyback cannot exceed 25% of the aggregate of the fully paid-up share capital and free reserves of the Company i.e. Rs. 18,90.00 lakhs. The maximum amount proposed to be utilized for the Buyback, does not exceed Rs. 18,90,00,000/- (Rupees Eighteen Crores Ninety Lakhs Only) and is therefore within the limit of 25% of the Company's fully paid-up share capital and free reserves as per the latest Unaudited Limited Reviewed Financial Statement of the Company as at December 31, 2019 (the latest audited balance sheet available as on the date of Board meeting recommending the proposal for the Buyback).

(i) **Details of holding and transactions in the shares of the Company**

The aggregate shareholding of the (i) promoter and promoter group of the Company ("Promoter and Promoter Group") and persons in control, (ii) Directors of companies/Trust which are a part of the Promoter and Promoter Group, and (iii) Directors and Key Managerial Personnel of the Company as on the date of the Board meeting and this Postal Ballot Notice, i.e., February 13, 2020 are as follows:

- (i) Aggregate shareholding of the Promoter and Promoter Group and persons who are in control as on the date of the Board meeting and the date of this Postal Ballot Notice, i.e., February 13, 2020

Sr. no	Name of the Shareholder	No. of Equity Shares held	% Shareholding
1	Mr. Kumar S. Taurani	28,81,915	20.13
2	Mr. Ramesh S. Taurani	28,75,911	20.09
3	Mrs. Renu K. Taurani	24,68,718	17.24
4	Mrs. Varsha R. Taurani	24,74,718	17.28
5	Mr. Shyam M. Lakhani	11,500	0.08
	Total	1,07,12,762	74.82

- (ii) Aggregate shareholding of the Directors of companies/trust which are a part of the Promoter and Promoter Group, as on the date of the Board meeting and the date of this Postal Ballot Notice, i.e, February 13, 2020

Sr. no	Name of the Company /Trust	Name of Director/ Trustee	No. of Equity Shares held	% Shareholding
		NIL		
	Total	NIL		

- (iii) Aggregate shareholding of the Directors and Key Managerial Personnel of the Company as on the date of the Board meeting and the date of this Postal Ballot Notice, i.e., February 13, 2020

Sr. no	Name of Shareholders	Designation	No. of Equity Shares held	% Shareholding
1	Mr. Kumar S. Taurani	Chairman & Managing Director	28,81,915	20.13
2	Mr. Ramesh S. Taurani	Managing Director	28,75,911	20.09
3	Mr. Amitabh Mundhra	Independent Director	NIL	N.A
4	Ms. Radhika Pereira	Independent Director	NIL	N.A
5	Mr. Venkitaraman Iyer	Independent Director	NIL	N.A
6	Mr. Sunil Chellani	Chief Financial Officer	2,000	0.01
7	Ms. Bijal R. Patel	Company Secretary	NIL	N.A
	Total		57,59,826	40.23

- (iv) Aggregate shares purchased or sold by the Promoter and Promoter Group, persons in control, Directors of companies which are a part of the Promoter and Promoter Group and Directors and Key Managerial Personnel of the Company during a period of six months preceding the date of the Board meeting at which the Buyback was approved and the date of this Postal Ballot Notice, i.e. February 13, 2020

- a) Aggregate of shares purchased or sold by the Promoter and Promoter Group and persons who are in control:

Sr. no	Name of Shareholder	No. of Equity Shares Acquired/Sold	Nature of Transaction	Maximum Price per Equity Share	Date of Maximum Price	Minimum Price	Date of Minimum Price
			NIL				

- b) Aggregate shares purchased or sold by the Directors of companies which are part of the Promoter and Promoter Group:

Name of the Promoter Company:							
Sr. no	Name of Shareholder	No. of Equity Shares Acquired/Sold	Nature of Transaction	Maximum Price per Equity Share	Date of Maximum Price	Minimum Price	Date of Minimum Price
			NIL				

- c) Aggregate shares purchased or sold by the Directors and Key Managerial Personnel of the Company:

Sr. no	Name of Shareholder	No. of Equity Shares Acquired/Sold	Nature of Transaction	Maximum Price per Equity Share	Date of Maximum Price	Minimum Price	Date of Minimum Price
1	Mr. Sunil Chellani	500	Purchase (Open Market)	74.69	19-11-2019	74.69	19-11-2019
		200	Purchase (Open Market)	74.91	06-12-2019	74.91	06-12-2019
		190	Purchase (Open Market)	72.75	11-12-2019	72.75	11-12-2019
		1,110	Purchase (Open Market)	73.96	12-12-2019	73.96	12-12-2019
	Total	2,000					

(j) Intention of Promoter and Promoter Group and persons in control of the Company to participate in the Buyback

In terms of the Buyback Regulations, under the Tender Offer, the Promoters and the Promoter Group and persons in control of the Company have an option to participate in the Buyback. In this regard, the following persons of the Promoter and Promoter Group have expressed their intentions to participate in the Buyback and offer up to an aggregate of 13,54,500 Equity Shares or such lower number of shares in compliance with the Buyback Regulations

Sr.no	Name of the Promoter/Promoter Group and Persons in Control	No. of Equity Shares held	Maximum Number of Equity Shares intended to tender
1	Mr. Kumar S. Taurani	28,81,915	3,37,500
2	Mr. Ramesh S. Taurani	28,75,911	3,37,500
3	Mrs. Renu K. Taurani	24,68,718	3,37,500
4	Mrs. Varsha R. Taurani	24,74,718	3,37,500
5	Mr. Shyam M. Lakhani	11,500	4,500
	Total	1,07,12,762	13,54,500

Details of the date and price of the Equity Shares allotted/credited/transmitted/acquired which are intended to be tendered, are set out as below:

1. Mr. Kumar S. Taurani – Intend to tender up to 3,37,500 Equity Shares

Date	Nature of Transaction	Number of Equity Shares	Face Value (Rs.)	Issue/ Acquisition Price (Rs.)	Consideration (Rs.)
02.04.2001	Purchase (off market)	8,800	10/-	325.00	2,860,000
06.06.2001	Purchase (off market)	70,000	10/-	154.00	10,780,000
08.08.2001	Purchase (off market)	8,700	10/-	325.00	2,827,500
04.10.2002	Purchase (off market)	200	10/-	325.00	65,000
09.11.2002	Purchase (off market)	50	10/-	325.00	16,250
11.06.2003	Preferential Allotment (Acquired 100% stake of Tips Films Pvt. Ltd.)*	249,750		-	-
	Total	337,500			

* The Company has acquired the entire equity Shares of Tips Films Pvt. Ltd. valued at Rs.1,646/- per share and made it wholly owned subsidiary of Tips Industries Ltd by issue of 638,400 Equity Shares on Preferential basis to the shareholders of Tips Films Ltd. without payment being received in cash and as a consideration in ratio of 21 Equity share of the Company for every 1 share held in Tips Films Pvt. Ltd.

2. Ramesh S. Taurani - Intend to tender up to 3,37,500 Equity Shares

Date	Nature of Transaction	Number of Equity Shares	Face Value (Rs.)	Issue/ Acquisition Price (Rs.)	Consideration (Rs.)
17.07.2001	Purchase (off market)	4,950	10/-	325.00	1,608,750
29.08.2001	Purchase (off market)	3,500	10/-	325.00	1,137,500
31.08.2001	Purchase (off market)	500	10/-	325.00	162,500
12.06.2002	Purchase (off market)	700	10/-	325.00	227,500
11.06.2003	Preferential Allotment (Acquired 100% stake of Tips Films Pvt. Ltd.)*	317,100	10/-	-	-
18.06.2003	Purchase (off market)	500	10/-	325.00	162,500
18.06.2003	Purchase (off market)	2,500	10/-	325.00	812,500
03.03.2006	Purchase (off market)	1,000	10/-	325.00	325,000
17.09.2007	Preferential Allotment	6,750	10/-	45.00	303,750
	Total	337,500			

* The Company has acquired the entire equity Shares of Tips Films Pvt. Ltd. valued at Rs.1,646/- per share and made it wholly owned subsidiary of Tips Industries Ltd by issue of 638,400 Equity Shares on Preferential basis to the shareholders of Tips Films Ltd. without payment being received in cash and as a consideration in ratio of 21 Equity share of the Company for every 1 share held in Tips Films Pvt. Ltd.

3. Renu K. Taurani – Intend to tender up to 3,37,500 Equity Shares

Date	Nature of Transaction	Number of Equity Shares	Face Value (Rs.)	Issue/ Acquisition Price (Rs.)	Consideration (Rs.)
22.06.2001	Purchase (Off Market)	5,883	10/-	325.00	1,911,975
11.06.2003	Preferential Allotment (Acquired 100% stake of Tips Films Pvt. Ltd.)*	1,670	10/-	-	-
11.06.2003	Preferential Allotment (Acquired 100% stake of Tips Films Pvt. Ltd.)*	430	10/-	-	-
14.02.2006	Purchase (Off Market)	4,950	10/-	325.00	1,608,750
07.04.2006	Preferential Allotment	112,500	10/-	45.00	5,062,500
17.09.2007	Preferential Allotment	212,067	10/-	45.00	9,543,015
	Total	337,500			

* The Company has acquired the entire equity Shares of Tips Films Pvt. Ltd. valued at Rs.1,646/- per share and made it wholly owned subsidiary of Tips Industries Ltd by issue of 638,400 Equity Shares on Preferential basis to the shareholders of Tips Films Ltd. without payment being received in cash and as a consideration in ratio of 21 Equity share of the Company for every 1 share held in Tips Films Pvt. Ltd.

4. Varsha R. Taurani - Intend to tender up to 3,37,500 Equity Shares

Date	Nature of Transaction	Number of Equity Shares	Face Value (Rs.)	Issue/ Acquisition Price (Rs.)	Consideration (Rs.)
02.04.2001	Purchase (Off Market)	1,100	10/-	325.00	357,500
08.06.2001	Purchase (Off Market)	7,000	10/-	325.00	2,275,000
19.09.2001	Purchase (Off Market)	1,000	10/-	325.00	325,000
14.03.2003	Purchase (Off Market)	3,450	10/-	325.00	1,121,250
15.03.2003	Purchase (Off Market)	2,000	10/-	325.00	650,000
11.06.2003	Preferential Allotment (Acquired 100% stake of Tips Films Pvt. Ltd.)*	2,100	10/-	-	-
18.11.2005	Purchase (Open Market)	29,700	10/-	38.00	1,128,600
07.04.2006	Preferential Allotment	225,000	10/-	45.00	10,125,000
17.09.2007	Preferential Allotment	66,150	10/-	45.00	2,976,750
	Total	337,500			

* The Company has acquired the entire equity Shares of Tips Films Pvt. Ltd. valued at Rs.1,646/- per share and made it wholly owned subsidiary of Tips Industries Ltd by issue of 638,400 Equity Shares on Preferential basis to the shareholders of Tips Films Ltd. without payment being received in cash and as a consideration in ratio of 21 Equity share of the Company for every 1 share held in Tips Films Pvt. Ltd.

5. Shyam M. Lakhani - Intend to tender up to 4,500 Equity Shares

Date	Nature of Transaction	Number of Equity Shares	Face Value (Rs.)	Issue/ Acquisition Price (Rs.)	Consideration (Rs.)
12.10.2016	Transmission of shares*	4,500	10/-	-	-
	Total	4,500			

* 4,500 Equity Shares of Late Kavita S. Lakhani have been transferred to Mr. Shyam Lakhani, spouse of Kavita Lakhani.

(k) Confirmations from Company as per the provisions of Buyback Regulations and Act

- all the Equity Shares of the Company are fully paid-up;
- the Company shall not issue and allot any Equity Shares or specified securities including by way of bonus, from the date of declaration of results of the postal ballot for special resolution passed by the shareholders approving the proposed Buyback until the date of expiry of the Buyback Period;
- the Company, as per the provisions of Section 68(8) of the Act, will not make any further issue of the same kind of shares or other securities including allotment of new shares under Section 62(1)(a) or other specified securities within a period of six months after the completion of the Buyback except by way of bonus shares or equity shares issued in order to discharge subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares (Subsisting Obligations);
- the Company shall not raise further capital for a period of one year from the expiry of the Buyback period, except in discharge of its Subsisting Obligations;

- e) the Company shall not buyback locked-in Equity Shares and non-transferable Equity Shares until the pendency of the lock-in or till the Equity Shares become transferable;
- f) the Company shall not buyback its Equity Shares from any person through negotiated deal whether on or off the stock exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;
- g) there are no defaults subsisting in the repayment of any deposits (including interest payable thereon), redemption of debentures or preference shares, payment of dividend or repayment of any term loans to any financial institution or banks (including interest payable thereon);
- h) That the funds borrowed from banks and financial institutions, if any, will not be used for the Buyback;
- i) that the Company has been in compliance with Sections 92, 123, 127 and 129 of the Companies Act;
- j) the aggregate amount of the Buyback i.e. up to Rs. 18,90,00,000/- (Rupees Eighteen Crores Ninety Lakhs only) does not exceed 25% of the aggregate of the total paid-up capital and free reserves of the Company as per Unaudited Limited reviewed Financial Statements;
- k) the maximum number of Equity Shares proposed to be purchased under the Buyback (up to 13,50,000 Equity Shares), does not exceed 25% of the total number of Equity Shares in the paid-up Equity Share capital as per the Unaudited Limited reviewed Financial Statements;
- l) The Company has not undertaken a buyback of any of its securities during the period of one year immediately preceding the date of this Board meeting
- m) the Company shall not make any offer of buyback within a period of one year reckoned from the date of expiry of the Buyback period;
- n) the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up Equity Share capital and free reserves, after the Buyback; and
- o) the Company shall not directly or indirectly purchase its Equity Shares through any subsidiary company including its own subsidiary companies or through any investment company or group of investment companies.
- p) there is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act as on date;
- q) The Buyback shall be completed within a period of 1 year from the date of passing of special resolution by way of postal ballot; the Company shall not withdraw the Buyback offer after the draft letter of offer is filed with the SEBI or the public announcement of the offer of the Buyback is made, except where any event or restriction may render Company unable to effect Buyback;
- r) the Company is not undertaking the Buyback to delist its equity shares other specified securities from the stock exchanges;
- s) Consideration of the Equity Shares bought back by the Company will be paid only by way of cash.

(l) Confirmations from 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.

(m) Report addressed to the Board of Directors by the Company's Auditors on the permissible capital payment opinion formed by Directors regarding insolvency

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

Dear Sir,

Statutory Auditor's Report in respect of proposed buyback of 13,50,000 equity shares by Tips Industries Limited ('the Company') in terms of clause (xi) of Schedule I as required by the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 (as amended).

The Buy-back of Tips Industries Limited ("the Company") has been approved by the Board of Directors of the Company at their meeting held on February 13, 2020 under section 68, 69 and 70 of Companies Act, 2013 at a price of Rs. 140/- per Equity Share. In this regard, we report that:

- (a) We have inquired into the state of affairs of the Company with reference to its latest unaudited limited review nine months standalone financial statements for the period ended December 31, 2019 as adopted by the Board of Directors of the Company at its meeting held on February 13, 2020, which have been Limited Reviewed by us on which we issued an unmodified audit opinion vide our report dated February 13, 2020.

- (b) The Board of Directors have proposed to buy-back 13,50,000 equity shares of face value of Rs. 10/- at a price of Rs. 140/- per equity share. The permissible capital payment (including premium) of an amount not exceeding Rs. 1890 (in lakh) towards the Buy-back of equity shares, as approved by the Board of Directors, has been determined in accordance with section 68(2) of the Companies Act, 2013 and clause xi of schedule I the Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018 (as amended from time to time) and is within the permissible amount of 25% of the paid-up equity capital and free reserves of the Company, as extracted from the latest unaudited standalone financial statements of the Company for the period ended December 31, 2019. The same has been computed as under:

INR in Lakh

Particulars	As on December 31, 2019	
	Standalone	Consolidated
Equity Share Capital - Subscribed and Paid up (A)	1,431.87	
Free Reserves		
a) Securities Premium	1,798.72	
b) General Reserves	551.25	
c) Surplus in Profit and Loss*	3,895.51	
Total Free Reserves (B)	6,245.48	Not Applicable
Total (A+B)	7,677.34	
Maximum amount permissible for the Buy-back i.e. 25% of total paid up equity capital and free reserves	1,919.34	
Amount approved by the Board of Directors for buy-back in the meeting held on February 13, 2020	1,890.00	

* it excludes Other Comprehensive Income which is arising on account of new Indian Accounting Standards (Ind AS)

- (c) Based on the representations made by the management and other information and explanations given to us, which to the best of our knowledge and belief were necessary for this purpose, the Board of Directors at their meeting held February 13, 2020 on 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, 2018 (as amended from time to time), on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the aforesaid date and from the date on which the results of the shareholders' resolution by the of the Company with regard to the proposed buyback as declared

This certificate is intended solely in connection with the proposed Buy Back of Equity Shares of the Company and can be reproduced in the relevant documents and can even be submitted to stock exchanges, SEBI or other concerned authority. The same should not be used other than for the purpose it has been taken by the Company without our written consent.

For SSPA & Associates
Chartered Accountants
Firm Registration No. 131069W

Parag Ved
Partner
Membership No.: 102432
UDIN: 20102432AAAAAF1650

Place: Mumbai
Date: February 13, 2020

In the opinion of the Board, the proposal for Buyback is in the interest of the Company and its shareholders holding Equity Shares of the Company. The Directors, therefore, recommend the special resolution as set out in the accompanying notice for approval by the shareholders.

Mr. Kumar Taurani and Mr. Ramesh Taurani are interested in this resolution.

The relatives of Mr. Kumar Taurani and Mr. Ramesh Taurani may be deemed to be interested in this resolution, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors /Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

By Order of the Board

For Tips Industries Limited

Bijal R. Patel
Company Secretary

Date: February 13, 2020
Place: Mumbai



TIPS INDUSTRIES LIMITED

Regd. Office: 601, 6th Floor, Durga Chambers, Linking Road, Khar (W), Mumbai 400052
Tel No.: 91-22-66431188 **Fax No.:** 91-22- 66431189 **Email:** response@tips.in **Website:** www.tips.in
CIN: L92120MH1996PLC099359

POSTAL BALLOT FORM

(Please read the instructions before completing the Form)

Sr. No.:

1. Name and Registered address of the sole / first named Member :
2. Name(s) of the Joint Holder(s), if any :
3. Registered Folio No. /DP ID No. * / Client ID No.* (*Applicable to investors Holding shares in demat Form) :
4. No. of Equity Shares held :

I/We hereby exercise my/our vote in respect of resolution to be passed through Postal Ballot for the business stated in the Postal Ballot Notice of the Company dated February 13, 2020 by sending my/our assent/dissent to the said resolutions by placing the (✓) mark at the appropriate box below:

Item No.	Resolution	No. of Shares held	FOR	AGAINST
			I/We assent to the Resolution	I/We dissent to the Resolution
1	Approval for Buyback of Equity Shares			

Place:

Date:

Signature of the Shareholder

ELECTRONIC VOTING PARTICULARS

EVSN (Electronic Voting Sequence Number)	User ID	* Default PAN
200214001		

* Only those Members who have not updated their PAN with the Company / Depository Participant shall be use "Default PAN" in the field PAN

Note:

- i. Each equity shares of the company carries one vote.
- ii. Kindly read the instructions printed overleaf carefully before exercising your vote
- iii. Last date for receipt of Postal Ballot Form by Scrutinizer is Friday, March 20, 2020 upto 5:00 p.m.

INSTRUCTIONS:

1. A Member desiring to exercise vote by postal ballot may complete this Postal Ballot Form and send it to the Scrutinizer in the attached postage-prepaid self-addressed Business Reply Envelope. Postage will be borne and paid by the Company. However, envelopes containing postal ballots, if deposited in person or sent by courier / speed post at the expense of the Member, will also be accepted.
2. Alternatively, a Member may vote through electronic mode as per the instructions for voting through electronic means provided in the Postal Ballot Notice sent herewith.
3. The self-addressed envelope bears the name of the Scrutinizer appointed by the Board of Directors of the Company.
4. This form should be completed and signed by the Member. In case of joint holding, this form should be completed and signed (as per the specimen signature registered with the Company) by the first-named Member and in his/ her absence, by the next-named Member.
5. Consent must be accorded by placing a tick mark (✓) in the column 'I assent to the resolution' or dissent must be accorded by placing a tick mark (✓) in the column 'I dissent to the resolution'.
6. The votes of a Member will be considered invalid on any of the following grounds:
 - (a) if the Postal Ballot Forms are unsigned, incomplete or incorrectly filled;
 - (b) if the Member's signature does not tally;
 - (c) if the Member has marked his / her / its vote both for 'Assent' and also for 'Dissent' to the 'Resolution' in such a manner that the aggregate shares voted for 'Assent' and 'Dissent' exceed the total number of shares held;
 - (d) if the Postal Ballot Form is received torn or defaced or mutilated such that it is difficult for the Scrutinizer to identify either the Member, or the number of votes, or whether the votes are for 'Assent' or 'Dissent', or it is difficult to verify the signature, or one or more of the above grounds.
7. Duly completed Postal Ballot Forms should reach the Scrutinizer on or before 5:00 p.m. on March 20, 2020. If any Postal Ballot Form is received after the prescribed period, it will be treated as not having been received.
8. A Member may request for a duplicate Postal Ballot Form, if so required, from Link Intime India Pvt Ltd, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083, E-mail ID: rnt.helpdesk@linkintime.co.in However, the duly filled-in duplicate Postal Ballot Forms should reach the Scrutinizer not later than the date and time specified in Item (7) above.
9. In case of shares held by Companies, Trusts, Societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified true copy of Board Resolution / Power of Attorney / attested specimen signatures etc.
10. Members are requested NOT to send any other paper along with the Postal Ballot Form in the enclosed self-addressed postage-prepaid envelopes in as much as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelopes would be destroyed by the Scrutinizer and the Company would not be able to act on the same.
11. Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the Member on the cut-off date, i.e. February 14, 2020
12. Only a Member entitled to vote is entitled to fill in the Postal Ballot Form and send it to the Scrutinizer, and any recipient of the Notice who has no voting right should treat the Notice as intimation only.
13. The Scrutinizer's decision on the validity of the postal ballot shall be final.