

For The Attention Of The Shareholders/beneficial Owners Of Equity Shares Of Baba Arts Limited

This Public Announcement (the "Public Announcement") is being made pursuant to Regulation 8(1) of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (the "Buy-back Regulations") and subsequent amendments, if any and contains the disclosures as specified in Part A of Schedule II of the Buy-back Regulations. **OFFER FOR BUYBACK OF UPTO 2,58,00,000 FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹1/- (RUPEE ONE ONLY) EACH ("EQUITY SHARES") AT A PRICE OF ₹3/- (RUPEES THREE ONLY) PER FULLY PAID-UP EQUITY SHARE ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER PROCESS.**

1. The Buyback Offer
The Board of Directors of Baba Arts Limited ("the Company") at its meeting held on April 20, 2016 approved the proposal for maximum Buy Back of upto 2,58,00,000 fully paid-up equity shares of ₹ 1/- (Rupee One Only) each at a maximum price of ₹ 3/- (Rupees Three Only) per equity share for a total consideration not exceeding ₹ 7,74,00,000/- (Rupees Seven Crore Seventy Four Lakhs Only) which is 24.70% of the paid up equity share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2015 (hereinafter referred to as "the Buy Back"), through "Tender Offer" route pursuant to relevant provisions of Memorandum of Association and Article 63 of the Articles of Association of the Company and in accordance with Section 68 and all other applicable provisions of Companies Act, 2013 (hereinafter referred to as "the Act") and Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 ("the Buy-back Regulations").

The Board of Directors at their meeting approved the Postal Ballot Notice dated April 20, 2016 ("Postal Ballot Notice"), to seek the approval of the Shareholders of the Company for the Buyback, through a Special Resolution.
The Shareholders of the Company approved the Buyback of the Company's fully paid-up Equity Shares from the existing shareholders/beneficial owners, on a proportionate basis, through the tender offer process pursuant to Article no. 63 of the Articles of Association of the Company and in accordance with provisions of the Companies Act and the Buy-back Regulations, by way of a Special Resolution, through the postal ballot ("Postal Ballot"), the results of which were announced on June 02, 2016 ("Shareholders Approval"). As per the authority given by the shareholders through their postal ballot resolution, the Board of Directors of the Company in its meeting held on June 02, 2016 has fixed the final price at which the buy back will be made at ₹ 3/- (Rupees Three Only) per share. The Buyback Price per Equity Share and the Buyback Size do not include transaction costs including brokerage costs, securities transaction taxes, service tax, and stamp duty ("Transaction Costs"). The Buyback is subject to receipt of approvals of statutory, regulatory or governmental authorities, if any, as may be required under applicable laws, including the Securities and Exchange Board of India ("SEBI"), and the stock exchange on which the Equity Shares are listed, namely, BSE Limited ("BSE"/"Stock Exchange").

The Buyback shall be undertaken on a proportionate basis from the Shareholders as of June 10, 2016 through the tender offer process prescribed under Regulation 4(1)(a) of the Buy-back Regulations. Additionally, the Buyback shall be, subject to applicable laws, facilitated by tendering of Equity Shares by such Shareholders and settlement of the same, through the stock exchange mechanism as specified by SEBI in the circular bearing number CIR/CFD/POLICYCELL1/2015 dated April 13, 2015 ("SEBI Circular").
In terms of the Buy-back Regulations, under tender offer route, the promoter and promoter group have the option to participate in the Buyback. In this regard, promoter / promoter group have informed the Company vide letter dated April 20, 2016, their intention to participate in the Buyback. The extent of their participation in the Buyback has been detailed in clause 8 of this announcement.

The Buyback Offer price of ₹ 3/- (Rupees Three Only) per Equity Share represents i) a premium of 35% over the average of the weekly high and low of the volume weighted average price of the Equity Shares on the BSE for 26 weeks preceding the date of intimation to the Stock Exchange for the Board Meeting to consider the proposal of the Buyback;

and

(ii) a premium of 47.32% over the average of the weekly high and low of the volume weighted average price of the Equity Shares on the BSE for 2 weeks preceding the date of intimation to the Stock Exchange for the Board Meeting to consider the proposal of the Buyback.

The aggregate paid-up equity share capital and free reserves of the Company as on March 31, 2015 was ₹ 3133.90 Lac and under the provisions of the Act, the funds to be deployed for Buyback shall not exceed 25% of the paid-up capital and free reserves of the Company under shareholder approval route. Accordingly, the maximum amount that can be utilised in the present Buyback is ₹ 783.47 Lac. The aggregate amount proposed to be utilised for the Buyback is ₹ 774.00 Lakh, which is 24.70% of the paid up equity share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2015.

Further, under the Act, the number of equity shares that can be bought back during the financial year shall not exceed 25% of the paid-up equity shares of the Company. Accordingly, the number of equity shares that can be bought back during the financial year cannot exceed 2,58,00,000 equity shares being 25% of 10,32,00,000 equity shares of face value of ₹ 1/- each. Since the Company proposes to buyback up to 2,58,00,000 equity shares, the same is within the aforesaid limit of 25%.

Pursuant to the proposed Buyback and depending on the response to the Buyback, the voting rights of the promoter and promoter group in the Company may increase over the existing 67.83% holding in the total equity capital and voting rights of the Company. The promoter and promoter group of the Company are already in control over the Company and therefore such further increase in voting rights of the promoter group will not result in any change in control over the Company.

In terms of the Buyback Regulations, under the Tender Offer route, Shri. Gordan P. Tanwani and Shri. Pravin J. Karia, the Promoters of the Company have the option to participate in the Buyback. In this regard, Shri Gordan P. Tanwani has expressed his intention vide letter dated April 20, 2016, to participate in the Buyback and offer up to 2,58,00,000 (Two Crore Fifty Eight Lakh) equity shares or any such lower number of shares as required in compliance with the Buyback Regulations/terms of the Buyback. In order to be in compliance with 10(4)(C) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the promoter director i.e. Shri. Gordan P. Tanwani did not participate in the board meeting held on April 20, 2016 for approval of buyback. Further, the Promoters also did not participate in the postal ballot process for approval of buyback.

A copy of this Public Announcement is expected to be available on the Securities and Exchange Board of India ("SEBI") website www.sebi.gov.in during the period of the Buyback

2. Necessity for the buy-back:
The Company has accumulated substantial cash reserves out of the operations in the past. The Company doesn't have any expansion plans/new projects to be undertaken in near future and neither it has any debt to be repaid. The Company wishes to return the portion of the cash to the shareholders and propose to utilize the cash reserves to buyback its equity shares. It is also observed that the equity shares of Company are infrequently traded on the Stock Exchange limiting the opportunity for the shareholders to buy and sell equity shares. The buyback of equity shares shall also provide an opportunity to shareholders to offer their equity shares to the Company resulting in improvement in financial ratios and maximization of overall shareholders' value. The buy-back is a more efficient form of distributing surplus cash to the equity shareholders compared to other alternatives including inter dividend, inter-alia, for the following reasons:

i. The buy-back gives an option to the equity shareholders to either participate in the buy-back and receive cash in lieu of Equity Shares accepted under the buy-back or not participate in the buy-back and enjoy a resultant increase in their percentage shareholding in the Company post the buy-back;

ii. The buy-back would help in improving certain key financial ratios of the Company;

iii. The buy-back, which is being implemented through the Tender Offer route as prescribed under the Buy-back Regulations, would involve a reservation for small shareholders as defined in the Buy-back Regulations. As defined in the Buy-back Regulations, a "small shareholder" is a shareholder who holds equity shares having market value of not more than ₹ 2,00,000 (Rupees Two Lakhs only) as on the Record Date on the basis of closing price on the recognized stock exchange i.e. BSE Limited in which highest trading volume in respect of such equity shares.

3. Maximum amount required under the buy-back & its percentage of the total paid-up capital and free reserves and the sources of funds from which the buyback would be financed:

The maximum amount required under the buy-back will be ₹ 7,74,00,000 (Rupees Seven Crore Seventy Four Lakhs Only) which is 24.70% of the aggregate of equity share capital and free reserves of the Company as per the audited accounts of the Company for the financial year ended March 31, 2015. The buy-back would be financed out of current surplus and / or cash and cash equivalents and / or internal accruals of the Company. The Company shall transfer from its free reserves a sum equal to the nominal value of the equity shares bought back through the buy-back to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequently audited Balance Sheet. The Company confirms that as required under Section 68(2)(d) of the Companies Act, the ratio of the aggregate of secured and unsecured debts owed by the Company will not be more than twice the paid up equity share capital and free reserves after the Buyback.

4. Maximum buy-back price and the basis of arriving at the Maximum buy-back price:
The maximum buy-back price of ₹ 3/- (Rupees Three Only) per share has been arrived at after considering various factors such as Book Value of the Company as on March 31, 2015 and volume weighted average prices of the equity shares of the Company on BSE Ltd. where the equity shares of the Company are listed. The maximum buy-back price of ₹ 3/- (Rupees Three Only) per equity share represents a premium of 35% over the average of the weekly high and low of the volume weighted average price of the Company's equity shares on BSE Ltd. for 26 weeks preceding the date of intimation to the Stock Exchange regarding the Board Meeting to consider the proposal of the buy-back and 47.32% over the average of the weekly high and low of the volume weighted average price of the Company's equity shares for 2 weeks preceding the date of intimation to the Stock Exchange regarding the Board Meeting to consider the proposal of the buy-back.

Shri Gordan P. Tanwani, one of the Promoter of the Company intends to offer up to a maximum of 2,58,00,000 (Two Crore Fifty Eight Lakh) equity shares or such lower number of shares as required in compliance with the Buyback Regulations/terms of the Buyback and to maintain minimum public shareholding.

The Promoter/Promoter Group of the company i.e. Shri Gordan P. Tanwani and Shri Pravin J. Karia (hereinafter referred as Promoters), hold 7,00,04,587 (Seven Crore Four Thousand Five Hundred Eighty Seven) equity shares as on the date of passing of board resolution and the promoters have not done any transaction in the equity shares of the company during the period of six months preceding the date of the Board Meeting at which the buy-back was approved till the date of this public announcement.

5. Maximum number of shares that the Company proposes to buy-back and the time limit for completing the buy-back:

The Company proposes to buy-back a maximum of 2,58,00,000 (Two Crore Fifty Eight Lakh) equity shares of face value of ₹ 1/- each. The buy-back is proposed to be completed within 12 months from the date of passing the special resolution approving the proposed buy-back.

6. Record Date and Shareholders entitlement:
The buy-back shall be on a proportionate basis from the equity shareholders / beneficial owners of the equity shares of the Company through the "Tender Offer" route, as prescribed under the Buy-back Regulations.

As required under the Buy-back Regulations, the Company has fixed June 10, 2016 as the Record Date (Record Date) for the purpose of determining the entitlement and the names of the Shareholders, who will be eligible to participate in the Buyback.

In due course, the equity shareholder as on the Record Date will receive a Letter of Offer along with a Tender / Offer Form indicating the entitlement of the equity shareholder for participating in the buy-back. The equity shares to be bought back as part of the buy-back is divided in two categories:

i. Reserved category for small shareholders, and

ii. General category for all other shareholders.

In accordance with Regulation 6 of the Buy-back Regulations, 15% (fifteen percent) of the maximum number of equity shares which the Company proposes to buy-back or number of equity shares entitled as per the shareholding of small shareholders, whichever is higher, shall be reserved for the small shareholders as part of this buy-back. On the basis of the holding on the Record Date, the Company will determine the entitlement of each shareholder including small shareholder to tender their shares in the buy-back. This entitlement for each 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 buy-back applicable in the category to which such shareholder belongs.

The participation of the equity shareholders of the Company in the buy-back will be voluntary. Equity shareholders may also tender a part of their entitlement. Equity shareholders also have the option of tendering additional shares (over and above their entitlement) and their application for such additional shares would be considered in case there is a shortfall created due to non-participation of some other equity shareholders. If by the buy-back entitlement for any shareholder is not a whole number, then the fractional entitlement shall be rounded off to the next higher integer for computation of buy-back entitlement to tender equity shares in the buy-back. Adjustment for excess resulting from such rounding off would be made in the entitlement of entities belonging to promoter.

Detailed instructions for participation in the buy-back as well as the relevant Schedule of Activities will be included in the Letter of Offer which will be sent in due course to the equity shareholders as on the Record Date.

The buy-back from non-resident members, Overseas Corporate Bodies (OCBs) and Foreign Institutional Investors (FIIs), and members of foreign nationality, if any, etc. shall be subject to such approvals as are required including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules, regulations framed there under, if any.

7. Aggregate shareholding of the Promoters, the directors of the Promoter companies holding shares in the Company and of Persons who are in control of the Company as on the date of this Public Announcement:

1. The aggregate shareholding of promoters who are in control of the Company:

Sr. No.	Name of the Shareholders	No. of Shares Held	Percentage (%)
1.	Shri Gordan P. Tanwani	6,99,96,587	67.83
2.	Shri Pravin J. Karia	8,000	0.007

2. None of the directors and key managerial personnel of the Company hold any equity shares in the Company except for the following:

Sr. No.	Shareholding of each Directors & each Key Managerial Personnel	No. of Shares Held	Percentage (%)
1.	Shri Sanjiv Hinduja - Director	8,000	0.007
2.	Smt. Malavika Acharya Jtly. With Shri Ajay A Acharya - Director	19,00,000	1.84
3.	Shri N.H. Mankad - Company Secretary	61,600	0.059

3. No equity shares have been purchased or sold by any member of the Promoter/ Promoter Group, directors and key managerial personnel of the Company during the period of six months preceding the date of the Board Meeting at which the buy-back was approved till the date of this Public Announcement.

8. Intention of the Promoters and Promoters Group of the Company to tender equity shares for buy-back:

In terms of the Buyback Regulations, under the Tender Offer route, Shri. Gordan P. Tanwani and Shri. Pravin J. Karia, the Promoters of the Company have the option to participate in the Buyback. In this regard, Shri Gordan P. Tanwani has expressed his intention vide letter dated 20th April, 2016, to participate in the Buyback and offer up to 2,58,00,000 (Two Crore Fifty Eight Lakh) equity shares or any such lower number of shares as required in compliance with the Buyback Regulations/terms of the Buyback. In order to be in compliance with 10(4)(C) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the promoter director i.e. Shri. Gordan P. Tanwani did not participate in the board meeting held on April 20, 2016 for approval of buyback. Further, the Promoters also did not participate in the postal ballot process for approval of buy-back.

Details of the date and price of acquisition of the equity shares held by Shri. Gordan P. Tanwani who intends to tender his equity shares are set-out below. Shri. Pravin J. Karia does not intend to tender any equity shares under the buyback offer.

Date	No. of shares acquired/(sold)	Nominal Value (in ₹)	Issue Price (in ₹)	Consideration
12.08.2003	5,800	10	4.00	Open Offer
20.08.2003	1600,000	10	2.50	Open Offer - Acquisition of equity shares under Share Purchase Agreement
20.08.2003	2400,000	10	2.50	Open Market
28.08.2003	1100,010	10	2.50	Open Market
23.03.2004	(47,680)	10	14.72	Open Market
24.03.2004	(73,150)	10	14.06	Open Market
25.03.2004	(73,832)	10	14.05	Open Market
02.11.2004	20,000	10	11.75	Open Market
04.11.2004	10,000	10	12.00	Open Market
04.11.2004	15,000	10	11.75	Open Market
05.11.2004	12,144	10	12.14	Open Market
08.11.2004	28,300	10	12.82	Open Market
10.11.2004	17,400	10	12.52	Open Market
11.11.2004	12,385	10	12.13	Open Market
12.11.2004	5,000	10	12.25	Open Market
28.12.2004	16,830	10	11.43	Open Market
29.12.2004	6,941	10	11.80	Open Market
30.12.2004	18,200	10	11.78	Open Market
31.12.2004	25,000	10	11.86	Open Market
02.02.2005	33,300	10	8.81	Open Market
04.02.2005	22,200	10	9.06	Open Market
07.02.2005	26,900	10	8.96	Open Market
08.02.2005	1,600	10	8.96	Open Market
09.02.2005	20,300	10	9.06	Open Market
15.02.2005	27,849	10	10.55	Open Market
16.02.2005	44,750	10	11.18	Open Market
23.02.2005	40,000	10	11.57	Open Market
24.02.2005	42,013	10	11.30	Open Market
25.02.2005	40,412	10	11.31	Open Market
Reduction of face value from ₹ 10/- to ₹ 4/- per equity share as approved by Bombay High Court vide its order dated 11-02-2005.				
09.09.2005	45,500	4	19.39	Open Market
13.09.2005	25,941	4	20.50	Open Market
14.09.2005	53,000	4	20.60	Open Market
02.06.2006	(38,991)	4	24.82	Open Market
05.06.2006	(25,000)	4	22.42	Open Market
06.06.2006	(7,178)	4	21.51	Open Market
07.06.2006	(17,500)	4	19.95	Open Market
08.06.2006	(2,000)	4	18.42	Open Market
09.06.2006	(70,000)	4	17.00	Open Market
12.06.2006	(12,500)	4	17.00	Open Market
13.06.2006	(24,008)	4	16.67	Open Market
14.06.2006	(22,850)	4	17.00	Open Market
15.06.2006	(25,042)	4	16.88	Open Market
16.06.2006	(36,050)	4	17.64	Open Market
19.06.2006	(65,000)	4	17.40	Open Market
20.06.2006	(17,330)	4	17.77	Open Market
20.06.2006	(67,067)	4	18.49	Open Market
06.11.2006	(11,500)	4	26.91	Open Market
10.11.2006	(48,000)	4	22.80	Open Market
13.11.2006	(40,500)	4	23.06	Open Market
15.11.2006	(29,278)	4	23.75	Open Market
17.11.2006	(40,000)	4	23.11	Open Market
17.11.2006	(30,721)	4	23.91	Open Market
28.09.2007	(2,50,447)	4	50.47	Open Market
04.02.2008	(70,000)	4	27.14	Open Market
05.02.2008	(98,804)	4	29.25	Open Market
06.02.2008	(21,940)	4	27.21	Open Market
26.06.2008	6,00,000	4	44.00	Conversion of Warrants
11.07.2008	1,00,000	4	44.00	Conversion of Warrants
31.07.2008	2,00,000	4	44.00	Conversion of Warrants
25.08.2008	49,530	4	44.00	Conversion of Warrants
Total	54,49,300			
Post Stock Split from ₹ 4/- to ₹ 1/- per equity share				
Op. Balance	2,17,98,120	1	N.A.	-
11.01.2010	(4,62,850)	1	12.17	Open Market
12.01.2010	(4,33,475)	1	11.97	Open Market
13.01.2010	(4,91,932)	1	12.00	Open Market
14.01.2010	(4,36,165)	1	12.18	Open Market
15.01.2010	(2,16,151)	1	12.42	Open Market
15.03.2010	50,27,024	1	--	Inter Se transfer by way of gift.
26.03.2010	16,00,000	1	--	Inter Se transfer by way of gift.
04.10.2010	2,63,16,000	1	--	Bonus in the ratio of 1:1
01.12.2011	49,378	1	7.99	Open Market
02.12.2011	42,105	1	8.00	Open Market
05.12.2011	38,100	1	8.00	Open Market
07.12.2011	34,800	1	7.78	Open Market
08.12.2011	40,731	1	7.30	Open Market
09.12.2011	44,305	1	7.32	Open Market
12.12.2011	41,485	1	7.36	Open Market
13.12.2011	57,945	1	7.19	Open Market
14.12.2011	50,988	1	7.27	Open Market
23.03.2012	2,00,117	1	7.49	Open Market
26.03.2012	29,383	1	7.30	Open Market
27.03.2012	54,237	1	7.50	Open Market
28.03.2012	1,41,475	1	7.50	Open Market
29.03.2012	78,949	1	8.53	Open Market
02.04.2012	56,196	1	9.00	Open Market
03.04.2012	62,228	1	9.00	Open Market
04.04.2012	51,000	1	9.00	Open Market
09.04.2012	60,000	1	9.00	Open Market
10.04.2012	72,000	1	9.00	Open Market
11.04.2012	61,600	1	8.50	Open Market
12.04.2012	27,310	1	8.50	Open Market
13.04.2012	1,14,316	1	8.00	Open Market
16.04.2012	1,23,859	1	8.00	Open Market
17.04.2012	1,06,960	1	7.78	Open Market
18.04.2012	58,026	1	7.49	Open Market
19.04.2012	1,44,708	1	7.50	Open Market
20.04.2012	43,756	1	7.77	Open Market
23.04.2012	80,520	1	7.50	Open Market
24.04.2012	1,15,900	1		