BABA ARTS LIMITED

(CIN: L72200MH1999PLC119177)

Registered office: 3A, Valecha Chambers, New Link Road, Andheri (West), Mumbai – 400 053 Tele. No. (022) 2673 3131 | Fax : (022) 2673 3375 | Website : www.babaartslimited.com | Email : investors@be

PUBLIC ANNOUNCEMENT

FOR THE ATTENTION OF EQUITY SHAREHOLDERS / BENEFICIAL OWNERS OF BABA ARTS LIMITED FOR BUYBACK OF EQUITY SHARES THROUGH TENDER OFFER UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018

This Public Announcement (the "Public Announcement") is being made pursuant to the provisions of Regulation 7(i) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (the "Buyback Regulations") for the time being in force including any statutory modifications and amendments from time to time and contains the disclosures as specified in Schedule II to the Buyback Regulations

OFFER FOR BUYBACK OF UPTO 75.18.300 FULLY PAID UP EQUITY SHARES OF BABA ARTS LIMITED ("THE COMPANY") OF FACE VALUE OF ₹ 1 (RUPEE ONE ONLY) EACH AT A PRICE OF ₹ 4.50 (RUPEES FOUR AND FIFTY PAISE ONLY) PER FULLY PAID UP EQUITY SHARE IN CASH ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER ROUTE USING THE STOCK EXCHANGE MECHANISM.

1. Details of the Buyback offer.

The Board of Directors (the "Board", which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorized committee thereof)) of Baba Arts Limited (the "Company") at its meeting held on November 13, 2018 ("Board Meeting") approved the proposal of Buy Back of up to 75,18,300 (Seventy Five Lakhs Eighteen Thousand Three Hundred) fully-paid-up Equity Shares of face value ₹ 1/- each ("Shares" or "Equity Shares"), at a maximum price of ₹ 4.50/- per share aggregating to ₹ 3,38,32,350 (Rupees Three Crore Thirty Eight Lakhs Thirty Two Thousand Three Hundred and Fifty Only) from the equity shareholders of the Company as on the Record Date (hereinafter defined), on a proportionate basis through the "Tender Offer" route subject, to approval of the Equity Shareholders of the Company. The Board of Directors at their meeting approved the Postal Ballot Notice dated November 13, 2018 ("Postal Ballot Notice"), to seek the approval of the Equity Shareholders of the Company for the Buyback, through a Special Resolution.

The Equity Shareholders of the Company approved the "Buyback" of up to 75,18,300 (Seventy Five Lakhs Eighteen Thousand Three Hundred) fully-paid-up Equity Shares of face value ₹ 1/- each, from the equity shareholders of the Company as on the Record Date, on a proportionate basis through the Tender Offer route at a maximum price of ₹ 4.50/- (Rupees Four and Fifty Paisa Only) per share payable in cash, aggregating to ₹ 3.38.32.350 (Rupees Three Crore Thirty Eight Lakhs Thirty Two Thousand Three Hundred and Fifty Only) which excludes the transaction costs such as securities transaction tax, GST, stamp duty, filing fees, advisors' fees, brokerage, public announcement expenses, printing and dispatch expenses and other incidental and related expenses. The results of the Postal Ballot Resolution were announced on January 02, 2019 ("Shareholders Approval").

The Equity Shareholders authorized the Board to finalize the terms of the Buy Back, including the price of Buy Back, total amount to be utilized for buy back within the aforesaid limit and the time frame for Buy Back. Subsequently the Board in its meeting held on January 03, 2019 determined the final price for Buy Back at ₹ 4.50 (Rupees Four and Fifty Paise Only) per Equity Share ("Buy Back Price") and the total amount for Buy Back i.e. ₹ 3,38,32,350 (Rupees Three Crore Thirty Eight Lakhs Thirty Two Thousand Three Hundred and Fifty Only) ("Buy Back Size") excluding the transaction cost. The Board of Directors also fixed Tuesday, January 15, 2019 as the Record Date to determine the list of shareholder who will be eligible to receive and participate in the buyback offer of the Company.

The Buyback is in accordance with Article 63 of the Articles of Association of the Company and the provisions of Sections 68, 69, 70 and 110 and other applicable provisions, if any, of the Companies Act, 2013 (the "Companies Act"), the Companies (Share Capital and Debentures) Rules, 2014, the Companies (Management and Administration) Rules, 2014, including any amendments, statutory modifications or re-enactments thereof, for the time being in force and in compliance with the Buyback Regulations.

The Buyback is subject to approvals as may be necessary, from time to time from statutory authorities including but not limited to Securities and Exchange Board of India ("SEBI") and from the Stock Exchange i.e BSE Ltd where the Equity Shares of the Company are listed.

In accordance with the provisions of the Companies Act, 2013, the Buyback Size is ₹ 3,38,32,350 (Rupees Three Crore Thirty Eight Lakhs Thirty Two Thousand Three Hundred and Fifty Only), which is 24.17% of fully paid up equity share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2018 (the last audited financial statement available as on the date of Board Meeting approving the Buyback) and is within the statutory limit of 25% of the fully paid up equity share capital and free reserves as per the last audited financial statement of the Company. Further, under the Companies Act, the number of equity shares that can be bought back in any financial year cannot exceed 25% of the total paid-up equity share capital of the Company in that financial year. Since the Company proposes to Buy Back upto 75,18,300 (Seventy Five Lakhs Eighteen Thousand Three Hundred) equity shares representing 12.53% of the total paid up equity share capital of the Company, the same is within the aforesaid limit of 25% of the total paid up equity share capital of the Company.

The maximum amount required by the Company for the said Buyback is ₹ 3,38,32,350 (Rupees Three Crore Thirty Eight Lakhs Thirty Two Thousand Three Hundred And Fifty Only), and is within permitted limits. The funds for the Buyback will be met out of the current surplus and/ or cash and cash equivalents and/ or internal accruals of the Company. The Company confirms that as required under Section 68(2)(d) of the Companies Act and Regulation 4(ii) of Buyback Regulations, the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the fully paid-up share capital and free reserves after the Buyback.

The buyback price is ₹ 4.50 (Rupees Four and Fifty Paise 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 market prices of the Equity Shares on BSE Limited ("BSE") where the Equity Shares are listed, the net worth of the Company, price earnings ratio, impact on other financial parameters and the possible impact of Buyback on the earnings per Share. The shares are being offered for buyback at a premium of 42.86% over the closing price of equity shares on BSE on the date of Board meeting to consider the proposal for buyback.

The Buyback shall be on a proportionate basis from all the Equity Shareholders of the Company through the "Tender Offer" route, as prescribed 4(iv)(a) of the Buyback Regulations. (Please see point 16 below for details regarding record date and share entitlement for tender in the Buyback)

The Buyback Offer Size does not include the transaction costs viz. brokerage, applicable taxes such as Securities Transaction Tax, GST, Stamp Duty, filing fees, advisors' fees, brokerage, public announcement expenses, printing and dispatch expenses and other incidental and related expenses.

A copy of this Public Announcement will be available on the Company's website (www.babaartslimited.com) and is expected to be available on the website of SEBI (www.sebi.gov.in) during the period of the Buyback and on the website of the BSE

(www.bseindia.com) 2. Necessity for the buyback

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 reserve 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 interim 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, on the basis of closing price on the recognized stock exchange having the highest trading volume in respect of such equity shares, as on the Record Date of not more than ₹ 2,00,000 (Rupees Two Lakhs). The Board of Directors of the Company believes that a large number of Equity Shareholders of the Company would get classified as "Small Shareholders" and as such the Buy Back would be

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

Pursuant to Section 68 (2) (c) of the Companies Act, 2013 and Regulation 4 (i) of Buyback Regulations, a Company can buyback 25% or less of the aggregate paid up share capital and free reserves as per the last audited financials. The proposed buyback of \ref{thm} 3,38,32,350 (Rupees Three Crore Thirty Eight Lakhs Thirty Two Thousand Three Hundred and Fifty Only), which is 24.17% of fully paid up equity share capital and free reserves of the Company as per the last audited accounts of the Company for the financial year ended March 31, 2018 is within the said prescribed limit of 25%. 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 / surplus in Profit & Loss Account 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 subsequent audited Balance Sheet.

The Company confirms that as required under Section 68(2) (d) of the Companies Act and Regulation 4 (ii) of Buyback Regulations, 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 ₹ 4.50/- (Rupees Four and Fifty Paise Only) per share has been arrived at after considering various factors such as Book Value of the Company as on March 31, 2018 and volume weighted average prices of the

Contact Person: Shri Naishadh Mankad, Company Secretary and Compliance Officer equity shares of the Company on BSE where the equity shares of the Company are listed. The maximum buy-back price of ₹ 4.50/- (Rupees Four and Fifty Paise Only) per equity share represents a premium of 43.28% over the average of the weekly high and low of the volume weighted average price of the Company's equity shares on BSE 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 44.13% 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 buv-back.

5. 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 not exceeding 75,18,300 (Seventy Five Lakhs Eighteen Thousand Three Hundred) equity shares of face value of ₹ 1/- (Rupee One Only) each of the Company. The buy-back is proposed to be completed within 12 months from the date of passing the special resolution approving the proposed

6. Method to be adopted of buy back

The equity shares shall be purchased through buyback by the Company using 'Tender Offer' route as prescribed under "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular no. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and circular no. CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 following the procedure prescribed in the Companies Act and the Buyback Regulations and as may be determined by the Board (including the committee authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted

7. The aggregate shareholding of the promoter and of the directors of the promoters, where the promoter is a company and of the persons who are in control of the Company as on the date of notice convening the General Meeting is as follows:

(i) The aggregate shareholding of the Promoter and Promoter Group and the sons who are in control of the company is as under

pordono	brooms who are in control of the company to ac andor .				
Sr. No	Name of the Shareholders	No. of Shares Held	Percentage (%)		
1	Shri Gordhan P Tanwani	4,43,56,875	73.91		
2 Shri Pravin J Karia		8,000	0.01		
(ii) The	aggregate shareholding of the	directors of the pro	moters where the		

promoter is a company - NIL (iii) No Equity Shares of the Company have been purchased/sold by any of the

Promoter and Promoter Group 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 buyback:

In terms of the Buyback Regulations, under the Tender Offer route, Shri. Gordhan P. Tanwani and Shri. Pravin J. Karia, the Promoters of the Company have the option to participate in the Buyback. In this regard, Shri Gordhan P. Tanwani has expressed his intention to participate in the Buyback and offer up to 75,18,300 (Seventy Five Lakhs Eighteen Thousand Three Hundred) 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 Shri. Gordhan P. Tanwani did not participate in the board meeting dated November 13, 2018 for approval of buyback. Further, the Promoters have undertaken to not participate in the postal ballot process for approval of buy-back.

Details of the date and price of acquisition of the equity shares from which Shri Gordhan P. Tanwani 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)	Issue Price (in ₹)	Nature of Transaction
26/03/2010	6,76,288	Not Applicable	Interse Transfer by way of Gift
04/10/2010	2,63,16,000*	Not Applicable	Bonus issue
Total	2,69,92,288		
Maximum S	Back 75.18.300		

68.42.012 equity shares shall be tendered out of 2,63,16,000 equity shares. 9. No Defaults:

The Company confirms that there are no defaults made or subsisting in the

repayment of deposits / interest thereon, redemption of debentures or preference shares, payment of dividend to any shareholder or repayment of term loans / interest thereon to any financial institution or banks

10. Confirmation that the Board of Directors have made full enquiry into the affairs and prospects of the Company and that they have formed the opinion:

The Board of Directors of the Company have confirmed that they have made a full enquiry into the affairs and prospects of the Company and have formed the opinion

a) Immediately following the date of convening of the Board Meeting at which the buy-back of the Company's equity shares is approved i.e. November 13, 2018 and the date on which the results of the Postal Ballot have been declared, there are no grounds on which the Company can be found unable to pay its debts.

b) as regards the Company's prospects for the year immediately following the date of the Board Meeting i.e. November 13, 2018 as well as the year immediately following the date on which the results of the Postal Ballot have been declared approving the buy-back, and 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 approving the buyback i.e. November 13, 2018 or within a period of one year from the date of declaration of the Postal Ballot results, as the case may be

c) In forming its opinion aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company was being wound up under the provisions of the Companies Act, 2013 or Insolvency and Bankruptcy Code, 2016, as applicable.

11. The text of the Report K Shah & Co. Chartered Accountants, the Statutory Auditors of the Company, addressed to the Board of Directors of the Company is reproduced below

The Board of Directors Baba Arts Limited, Mumbai

Subject: Auditor's Report on the matters specified in clause (xi) of Schedule I of Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 (the "SEBI Buyback Regulations") for proposed buyback of equity shares of the Company

1. This report is issued in accordance with the terms of our engagement letter dated 13th November, 2018.

2. I. Arunkumar K Shah & Co. Chartered Accountants (Firm Registration Number 126935W), the Statutory Auditor of Baba Arts Limited ("BAL"/the "Company"), have been informed by the Management of the Company that the Board of Directors of the Company has approved a proposed buy-back of equity shares of the Company at its meeting held on 13th November, 2018, in pursuance of the provisions of Section 68, 69 and 70 of the Companies Act, 2013 (the "Act") and the SEBI Buyback Regulations.

3. The responsibility for preparing the accompanying Statement of permissible capital payment ("Annexure A") as at 31 March 2018 (hereinafter referred together as the "Statement") is of the Management of the Company and same is initialled by me for identification purposes only

MANAGEMENT'S RESPONSIBILITY FOR THE STATAMENT

4. The Management of the Company is responsible for the preparation of the Statement in accordance with the section 68 (2)(c) of the Companies Act 2013 and to comply with the SEBI Buyback Regulations, including the computation of the amount of the permissible capital payment, preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes collecting, collating and validating data and designing implementing and monitoring of internal controls suitable for ensuring compliance with all applicable guidelines issued in connection with the proposed buy back of equity shares of the Company.

5. The Board of Directors are responsible to make a full inquiry into the affairs and prospects of the Company and to form an opinion that the Company will not be rendered insolvent within a period of one year from the date of meeting at which the proposal for buy-back was approved by the Board of Directors of the Company AUDITOR'S RESPONSIBILITY FOR THE STATEMENT

6. Pursuant to the requirements of SEBI Buyback Regulations, it is my responsibility to provide reasonable assurance on.

a) Whether I have inquired into the state of affairs of the Company in relation to the audited standalone financial statements as at and for the financial year ended 31st March 2018.

b) the amounts used for computing the permissible capital payment as stated in Annexure A, have been accurately extracted from the audited standalone financial statements of the Company for the financial year ended 31st March 2018 and whether the computation of is in accordance with Section 68(2)(c) of the Act; and c) Whether Board of Directors of the Company in its meeting dated 13th November 2018 have 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 passing of Board meeting resolution dated 13th November, 2018.

7. The audited standalone financial statements referred to in paragraph 6 above, as of and for the financial year ended 31st March 2018, have been audited by me on which I have issued an unmodified audit opinion vide my report dated 26th April,

8. The audited standalone financial statement referred to above for the financial year ended 31st March, 2018 has been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. My audit of the standalone financial statement for the financial year ended 31st March, 2018 was conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013. Those Standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement 9. I conducted my examination of the Statement in accordance with the Guidance

Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India. The Guidance Note requires that I comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India

10. I 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

CRITERIA AND SCOPE

11. The criteria against which the information contained in the Statement is evaluated are following:

a) Audited standalone financial statements of the Company for the financial year ended 31st March, 2018 b) Letter of Announcement of Buyback submitted by the Company's Board of

Directors to Stock exchange as per Regulation 30 of the Listing Obligations and Disclosure Requirements of Securities and Exchange Board of India;

c) Board Resolution passed at the Board Meeting held on 13th November, 2018; d) Articles of Association of the Company; and

e) Books of accounts and other records and written representation obtained from the Management of the Company.

OPINION 12. Based on my examination, as stated above and according to the information,

explanations and written representations provided to me by the Management of the Company, I report that: a) I have inquired into the state of affairs of the Company in relation to its audited

standalone financial statements as at and for the financial year ended 31st March b) The amount of permissible capital payment towards the proposed buy back of equity shares as stated in Annexure A is in accordance with Section 68(2) (c) of the

Act and the amounts of share capital and free reserves used in computation of permissible capital payment have been accurately extracted from the audited standalone financial statements of the Company for the financial year ended 31st March 2018; and c) The Board of Directors of the Company, in their meeting held on 13th November,

2018 have formed their opinion as specified in clause (x) of Schedule I to the SEBI Buyback Regulations, 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 date of passing the Board meeting resolution dated 13th November, 2018. RESTRICTION ON USE

13. This report is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the SEBI Buyback Regulations solely to enable the Board of Directors of the Company to include it in postal ballot notice, public announcement and in the letter of offer to be circulated to the Members of the Company and filed with various regulatory authorities, in connection with the Buyback, in pursuance of the provisions of sections 68, 69 and 70 of the Act and the SEBI Buyback Regulations, and should not be used for any other purpose or by any other person

Annexure A:

Statement of computation of permissible capital payment for the proposed Buyback of the Equity Shares of Baba Arts Limited in accordance with Section 68(2) (c) of the Act, based on audited financial statements for the financial year ended 31st March

Particulars		Amount
		(₹ in Lakhs)
Paid-up equity share capital as at 31st March 2018	(A)	600.18
(6,00,18,300 equity shares of face value ₹1 each		
fully paid up)		
Free Reserves as at 31st March 2018*		
i. Securities Premium account		NIL
ii. General Reserves		110.00
iii. Retained Earnings		689.77
Total Free Reserves	(B)	799.77
Total Paid- up equity share capital and Free	C = (A + B)	1,399.95
Reserves as at 31st March 2018		
Permissible capital payment in accordance	D =(C* 25%)	349.99
with the provisions of Section 68 of the Act		
(25% of the total paid up equity share capital		
and Free Reserves as at 31st March 2018).		
Amount proposed by Board Resolution		338.32
dated 13th November, 2018 approving the		
Buyback, subject to shareholders' approval by		
special resolution, based on the audited		
financial statements for the year ended		
31st March 2018.		
* Free Reserves are computed in accordance with the provisions of Section 2(43) of		

Free Reserves are computed in accordance with the provisions of Section 2(43) of Companies Act, 2013 read along with the Explanation II provided in Section 68 of the Act.

> For ARUNKUMAR K SHAH & CO. **Chartered Accountants** (Firm's Registration No. 126935W)

Sd/-Arunkumar K Shah Proprietor Membership No. 034606)

Date: 13th November, 2018 12. Process and methodology for buyback

Place: Mumbai

The Buyback is open to all Shareholders/beneficial owners of the Company holding Equity Shares either in physical and/or dematerialized form on the Record Date. The Buyback shall be implemented using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI Circular ("Stock Exchange Mechanism") and following the procedure prescribed in the Companies Act and the Buy-back Regulations and as may be determined by the Board (including the Committee authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time

For implementation of the Buyback, the Company has appointed Keynote Capitals Limited as the registered broker to the Company (the "Company's Broker") to facilitate the process of tendering of Equity Shares through Stock Exchange Mechanism for the Buyback as described below. The contact details of the Company's Broker is as follows

$K \underset{\mathsf{Keynote Capitals Limited}}{EYNOTE}$

Address: The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (W). Mumbai – 400 028 Contact Person: Shri Alpesh Mehta

Email: alpesh@keynoteindia.net, Tel.: +91-22-3026 6000

The Company will request BSE Limited to provide a separate acquisition window ("Acquisition Window") to facilitate placing of sell orders by Shareholders who wish to tender Equity Shares in the Buyback. BSE Limited would be the Designated Stock Exchange for this Buyback.

During the tendering period, the order for selling Equity Shares will be placed by Shareholders through their respective stock brokers ("Seller Broker") during normal trading hours of the secondary market. The stock brokers can enter orders for demat shares as well as physical shares.

13. Procedure to be followed by Registered Shareholders holding Equity Shares in the dematerialized form

Shareholders who desire to tender their Equity Shares in the dematerialized form under Buyback would have to do so through their respective Seller Member by indicating to them the details of Equity Shares they intend to tender under the Buyback. The Seller Broker would be required to place an order/bid on behalf of the Eligible Shareholders who wish to tender Equity Shares in the Buyback using the Acquisition Window of BSE. Before placing the order/bid, the Seller Broker on behalf of Eligible Shareholder would be required to transfer the tendered Equity Shares by using the settlement number and the procedure prescribed by the Clearing Corporation of India Ltd. ("Clearing Corporation") for the transfer of the Equity Shares to the special account of the Clearing Corporation specifically created for the purpose of Buyback ("Special Account"). This shall be validated at the time of order/bid entry. The details of the Special Account of Clearing Corporation shall be informed in the offer opening Circular that will be issued by BSE Limited or Clearing Corporation.

For Custodian Participant orders for demat Equity Shares early pay-in is mandatory prior to confirmation of order by custodian participant. The custodian participant shall either confirm or reject the orders not later than the closing of trading hours on the last day of the tendering period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, order modification shall revoke the custodian participant confirmation and the revised order shall be sent to the custodian participant again for confirmation. Upon placing the bid, the Seller Broker shall provide a Transaction Registration Slip ("TRS") generated by the exchange bidding system to the Shareholder. TRS will contain the details of order submitted like Bid ID No., Application No., DP ID, Client ID, No. of Equity Shares tendered etc.

14. Procedure to be followed by Registered Shareholders holding Equity Shares in the Physical form:

Shareholders who are holding physical Equity Shares and intend to participate in the Buyback will be required to approach the Seller Broker along with the complete set of documents for verification procedures to be carried out. Such documents include (i) the tender form duly signed (by all Shareholders in case shares are in joint names) in the same order in which they hold the shares (ii) original share certificate(s), (iii) valid share transfer form(s) duly filled and signed by the transferors (i.e. by all registered shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favor of the Company, (iv) self-attested copy of the shareholder's PAN Card, (v) any other relevant documents such as power of attorney, corporate authorization (including board resolution/specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable. In addition, if the address of the Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport

Based on these documents, the concerned Seller Broker shall place the bid on behalf of Shareholders holding Equity Shares in physical form using the Acquisition Window of BSE Limited. Upon placing the bid, the Seller Broker shall provide a TRS generated by the exchange bidding system to the Shareholder. TRS will contain the details of order submitted like Folio No., Certificate No., Distinctive No., No. of

Equity Shares tendered etc.

15. Method of settlement

The Seller Broker/Shareholder has to deliver the original share certificate(s) & documents (as mentioned above) along with TRS either by registered post or courier or hand delivery to the Registrar to the Buy Back i.e Universal Capital Securities Private Limited (the "Registrar") at the address mentioned at paragraph 18 below, details of which will be included in the Letter of Offer) within 2 (two) days of bidding by Seller Broker. The envelope should be superscribed as "Baba Arts Buyback Offer 2018". One copy of the TRS will be retained by the Registrar to the Buyback and it will provide acknowledgement of the same to the Seller Broker/Shareholder. Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for buyback by the Company shall be subject to verification as per the Buy-back Regulations and any further directions issued in this regard. Registrar to the Buy Back will verify such bids based on the documents submitted on a daily basis and till such time BSE Limited shall display such bids as 'Unconfirmed Physical Bids', Once, Registrar to the Buy Back confirms the bids it will be treated as 'Confirmed Bids'. Modification/cancellation of orders will be allowed during the tendering period of the Buyback. The cumulative quantity tendered shall be made available on the website of BSE Limitedwww.bseindia.com throughout the trading session and will be updated at specific intervals during the tendering period.

Upon finalization of the basis of acceptance as per Buy-back Regulations:

a) The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.

b) The Company will pay the consideration to the Company's Broker who will transfer the funds pertaining to the Buyback to the Clearing Corporation's Bank account as per the prescribed schedule. For Equity Shares accepted under the Buyback, the Clearing Corporation's will make direct funds payout to the respective Shareholders. If the respective Shareholder's bank account details are not available or if the fund transfers instruction is rejected by RBI/Bank, due to any reason, then such funds will be transferred to the concerned Seller Brokers settlement bank account for onward transfer to such respective Shareholders

c) The Equity Shares bought back in the demat form would be transferred directly to the demat account of the Company opened for the Buy Back (the "Company Demat Account") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Company Demat Account on receipt of the Equity Shares from the clearing and settlement mechanism of the Stock Exchange

d) The Shareholders will have to ensure that they keep the depository participants ("DP") account active and unblocked to receive credit in case of return of the equity shares, due to rejection or due to non-acceptance of shares under the Buyback.

e) Excess demat Equity Shares or unaccepted demat Equity Shares, if any tendered by the Shareholders would be returned to the Selling Broker by Clearing Corporation in payout. Any excess physical Equity Shares pursuant to proportionate acceptance/rejection will be returned to the Shareholders directly by Registrar to the Buy Back. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted equity shares, in case the equity shares accepted by the Company are less than the equity shares tendered in the Buy Back by the equity shareholders holding equity shares in the physical form.

f) The Seller Broker would issue contract note & pay the consideration for the Equity Shares accepted under the Buyback and return the balance unaccepted Equity Shares to their respective clients. Company Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.

g) Shareholders who intend to participate in the Buyback should consult their respective Seller Broker for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Seller Broker upon the selling Shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the selling Shareholders from their respective Seller Broker, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Shareholders.

h) The Equity Shares lying to the credit of the Company Demat Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buy-back Regulations.

16. Record date and shareholder entitlement.

a) As required under the Buyback Regulations, the Company has fixed Tuesday, January 15, 2019 as the record date (the "Record Date") for the purpose of determining the entitlement and the names of the Shareholders, who are eligible to participate in the Buyback. The Equity Shares proposed to be bought back by the Company, as part of this Buyback shall be divided into two categories: (a) reserved category for Small Shareholders (A "Small Shareholder" is defined in the Buyback Regulations as a shareholder of a company, who holds shares or other specified securities whose market value, on the basis of closing price of shares or other specified securities, on the recognized stock exchange having highest trading volume in respect of such securities, as on record date is not more than two lakh rupee and (b) the general category for all other Shareholders, and the entitlement of a Shareholder in each category shall be calculated accordingly.

b) In accordance with the proviso to Regulation 6 of the Buyback Regulations, 15% (Fifteen per cent) of the number of Equity Shares which the Company proposes to Buyback, or number of Equity Shares entitled as per shareholding of Small Shareholders as on the Record Date, whichever is higher, is reserved for the Small Shareholders as part of this Buyback.

c) Based on the shareholding as on the Record Date, the Company will determine the entitlement of each Shareholder to tender their Equity Shares in the Buyback. This entitlement for each 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 Buyback applicable in the category to which such Shareholder belongs. The final number of Equity Shares the Company will purchase from the Shareholders will be based on the Equity Shares tendered. Accordingly, in the event of the overall response to the tender offer being in excess of Buyback Offer Size, the Company may not purchase all the Equity Shares tendered by the Shareholders over and above their entitlement.

d) 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 Shareholders in that category, and thereafter from Shareholders who have tendered over and above their entitlement in other category. e) The Shareholders' participation in the Buyback will be voluntary. The

Shareholders can choose to participate, in full or in part, and get cash in lieu of Equity Shares to be accepted under the Buyback or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, pos-Buyback, without additional investment. The Shareholders may also tender apart of their entitlement. The Shareholders also have the option of tendering additional shares (over and above their entitlement) and participate in the short fall created due to non-participation of some other Shareholders, if any.

f) The maximum tender under the Buyback by any Shareholder cannot exceed the number of Equity Shares held by the Shareholder as on the Record Date.

g) The Equity Shares tendered as per the entitlement by Shareholders as well as additional Equity Shares tendered, if any, will be accepted as per the procedure laid down in Buyback Regulations

h) 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 which will be sent in due course to the Shareholders as on Record Date. 17. Compliance Officer

The Company has designated Shri Naishadh H. Mankad, Company Secretary as the Compliance Officer for the Buyback. The contact details are as given below

the compliance officer for the bayback. The contact actails are as given below.		
Name	Shri Naishadh H. Mankad	
Designation	Company Secretary & Compliance Officer	
Address	3A, Valecha Chambers, New Link Road, Andheri (West),	
	Mumbai - 400053	
Email	babaartslimited@yahoo.com, investors@babaartslimited.com	
Contact	022 2673 3131	
In case of any elections as to address investor sciences a the Charabelders may		

In case of any clarifications or to address investor grievance, the Shareholders may contact the Compliance Officer, from Monday to Friday between 10 am & 5 pm on all working days, at the above mentioned address 18. Investor service centre and Registrar to the Buyback

The Company has appointed Universal Capital Securities Pvt. Ltd. as the Registrars to the Buyback. Their contact details are as given below:

Universal Capital Securities Pvt. Ltd. 21/25, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Rd., Andheri (E), Mumbai – 400 093 Contact Person : Shri Devanand Dalvi

Phone: 022 2820 7203, Email: info@unisec.in 19. Manager to the buyback

The Company has appointed Keynote Corporate Services Limited as Manager to the Buyback. Their contact details are as under

KEYNOTE

Keynote Corporate Services Limited,

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai – 400 028; Tel: +91-22- 30266000-3; Fax: +91-22- 3026 6088; E-mail: mbd@keynoteindia.net; Website: www.keynoteindia.net; Contact Person: Ms. Pooja Sanghvi / Mr. Akhil Mohod; SEBI Registration No.: INM 000003606

In case of any query, the Shareholders may contact the Registrar to the buyback/ Manager to the buyback, from Monday to Friday between 10 am & 5 pm at the above mentioned addresses.

20. Directors' responsibility statement

In terms of Regulation 24(i)(a) of the Buy-Back Regulations, the Board of Directors of the Company accept responsibility for all the information contained in this Public Announcement and confirms that such document contains true, factual and material information and does not contain any misleading information

For and on behalf of Board of Directors of Baba Arts Limited

Sd/-

Santosh A Shah Director

DIN: 01259840

DIN: 00040942

Naishadh H Mankad Company Secretary & Compliance Officer Membership No.: 2996

Sd/-

Place: Mumbai Date: January 3, 2019

Gordhan P Tanwani

Chairman & Mg. Director