

LETTER OF OFFER

“THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION”

This Letter of Offer is sent to you as a Public Shareholder(s) of Baba Arts Limited (“**Target Company**”). If you require any clarifications about the action to be taken, you may consult your stockbroker or an investment consultant or Manager/ Registrar to the Offer. In case you have recently sold your Equity Shares in the Company, please hand over this Letter of Offer and the accompanying form of acceptance-cum-acknowledgement and Transfer Deed to the Member of the Stock Exchange through whom the said sale was effected.

OPEN OFFER (“OFFER”)

BY

Name	Acquirer	Address	Contact Details	Email Address
Skybridge Interactive LLP	Acquirer	30, Floor 2nd, Plot 327, Nawab Building, D.N. Road, Hutatma Chowk, Fort, Mumbai City, Mumbai-400001	+91 9136641303	skybridgeinteract@gmail.com

FOR THE ATTENTION OF THE SHAREHOLDERS OF

BABA ARTS LIMITED

Corporate Identification Number: L72200MH1999PLC119177

Registered Office: B1 & B4, Baba House, 86, M.V Road, Andheri (East), Chakala MIDC, Mumbai-400093

Tel No.: 022-49794623; **Fax.:** 022-26733375; **Website:** www.babaartslimited.com; **Email:** investors@babaartslimited.com / babaartslimited@yahoo.com

for acquisition of up to 1,32,92,000 (One Crore Thirty Two Lakh Ninety Two Thousand) fully paid-up Equity Shares having face value of ₹ 1/- (Rupee One Only) each (“ Offer Shares ”) representing *25.32% (Twenty Five Point Three Two Percent) of the fully paid-up Equity and Voting Share capital of Baba Arts Limited (‘Target Company’ or ‘BAL’), at an offer price of ₹ 6.00 (Rupees Six Only) per equity share, by Skybridge Interactive LLP (“Acquirer”) payable in cash pursuant to and in compliance with the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011 (SEBI (SAST) Regulations, 2011) as amended.

**As per Regulation 7 of the SEBI (SAST) Regulations, 2011, the Offer Size for the Open Offer under Regulations 3(1) and 4 of the SEBI (SAST) Regulations, 2011, should be for at least 26.00% (Twenty-Six Percent) of the total Equity and Voting Share Capital of the Target Company. However, the Offer Size is restricted to 1,32,92,000 (One Crore Thirty-Two Lakh Ninety-Two Thousand) fully paid up Equity Shares, being the only Equity Shares held by the Public Shareholders, representing 25.32% of the total Equity and Voting Share Capital of the Target Company.*

Please Note:

1. This Offer (as defined below) is being made by the Acquirer pursuant to the SPA (*as defined below*) and in compliance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations, 2011 for substantial acquisition of Equity and Voting Share Capital accompanied with change in control and management of the Target Company.
2. As on the date of this Letter of Offer there are no statutory approval(s) required to acquire Equity Shares that are validly tendered pursuant to this Offer. However, the Offer would be subject to all statutory approval(s) as may be required and/or may subsequently become necessary to acquire at any later date. If any other statutory or governmental approval(s) are required or become applicable later before the Closure of the Tendering Period, this Offer shall be subject to such statutory approvals and the Acquirer shall make the necessary applications for such statutory approvals and this Offer would also be subject to such other statutory or other governmental approval(s). Where any statutory or other approval extends to some but not all the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approvals are required to complete this Offer.
3. There is no differential pricing in this Offer.
4. If there is any upward revision in the Offer Price and/ or the Offer Size at any time up to 1 (One) Working Day prior to commencement of the Tendering Period *i.e.*, Monday, June 08, 2026, in terms of the SEBI (SAST) Regulations, 2011 the same would also be informed by way of a Public announcement in the same newspapers where the original Detailed Public Statement had appeared. If the Offer is withdrawn pursuant to Regulation 23 of the SEBI (SAST) Regulations, 2011, the same would be communicated within 2 (Two) Working Days by an announcement in the same newspapers in which the Detailed Public Statement had appeared. Such revised Offer Price shall be payable by the Acquirer for all the Offer Shares validly tendered during the Tendering Period of this Offer.
5. The Acquirer shall not withdraw the Open Offer except in accordance with Regulation 23(1) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, including in circumstances where statutory approvals required for the Open Offer or the underlying acquisition are refused, conditions precedent to the underlying agreement are not fulfilled for reasons beyond the control of the Acquirer and such agreement is rescinded, the Acquirer (being a natural person) has died, or such other circumstances as may be permitted by SEBI. The Open Offer is subject to receipt of statutory approvals and fulfilment of conditions precedent under the Share Purchase Agreement, and in the event such approvals are not received or conditions are not satisfied, the Open Offer may be withdrawn in terms of Regulation 23(1)(a) and 23(1)(b) of the SEBI (SAST) Regulations, 2011. In the event of such withdrawal, a Public announcement stating the reasons for withdrawal shall be made within 2 Working Days in accordance with Regulation 23(2) of the SEBI (SAST) Regulations, 2011.
6. **There has been no competing offer as on the date of this Letter of Offer. If there is a competitive offer, then the Offer under all subsisting bids shall open and close on the same date.**
7. This Offer is not subject to a minimum level of acceptance by the Public Shareholders of the Target Company and is not a conditional offer under Regulation 19 of the SEBI (SAST) Regulations, 2011.
8. The Acquirer intends to retain the listing status of Target Company in accordance with the SEBI (SAST) Regulations, as a result of the Open Offer, the public shareholding in the Target Company falls below the minimum level required as per the Securities Contract (Regulation) Rules, 1957, the Acquirer shall undertake such steps as may be necessary to restore the public shareholding to the required level within the time prescribed under applicable laws. No delisting offer is proposed to be made pursuant to this Open Offer.
9. Public Shareholders, who have accepted this Offer by tendering the requisite documents in terms of the Offer Documents, shall not be entitled to withdraw such acceptance during the Tendering Period.
10. The procedure for acceptance is set out in Paragraph 8 titled as ‘*Procedure for Acceptance and Settlement of the Offer*’ on Page 48 of this Letter of Offer.
11. A copy of Public Announcement (“PA”), Detailed Public Statement (“DPS”), Draft Letter of Offer (“DLOO”) and Letter of Offer (“LOO”) (including Form of Acceptance cum Acknowledgement) is also available on the website of SEBI at www.sebi.gov.in.
12. The marketable lot for the Equity Shares for the purpose of this Open Offer shall be 1. Public Shareholders can participate in the Offer by offering their shareholding in whole or in part.

For capitalized terms, refer to the Paragraph titled ‘*Definitions and Abbreviations*’ beginning on page 12 of this Letter of Offer.



**MANAGER TO THE OFFER
BONANZA PORTFOLIO LIMITED**

CIN: U65991DL1993PLC052280

Address: Bonanza House, Plot No. M-2, Cama Industrial Estate, Walbhat Road,
Behind The Hub, Goregaon (East), Mumbai - 400 063

Contact Person: Ms. Swati Agrawal/ Mr. Abhay Bansal

Tel No.: +91 22 68363773/ 91 11 40748709

Email: swati.agrawal@bonanzaonline.com;

abhay.bansal@bonanzaonline.com

Website: www.bonanzaonline.com

SEBI Registration No.: INM000012306

Validity: Permanent



**REGISTRAR TO THE OFFER
PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED**

CIN: U67120MH1993PTC074079

Address: Unit No. 9, Ground Floor, Shiv Shakti Industrial Estate, J.
R. Boricha Marg, Lower Parel (East) Mumbai – 400011, Maharashtra

Tel No: +91 22 31998810/ 49614132

Email: support@purvashare.com

Website: www.purvashare.com

Contact Person: Ms. Deepali Gaonkar

SEBI Registration Number: INR000001112

Validity: Permanent

OFFER OPENING DATE

TUESDAY, JUNE 09, 2026

OFFER CLOSING DATE

MONDAY, JUNE 22, 2026

TENTATIVE SCHEDULE OF THE MAJOR ACTIVITIES RELATING TO THIS OFFER

Sr. No	Tentative Activity Schedule	Tentative Schedule Day and Date	Revised Schedule Day and Date
1.	Date of the Public Announcement	Wednesday, February 25, 2026	Wednesday, February 25, 2026
2.	Publication date of the DPS in the Newspapers	Thursday, March 05, 2026	Thursday, March 05, 2026
3.	Last date of filing the Letter of Offer with SEBI	Thursday, March 12, 2026	Thursday, March 12, 2026
4.	Last date for Competing Offer(s)	Monday, March 30, 2026	Monday, March 30, 2026
5.	Last date for receipt of comments from SEBI on the Letter of Offer (in the event SEBI has not sought clarification or additional information from the Manager to the Offer)	Wednesday, April 08, 2026	Thursday, May 21, 2026
6.	Identified Date*	Friday, April 10, 2026	Monday, May 25, 2026
7.	Last date for dispatch of the Letter of Offer to the Public Shareholders of the Target Company	Monday, April 20, 2026	Tuesday, June 02, 2026
8.	Last date for publication of the recommendations of the committee of the independent directors of the Target Company to the Public Shareholders for this Offer in the Newspapers	Thursday, April 23, 2026	Friday, June 05, 2026
9.	Last date for upward revision of the Offer Price and/or the Offer Size	Friday, April 24, 2026	Monday, June 08, 2026
10.	Last date of publication of Opening of Offer Public Announcement in the Newspapers	Friday, April 24, 2026	Monday, June 08, 2026
11.	Date of Commencement of Tendering Period (Offer Opening Date)	Monday, April 27, 2026	Tuesday, June 09, 2026
12.	Date of Closing of Tendering Period (Offer Closing Date)	Monday, May 11, 2026	Monday, June 22, 2026
13.	Last date of communicating the rejection/ acceptance and completion of payment of consideration or refund of Equity Shares to the Public Shareholders	Monday, May 25, 2026	Tuesday, July 07, 2026

(*) Date falling on the 10th working day prior to the commencement of the tendering period, for the purposes of determining the public shareholders of the Target Company to whom the Letter of Offer shall be sent. It is clarified that all the Public Shareholders (registered or unregistered) (except the Acquirer and Existing Promoters of the Target Company), are eligible to participate in this Offer any time during the tendering period of the Offer.

RISK FACTORS RELATING TO THE UNDERLYING TRANSACTION, THE PROPOSED OFFER, AND PROBABLE RISKS INVOLVED IN ASSOCIATING WITH THE ACQUIRER

The risk factors set forth below pertain to this Offer, are not in relation to the present or future business or operations of the BABA ARTS LIMITED or any other related matters and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a Public Shareholder in this Offer. Public Shareholders of BABA ARTS LIMITED are advised to consult their stockbrokers or investment consultants, if any, for further risk with respect to their participation in this Offer. Each Public Shareholder of the BABA ARTS LIMITED is hereby advised to consult with their legal, financial, tax, investment, or other advisors and consultants of their choice, if any, for further risks with respect to each such Public Shareholder's participation in this Offer and related transfer of Equity Shares to the Acquirer.

For capitalized terms used hereinafter, please refer to the '*Definitions*' set out below:

A. Risks relating to Underlying Transaction

1. The Underlying Transaction is subject to various conditions as specified under the Share Purchase Agreement, including:
 - (a) Statutory Approvals and conditions of the Offer as set out in Paragraph 7.4 titled as '*Statutory Approvals and Conditions of the Offer*' at page 47 of this Letter of Offer and those which become applicable prior to the completion of this Offer;
 - (b) The satisfaction or waiver (to the extent permitted under applicable law and terms of SPA) of the various conditions under the Share Purchase Agreement, including those conditions set out in paragraph 3.1.13 at page 18 of this Letter of Offer, and if these conditions are not satisfied or waived and subsequently terminated in accordance with the terms of the Share Purchase Agreement, then the Underlying Transaction may be terminated.
2. The Underlying Transaction is subject to completion risks as would be applicable to similar transactions.

B. Risks relating to this Offer

1. The Open Offer is made under the SEBI (SAST) Regulations to acquire up to 1,32,92,000 (One Crore Thirty-Two Lakh Ninety-Two Thousand) Equity Shares representing 25.32%* of the Equity and Voting Share Capital, being the entire Equity shareholding held by the Public Shareholders of the Target Company as on the date of this Letter of Offer. Accordingly, the Acquirer intends to acquire all the Equity Shares tendered by the Public Shareholders in the Open Offer, subject to valid tendering in accordance with the terms and conditions set out in this Letter of Offer and applicable laws. It is further confirmed that the public shareholding of the Target Company as on the date of this Letter of Offer is 25.32% of the total Equity and Voting Share Capital, and there are no pending or contemplated corporate actions (including but not limited to bonus issue, stock split, rights issue, preferential allotment, or buy-back) which may impact the shareholding pattern of the Target Company or which have been undertaken or proposed for the purpose of meeting the minimum offer size requirement under the SEBI (SAST) Regulations.

**As per Regulation 7 of the SEBI (SAST) Regulations, 2011, the Offer Size, for the Open Offer under Regulations 3(1) and 4 of the SEBI (SAST) Regulations, 2011, should be for at least 26.00% (Twenty-six percent) of the total Equity and voting share capital of the Target Company. However, the Offer Size is restricted to 1,32,92,000 (One Crore Thirty-Two Lakh Ninety-Two Thousand) fully paid up Equity Shares, being the only Equity Shares held by the Public Shareholders, representing 25.32% of the total Equity and Voting Share Capital of the Target Company.*

2. As on the date of this LOO, there are no statutory or other approvals required for the acquisition of the Equity Shares that are validly tendered pursuant to the Open Offer or to complete this Open Offer other than as indicated in paragraph 7.4 at page 47 of this LOO. However, in case any other statutory approvals or regulatory approvals become applicable and are required by the Acquirer at a later date before the Closure of the Offer Period, this Open Offer shall be subject to receipt of such further approvals. If there is a delay in receipt of any applicable statutory or other approvals, then the Open Offer process may be delayed beyond the dates indicated into the tentative schedule of major activities of the Open Offer disclosed in this LOO (on page number 3). In

case Equity Shares are tendered in the Open Offer and a delay is caused due to delay in receipt of any applicable statutory or other approvals, the payment of consideration to Public Shareholders whose Equity Shares have been accepted under the Open Offer as well as release of the lien marked against the Equity Shares not accepted by the Acquirer may be delayed.

3. Where the required statutory or other approvals extend/ apply to some but not all of the Public Shareholders, the Acquirer will have the option, to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Open Offer.
4. In case of delay/non-receipt of any Statutory Approval or other Conditions referred to in paragraph 7.4 of this LOO, SEBI may, if satisfied that non-receipt of the requisite approval(s) was not attributable to any wilful default, failure or neglect on the part of the Acquirer to diligently pursue such approval(s), grant an extension of time for the purpose of completion of this Open Offer, subject to such terms and conditions as may be specified by SEBI, including payment of interest by the Acquirer to the Public Shareholders at such rate, as may be prescribed by SEBI from time to time, in accordance with Regulation 18(11) or Regulation 18(11A) of the SEBI (SAST) Regulations, without prejudice to SEBI's right to initiate action for non-compliance with SEBI (SAST) Regulations, 2011.
5. The Acquirer shall not withdraw the Open Offer except in accordance with Regulation 23(1) of the SEBI (SAST) Regulations, 2011, which, inter alia, permits withdrawal of an open offer under the following circumstances:
 - a. where any statutory approvals required for the open offer or for effecting the acquisition are finally refused;
 - b. where any condition stipulated in the underlying agreement attracting the obligation to make the open offer is not met for reasons beyond the reasonable control of the Acquirer, and such agreement is rescinded, subject to such conditions being disclosed in the Detailed Public Statement and the Letter of Offer;
 - c. where the sole Acquirer, being a natural person, has died; and
 - d. such circumstances as in the opinion of SEBI merit withdrawal.

In addition to the above, the Acquirer shall not withdraw the Open Offer except in the event that the statutory approvals specified in paragraph 7.4 of this Letter of Offer or those which become applicable prior to completion of the Open Offer are not received, or any of the conditions precedent under the Share Purchase Agreement, as specified in paragraph 3.1.13 of this Letter of Offer, are not met, in terms of Regulation 23(1)(a) and 23(1)(b) of the SEBI (SAST) Regulations, 2011. In the event of such withdrawal of the Open Offer, the Acquirer (through the Manager) shall, within 2 (two) Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds for withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations, 2011.

6. Equity Shares once tendered in the Open Offer cannot be withdrawn by the Public Shareholders, even in the event of a delay in the acceptance of Equity Shares under the Open Offer and/or the payment of consideration. A lien shall be marked against the Equity Shares tendered in the Offer by the Public Shareholders until the completion of the formalities of this Offer and the Public Shareholders who have tendered their Equity Shares will not be able to trade in such Equity Shares during such period, even if the acceptance of the Equity Shares in this Offer and/ or payment of consideration are delayed. During such period, there may be fluctuations in the market price of the Equity Shares of the Target Company that may adversely impact the Public Shareholders who have tendered their Equity Shares in this Open Offer. Neither the Acquirer nor the Manager to the Offer make any assurance with respect to the market price of the Equity Shares and disclaim any responsibility with respect to any decision by any Public Shareholder on whether or not to participate in the Offer. It is understood that the Public Shareholders will be solely responsible for their decisions regarding participation in this Open Offer.
7. NRIs, OCBs and other non-resident holders of the Equity Shares, if any, must obtain all requisite approvals/exemptions required, including without limitation, the approval from the RBI, if any, to tender the Equity Shares held by them in this Offer and submit such approvals/exemptions along with the documents required to accept this Offer. If the Public Shareholders who are not persons resident in India (including NRIs,

OCBs, FIIs and FPIs) had required any approvals (including from the RBI or any other regulatory authority/body) at the time of the original investment in respect of the Equity Shares held by them currently, they will be required to submit copies of such previous approvals that they would have obtained for acquiring/holding the Equity Shares, along with the other documents required to be tendered to accept this Offer. If the aforementioned documents are not submitted, the Acquirer reserve the right to reject such Equity Shares tendered in this Offer.

8. In terms of circular issued by SEBI bearing reference number SEBI/ HO/ CFD/ CMD1/ CIR/ P/ 2020/ 144 dated July 31, 2020, Public Shareholders holding Equity Shares in physical form are allowed to tender their Equity Shares in the Open Offer. However, the acceptance of the Equity Shares in physical form tendered in this Open Offer would be conditional on the Public Shareholders holding the physical Equity Shares and wishing to tender the same in the Open Offer, following the process laid out in more detail in this LOO, diligently and submitting all the required documents for the purpose of ensuring that their physical Equity Shares can be verified and confirmed by the Registrar to the Offer.
9. The information contained in this LOO is as of the date of this LOO unless expressly stated otherwise. The Acquirer and the Manager to the Offer are under no obligation to update the information contained herein at any time after the date of this LOO except as required under the SEBI (SAST) Regulations, 2011
10. Public Shareholders are advised to consult their respective stockbrokers, legal, financial, investment or other advisors and consultants of their choice, if any, for assessing further risks with respect to their participation in this Open Offer, and related transfer of Equity Shares to the Acquirer. The Public Shareholders are advised to consult their respective tax advisors for assessing the tax liability pursuant to this Open Offer, or in respect of any other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer and the Manager to the offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this LOO.
11. In the event that either: (a) there is any injunction or stay on this Open Offer or any litigation that restricts or restrains the Acquirer from performing any of their obligations hereunder; or (b) SEBI instructs the Acquirer to suspend this Open Offer, then this Open Offer process may be delayed beyond the dates indicated in the tentative schedule of major activities of the Open Offer disclosed in this LOO (on page number 3). In the event of any delay in proceeding with this Open Offer, the payment of consideration to the Public Shareholders whose Equity Shares are accepted in this Open Offer as well as the release of the lien marked on the Equity Shares not accepted in this Open Offer, may be delayed. In the event SEBI instructs the Acquirer to not proceed with this Open Offer, then this Open Offer process shall be withdrawn and the Acquirer (through the Manager to the Offer) shall make an announcement of such withdrawal within 2 (two) Working Days of such withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.
12. In relation to the Open Offer, the Acquirer and the Manager to the Offer accept responsibility only for statements made by them in the PA, DPS, DLOO, LOO or in the post Open Offer advertisement or any corrigendum, addendum or any materials issued by or on behalf of the Acquirer, or the Manager to the Offer in relation to the Open Offer (other than (a) information pertaining to the Target Company which has been obtained from publicly available sources or provided by the Target Company; and (b) information pertaining to the Seller and the Current Promoter and Promoter Group which has been obtained from the Seller and the Current Promoter and Promoter Group, respectively). Anyone placing reliance on any sources of information (other than as mentioned in this paragraph) would be doing so at his/her/its own risk.
13. None of the Acquirer, the Manager or the Registrar to the Offer, accepts any responsibility for any loss of documents during transit (including but not limited to Offer acceptance forms, copies of delivery instruction slips, etc.), and Public Shareholders are advised to adequately safeguard their interest in this regard.
14. The offer is made in India, and no steps will be taken to ensure it's legal in foreign jurisdictions that require additional legal action. The LOO shall be sent to all Public Shareholders whose names appear on the register of members of the Target Company, at their stated address, as of the Identified Date, subject to Regulation 18(2) of the SEBI (SAST) Regulations, viz. provided that where local laws or regulations of any jurisdiction outside India may expose the Acquirer, the Manager to the Offer or the Target Company to material risk of civil, regulatory or criminal liabilities in the event the LOO in its final form were to be sent without material

amendments or modifications into such jurisdiction, and the Public Shareholders resident in such jurisdiction hold Equity Shares entitling them to less than 5% of the voting rights of the Target Company, the Acquirer may refrain from sending the LOO into such jurisdiction: provided further that, subject to applicable law, every person holding Equity Shares, regardless of whether he, she or it held Equity Shares on the Identified Date or has not received the LOO, shall be entitled to tender such Equity Shares in acceptance of the Offer.

15. This LOO has not been filed, registered or approved in any jurisdiction outside India. Recipients of the LOO residing in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirer or the Manager to the Offer to any new or additional registration requirements. This LOO does not in any way constitute an offer for invitation to sell or solicitation of an offer to buy any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation.
16. While the Acquirer has stated its intention to continue with the existing line of business of the Target Company, there can be no assurance that the Target Company will not diversify into new business areas in the future. Any change in the line of activity shall be undertaken in compliance with applicable laws, rules and regulations and after obtaining necessary approvals, wherever required. However, such changes, depending on business requirements and expediencies as determined by the Board of Directors, may expose the Target Company to risks associated with entering new or unfamiliar business segments, which could impact its performance and profitability.
17. In accordance with Regulation 18(9) of the SEBI (SAST) Regulations, once Equity Shares are tendered in the Open Offer, such Equity Shares cannot be withdrawn during the Tendering Period and a lien is marked in favour of the Clearing Corporation. Consequently, such Equity Shares cannot be traded or transferred until completion of settlement formalities under the Open Offer. Tendering public shareholders will therefore be exposed to price risk and market volatility during the pendency of the Tendering Period and will not be able to realize market opportunities that may arise during such period.
18. Resident and non-resident shareholders tendering Equity Shares under the Offer shall ensure that they have obtained and submitted all requisite approvals/consents/permissions, including approvals from the RBI, as may be applicable, and shall furnish such approvals to the Registrar to the Offer. In case such approvals are not obtained, or are not submitted within the timelines prescribed, the Equity Shares tendered are liable to be rejected. Neither the Company, the Manager nor the Registrar shall be responsible for any such rejection.
19. Certain Equity Shares of the Target Company may have been transferred to the Investor Education and Protection Fund (“IEPF”) pursuant to Section 124 of the Companies Act, 2013. Such Equity Shares are not directly available for tendering in the Open Offer. The underlying beneficial owners are required to first apply for refund/retransfer of the Equity Shares from the Investor Education and Protection Fund Authority in accordance with the prescribed procedure. The refund/retransfer process may be time-consuming and is subject to verification and approval by the IEPF Authority. There can be no assurance that such shares will be re-credited to the respective shareholder’s demat account prior to the closure of the Tendering Period. Accordingly, such shareholders may not be able to participate in the Open Offer in respect of Equity Shares lying with IEPF.
20. The Target Company has disclosed a contingent liability in respect of a service tax demand pertaining to earlier financial years FY 2011-12 to FY 2014-15 amounting to ₹7,64,70,058 (Rupees Seven Crore Sixty-Four Lakh Seventy Thousand Fifty-Eight only), excluding applicable interest and penalty. The demand was confirmed by the Commissioner of Service Tax, Mumbai VI vide order dated March 14, 2018. The Target Company has filed an appeal against the said order before the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai and has deposited ₹57,35,255 as the requisite pre-deposit at the time of filing the appeal. In the event that the appeal is decided against the Target Company, the Company may be required to pay the aforesaid amount along with applicable interest and penalty, which may have an adverse impact on the financial position and cash flows of the Target Company.

C. Risks involved in associating with the Acquirer

1. The Acquirer intends to acquire up to 1,32,92,000 (One Crore Thirty Two Lakh Ninety Two Thousand) Equity Shares, representing *25.32% of the Equity and Voting Share Capital of the Target Company, at an offer price of ₹ 6.00 (Rupees Six Only) per Equity Share, payable in cash, under the SEBI (SAST) Regulations. The Target Company does not have any partly paid-up Equity Shares as on the date of this Letter of Offer. The Equity Shares and the documents tendered in this Offer will be held in trust by the Registrar until the completion of this Offer formalities, and the Public Shareholders will not be able to trade in such Equity Shares thereafter. Post this Offer, the Acquirer will have significant equity ownership and effective management control over the Target Company, pursuant to the provisions of Regulations 3(1) and 4 of the SEBI (SAST) Regulations.

**As per Regulation 7 of the SEBI (SAST) Regulations, 2011, the Offer Size, for the Open Offer under Regulations 3(1) and 4 of the SEBI (SAST) Regulations, 2011, should be for at least 26.00% (Twenty-six percent) of the total Equity and Voting Share capital of the Target Company. However, the Offer Size is restricted to 1,32,92,000 (One Crore Thirty-Two Lakh Ninety-Two Thousand) fully paid up Equity Shares, being the only Equity Shares held by the Public Shareholders, representing 25.32% of the total Equity and Voting Share Capital of the Target Company.*

2. Post completion of the underlying Share Purchase Agreement and the Open Offer (assuming full acceptance), the Acquirer is expected to hold approximately 99.99% of the Equity and Voting Share Capital of the Target Company. Consequently, the public shareholding in the Target Company shall reduce to a negligible level. Such substantial concentration of shareholding with the Acquirer result in:
 - Significant reduction in public float, leading to extremely low liquidity in the equity shares of the Target Company;
 - Limited or negligible trading volume on the stock exchange(s), which may adversely impact price discovery;
 - Increased possibility of volatility in market price due to thin trading;
 - Minority public shareholders having limited ability to exit through the stock exchange mechanism;
 - The Acquirer exercising substantial control over all matters requiring shareholder approval, including appointment of directors, approval of financial statements, mergers, restructuring, delisting proposals or any other corporate actions.

Further, in the event the public shareholding falls below the minimum level prescribed under the Securities Contracts (Regulation) Rules, 1957 (“SCRR”), the Acquirer shall be required to undertake appropriate steps to comply with the minimum public shareholding requirements or may consider delisting of the equity shares of the Target Company in accordance with applicable laws. Public shareholders are advised to carefully consider the implications of such high promoter shareholding before tendering or retaining their equity shares pursuant to the Open Offer. Any failure to comply with the minimum public shareholding requirements may result in non-compliance with the SCRR and the SEBI LODR Regulations and may attract actions/penal provisions in accordance with the applicable laws.

3. The Acquirer and the Manager to the Offer make no assurance with respect to the market price of the Equity Shares during the Offer Period and upon the completion of this Offer and disclaim any responsibilities with respect to any decision by the Public Shareholders on whether to participate in this Offer. The Acquirer and the Manager make no assurance with respect to the financial performance of the Target Company.
4. The Acquirer and the Manager to the Offer, accept responsibility only for the statements in the Offer Documents or in the advertisement or any materials issued by or at the instance of the Acquirer and the Manager to the Offer, and any person placing reliance on any other source of information would be doing so at its own risk.
5. The Acquirer makes no assurance with respect to its investment/disinvestment decisions relating to its proposed shareholding in the Target Company.
6. For the purpose of disclosures in the Letter of Offer, all information relating to the:
 - (a) Target Company has been obtained from publicly available sources or from the Target Company;
 - (b) Seller has been obtained from them. The accuracy of such details of the Target Company and the Seller have not been independently verified by the Acquirer.

- (c) The Manager to the Offer has duly verified the information contained in the Letter of Offer with respect to both the Acquirer and the Target Company, to the extent applicable, based on available documents and records.
7. The Acquirer may, in the future, undertake streamlining or restructuring of their holding in the Target Company and/or the operations, assets, liabilities and/or the businesses of the Target Company. Such actions may include pledging or encumbering their shareholding, arrangements, reconstructions, restructurings, mergers, demergers, sale of assets or undertakings, and/or re-negotiation or termination of existing contractual or operating arrangements. Any such decisions will be undertaken in accordance with applicable laws and with approval of the Board of Directors, as required. However as of the date of this LOO no firm decision has been taken / Acquirer have not formulated any definitive plan as of the date of this LOO.
8. Mr. Devang Dinesh Master, a Designated Partner of the Acquirer, has been associated as a guarantor with Microcity India Limited, a borrowing entity in respect of credit facilities extended by a consortium of banks led by Central Bank of India and UCO Bank. In connection with the said borrowings, the name of Mr. Devang Dinesh Master appeared in the list of wilful defaulters published by UCO Bank as per information available in the public domain up to September 2025. Subsequently, the said loan accounts were settled and the concerned lenders have issued "No Dues / No Objection Certificates". In particular, Central Bank of India, J.B. Nagar Branch, issued a No Dues Certificate dated October 25, 2019, confirming that full and final payment had been received towards closure of the loan account of Microcity India Limited and that there were no outstanding dues in its books. Further, UCO Bank (Asset Management Branch, Mumbai) issued a No Dues Certificate dated December 2, 2019 confirming receipt of full and final payment towards the loan account of Microcity India Limited and undertaking to inform credit information companies regarding the closure of the account. The Acquirer has represented that the aforesaid borrowings and related proceedings pertained to Microcity India Limited and do not relate to any borrowings or obligations of the Acquirer. Notwithstanding the above, the past classification and related proceedings may have reputational implications for the Acquirer, and there can be no assurance that such matters will not have any regulatory, reputational or other implications in connection with the Offer.
9. The Acquirer has prior business and entrepreneurial experience. The Acquirer is primarily engaged in the following business activities: (i) Designing and deployment of technology-driven gaming solutions, including mobile and web-based applications; (ii) Investing in future focused and high impact segments such as Artificial Intelligence, new age technologies, sports & e-sports, technology based content creation Media, production and distribution, advertising, digital entertainment ecosystems. However, Baba Arts Limited operates in the Media and Entertainment sector, in which the Acquirer do not have direct prior business experience. Accordingly, there can be no assurance that the Acquirer will be able to successfully manage, operate, or expand the business of the Target Company. Any inability of the Acquirer to adapt to the specific requirements of the sector may adversely affect the business operations, financial performance, and overall prospects of the Target Company.
10. The Acquirer is engaged in the business of operating and managing online skill-based gaming platforms and related digital services. The regulatory framework governing online gaming, including skill-based games, in India is evolving and subject to significant uncertainty. The business activities of the Acquirer may be impacted by various central and state-level laws, rules and regulations, including but not limited to laws - information technology, intermediary guidelines, data protection, advertising standards and consumer protection. The Acquirer's revenue model, including sale of software, subscriptions or other charges, may also be subject to taxation and regulatory scrutiny, including under goods and services tax (GST) laws or other fiscal regulations, which may undergo changes from time to time. In view of the above, any adverse changes in the regulatory or policy environment, or inability of the Acquirer to comply with applicable laws and regulations, may have a material adverse effect on its business, financial condition and results of operations, and consequently may impact the Target Company post-acquisition.

The risk factors set forth above, pertain to this offer and not in relation to the present or future business or operations of BAL or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risk involved in participation or otherwise by a public shareholder in the offer. Public Shareholders of BAL are advised to consult their stockbrokers or investment consultants, if any for further risk with respect to their participation in the offer. Each Public Shareholder of the Target Company is hereby

advised to consult with legal, financial, tax, investment or other advisors and consultants of their choice, if any, for further risks with respect to each such Shareholder's participation in the Offer and related transfer of Equity Shares of the Target Company to the Acquirer.

NOTICE TO SHAREHOLDERS IN OTHER COUNTRIES

This LOO does not in any way constitute an offer to sell or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this LOO are requested to inform themselves about and to observe any such restrictions. The Open Offer described in this LOO is not being made to, nor will tender of shares be accepted from or on behalf of Public Shareholders in any jurisdiction in which such offer or invitation is not in compliance with applicable law or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this LOO are requested to inform themselves about and to observe any such restrictions

NOTICE TO SHAREHOLDERS IN UNITED STATES

In addition to the above, please note that the Open Offer is being made for acquisition of securities of an Indian Company and Public Shareholders in the U.S. should be aware that this LOO and any other documents relating to the Open Offer have been or will be prepared in accordance with Indian procedural and disclosure requirements, including requirements regarding the Offer timetable and timing of payments, all of which differ from those in the U.S. Any financial information included in this LOO or in any other documents relating to the Open Offer, has been or will be prepared in accordance with non U.S. accounting standards that may not be comparable to financial statements of companies in the U.S. or other companies whose financial statements are prepared in accordance with U.S. generally accepted accounting principle.

CURRENCY OF PRESENTATION

In this Letter of Offer, all references to '₹', 'Rs.', 'Rupees', 'Re', 'Rupee' are references to the official currency of India. In this Letter of Offer, any discrepancy in any table between the total and sums of the amounts listed are due to rounding off and/ or regrouping.

TABLE OF CONTENTS

1. DEFINITIONS AND ABBREVIATIONS	12
2. DISCLAIMER CLAUSE.....	16
3. DETAILS OF THIS OFFER.....	16
4. BACKGROUND OF THE ACQUIRER.....	26
5. BACKGROUND OF THE TARGET COMPANY	30
6. OFFER PRICE AND FINANCIAL ARRANGEMENTS	41
7. TERMS AND CONDITIONS OF THE OFFER.....	44
8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER.....	48
9. ACCEPTANCE OF EQUITY SHARES	54
10. SETTLEMENT PROCESS AND PAYMENT OF CONSIDERATION.....	54
11. NOTE ON TAXATION.....	56
12. DOCUMENTS FOR INSPECTION.....	64
13. DECLARATION BY THE ACQUIRER	65

1. DEFINITIONS AND ABBREVIATIONS

Abbreviations	Particulars
Acquirer	Skybridge Interactive LLP having its registered office at 30, Floor 2 nd , Plot 327, Nawab Building, D.N. Road, Hutatma Chowk, Fort, Mumbai-400001, Maharashtra, India.
BSE	BSE Limited
Board / Board of Directors	Board of Directors of the Target Company as constituted from time to time.
Book Value per Equity Share	[Equity Capital + Free Reserve (excluding Revaluation Reserve) - Debit balance in Profit & Loss A/c – Misc. Expenditure not written off] / No. of Equity Shares as per the latest audited financials of the Target Company
Buying Broker	Aikyam Capital Private Limited (Formerly known as Aikyam Capital Advisors Private Limited).
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
Clearing Corporation	Indian Clearing Corporation Limited
Companies Act, 2013	The Companies Act, 2013, along with the relevant rules made thereunder as amended
Depositories	CDSL and NSDL
Deemed Persons acting in concert/ Deemed PACs	Deemed Person acting in concert as defined under Regulation 2(1)(q)(2) of the SEBI (SAST) Regulations, 2011.
DIN	Director Identification Number
DLOF/DLOO	Draft Letter of Offer filed with SEBI on Thursday, March 12, 2026 pursuant to the provisions of Regulation 16(1) of the SEBI (SAST) Regulations, for its observations.
DP	Depository Participant
DPS	Detailed Public Statement dated Wednesday, March 04, 2026, published in the newspaper, on behalf of the Acquirer, on Thursday, March 5, 2026 in Financial Express (English Daily – All editions), Jansatta (Hindi Daily - All Editions), Mumbai Lakshadeep (Marathi Daily - Mumbai Edition). <i>However, due to closure of printing in certain regions on account of non-operational printing schedules/holidays (for HOLI), the Detailed Public Statement appeared on Friday, March 06, 2026 in certain regional editions of Financial Express namely Delhi, Chandigarh, Lucknow and Ahmedabad and in certain regional editions of Jansatta namely Delhi, Chandigarh and Lucknow.</i>
DTAA	Double Taxation Avoidance Agreement
ECS	Electronic Clearing Service
EPS	Profit after Tax available to Equity Shareholders / Weighted Average No. of Equity Shares.
Escrow Agreement	Escrow Agreement dated Monday, March 02, 2026, entered amongst and between the Acquirer, the Escrow Banker and the Manager to the Offer.
Escrow Account	The escrow account opened in the name and style of ' BABA ARTS OPEN OFFER ESCROW ACCOUNT ' with Kotak Mahindra Bank Limited bearing Account No. 0053101952 .
Escrow Banker/ Escrow Bank	Kotak Mahindra Bank Limited
Equity Shares / Share(s)	The fully paid-up equity shares of the Target Company of face value of ₹ 1/- (Rupee One Only) each
Equity Share Capital	The fully paid-up equity share capital of the Target Company is ₹ 5,25,00,000 (Rupees Five Crore Twenty Five Lakh Only) comprising of 5,25,00,000 equity shares of ₹ 1/- each;
FEMA	Foreign Exchange Management Act, 1999, as amended along with rules and regulations thereunder

Abbreviations	Particulars
FII's/FPIs	Foreign Institutional Investors / Foreign Portfolio Investors registered with SEBI
Form of Acceptance or FOA	Form of Acceptance - cum – Acknowledgement
GAAR	General Anti Avoidance Rule
Identified Date	Date falling on the 10 th Working Day prior to Commencement of the Tendering Period for the purposes of determining the names of the Public Shareholders to whom the Letter of Offer shall be sent, being Monday, May 25, 2026
IT Act	Income Tax Act, 1961, as amended and modified from time to time.
Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 2015 and subsequent amendments thereof
ISIN	International Securities Identification Number
IFSC	Indian Financial System Code
LOO or Letter of Offer	Letter of Offer dated Monday, May 25, 2026 along with Form of Acceptance - Cum -Acknowledgement (for holding Equity Shares in both physical and dematerialized form), and Form SH-4 Securities Transfer Form
Manager to the Offer / Manager/ Merchant Banker/ BPL	Bonanza Portfolio Limited as appointed by the Acquirer pursuant to Regulation 12 of SEBI (SAST) Regulations.
Maximum Consideration	Assuming full acceptance, Maximum Consideration of ₹ 7,97,52,000 (Rupees Seven Crore Ninety Seven Lakh Fifty Two Thousand Only)
MCA	Ministry of Corporate Affairs
Networth	Equity Capital + Free Reserve (excluding Revaluation Reserve) - Debit balance in Profit & Loss A/c – Misc. Expenditure not written off
NRI's	Non - Resident Indians, as defined under FEMA Act, 1999
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
Offer/ Open Offer	<p>Open Offer being made by the Acquirer to acquire up to 1,32,92,000 (One Crore Thirty Two Lakh Ninety Two Thousand) Equity Shares, representing *25.32% of the Equity and Voting Share Capital of the Target Company, at an Offer Price of ₹ 6.00 (Rupees Six Only) per equity share, payable in cash, assuming full acceptance aggregating to a maximum consideration of ₹ 7,97,52,000 (Rupees Seven Crore Ninety Seven Lakh Fifty Two Thousand Only).</p> <p><i>*As per Regulation 7 of the SEBI (SAST) Regulations, 2011, the Offer Size, for the Open Offer under Regulations 3(1) and 4 of the SEBI (SAST) Regulations, 2011, should be for at least 26.00% (Twenty-six percent) of the total Equity and Voting Share Capital of the Target Company. However, the Offer Size is restricted to 1,32,92,000 (One Crore Thirty Two Lakh Ninety Two Thousand) fully paid up Equity Shares, being the only Equity Shares held by the Public Shareholders, representing 25.32% of the total Equity and Voting Share Capital of the Target Company.</i></p>
Offer Period	Period between the date of Public Announcement and the date on which payment of consideration to the Shareholders who have accepted the open offer, or the date on which the Offer is withdrawn, as the case may be
Offer Price	An offer price of ₹ 6.00 (Rupees Six Only) per Equity Share.
Offer Shares	1,32,92,000 (One Crore Thirty-Two Lakh Ninety-Two Thousand) Equity Shares.
Offer Size	1,32,92,000 (One Crore Thirty Two Lakh Ninety Two Thousand) Equity Shares, representing *25.32% of the Equity and Voting Share Capital of the Target Company, at a price of ₹ 6.00 (Rupees Six Only) per equity share, payable in cash, assuming full acceptance aggregating to a maximum consideration of ₹ 7,97,52,000 (Rupees Seven Crore Ninety Seven Lakh Fifty

Abbreviations	Particulars
	Two Thousand only), as of the tenth working day from the closure of the Tendering Period. <i>*As per Regulation 7 of the SEBI (SAST) Regulations, 2011, the Offer Size, for the Open Offer under Regulations 3(1) and 4 of the SEBI (SAST) Regulations, 2011, should be for at least 26.00% (Twenty-six percent) of the total Equity and Voting Share Capital of the Target Company. However, the Offer Size is restricted to 1,32,92,000 (One Crore Thirty Two Lakh Ninety Two Thousand) fully paid up Equity Shares, being the only Equity Shares held by the Public Shareholders, representing 25.32% of the total Equity and Voting Share Capital of the Target Company.</i>
Public Announcement/PA	Public Announcement relating to the Offer issued by Manager on behalf of Acquirer in accordance with SEBI (SAST) Regulations dated Wednesday, February 25, 2026
Person Acting in Concert /PAC	PAC shall have the meaning as ascribed to it under Regulation 2(1)(q) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and shall include all persons who, with a common objective or purpose of acquisition of shares or voting rights in, or exercising control over the Target Company, pursuant to an agreement or understanding, formal or informal, directly or indirectly co-operate for acquisition of shares or voting rights in, or control over the Target Company. For the purpose of this Open Offer, there are no persons acting in concert with the Acquirer.
PAN	Permanent Account Number
PAT	Profit after Tax
Promoter/Promoter Group/Existing Promoters	All the existing Promoter/Promoter Group of the Target Company namely Mr. Pravin J Karia, Mr. Rahul G Tanwani and Mr. Gordhan Prabhudas Tanwani. who have been classified and disclosed as Promoter/Promoter Group in the shareholding pattern filed by the Target Company with the Stock Exchange for the quarter ended December 31, 2025 under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, immediately prior to the date of this Public Announcement, and who are identified as Promoter/Promoter Group in accordance with Regulation 2(1)(s) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Promoter Seller/ Seller/ Selling Shareholder	Promoter Seller namely Mr. Gordhan Prabhudas Tanwani (“Seller”) being a party to SPA who is selling the shares under SPA and is mention as Seller in paragraph 3.1.4.
Public Shareholders	All the public shareholders of the Target Company who are eligible to tender their Equity Shares in the Offer, other than the Acquirer, Promoter Seller (as defined above), and persons deemed to be acting in concert with the parties to the SPA, pursuant to and in compliance with the SEBI (SAST) Regulations
RBI	Reserve Bank of India
Registrar / RTA	Purva Sharegistry (India) Private Limited
Return on Net Worth	(Profit after Tax available for Equity Shareholders) / (Equity Share Capital + Free Reserve (excluding Revaluation reserve) – Debit balance in Profit & Loss A/c – Misc. expenditure not written off)
Rs/ Rupee/INR/₹	Indian Rupees, the legal currency of India
Sale Shares/ Seller’s Equity Shares	3,92,00,000 equity shares having face value of ₹ 1/- each representing 74.67% of the Equity and Voting Share Capital of the Target Company at a price of ₹ 6.00 (Rupees Six Only) per equity share, aggregating to a total consideration of ₹ 23,52,00,000 (Rupees Twenty Three Crore Fifty Two Lakh Only) by Promoter Seller to the Acquirer, pursuant to the execution of a Share Purchase Agreement dated Wednesday, February 25, 2026.
SCRR	Securities Contract (Regulation) Rules, 1957, as amended

Abbreviations	Particulars
SEBI	Securities and Exchange Board of India, established under SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act, 1992 and subsequent amendments thereto
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent amendment thereto
SEBI (SAST) Regulations, 2011 / Takeover Regulation/ SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof
SEBI (Buy Back of Securities) Regulations	Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended and Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended
Stock Exchange	BSE Limited the only stock exchange where the equity shares of the Target Company are listed
STT	Securities Transaction Tax
Share Purchase Agreement or SPA	Share Purchase Agreement dated Wednesday, February 25, 2026, executed between the Acquirer and the Promoter Seller, pursuant to which the Acquirer has agreed to acquire 3,92,00,000 Equity Shares having face value of ₹ 1/- each representing 74.67% of the Equity and Voting Share Capital of the Target Company at a negotiated price of ₹ 6.00 (Rupees Six Only) per equity share, aggregating to a total consideration of ₹ 23,52,00,000 (Rupees Twenty Three Crore Fifty Two Lakh Only).
Promoter Seller	Promoter of the Target Company as per Regulation 31(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) 2015, as amended
Target Company/ BAL	Baba Arts Limited
Tendering Period	Period within which Public Shareholders may tender their Equity Shares in acceptance of the Open Offer as per Regulation 2(1)(za) of the SEBI (SAST) Regulations, commencing from Tuesday, June 09, 2026 and ending on Monday, June 22, 2026 both days inclusive.
TRS	Transaction Registration Slip, generated by the exchange bidding system as proof of validly tendering Equity Shares in the Open Offer
Underlying Transaction	Underlying Transaction refers to the proposed acquisition by the Acquirer of 3,92,00,000 Equity Shares representing 74.67% of the Equity and Voting Share Capital of the Target Company from the Promoter Seller pursuant to the Share Purchase Agreement dated February 25, 2026 at a negotiated price of Rs 6.00 per Share, resulting in acquisition of control and triggering the Open Offer under Regulations 3(1) and 4 of the Securities and Exchange Board of India (SAST) Regulations, 2011.
Voting Share Capital	The fully paid-up Equity and Voting Share Capital of the Target Company <i>i.e</i> ₹ 5,25,00,000 comprising of 5,25,00,000 Equity shares of ₹ 1/- each on a fully diluted basis as of the 10 th (Tenth) working day from the Closure of the Tendering Period of the offer.
Working Day	any working day of the Securities and Exchange Board of India (“SEBI”), Mumbai

Note:

All terms beginning with a capital letter used in this Letter of Offer, but not otherwise defined herein, shall have the meaning ascribed thereto in the SEBI (SAST) Regulations unless specified.

2. DISCLAIMER CLAUSE

'IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE PUBLIC SHAREHOLDERS OF BABA ARTS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OPEN OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE COMPANY WHOSE SHARES/ CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LOO. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE LOO, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER - BONANZA PORTFOLIO LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED THURSDAY, MARCH 12, 2026 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LOO DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OPEN OFFER'.

3. DETAILS OF THIS OFFER

3.1. Background of the Offer

- 3.1.1. This Open Offer is a mandatory offer, being made by the Acquirer to the public shareholders of the Target Company, pursuant to SPA, in compliance with Regulations 3(1) and 4 of SEBI (SAST) Regulations for substantial acquisition of equity shares/ voting rights, accompanied with a change in management control of the Target Company. Upon completion of this acquisition, the Acquirer shall be classified as Promoter of the Target Company.
- 3.1.2. This Offer is being made to all the shareholders of the Target Company, except to the parties to the Share Purchase Agreement (“SPA”) and existing Promoters of the Target Company, including persons deemed to be acting in concert with such parties.
- 3.1.3. The Acquirer has entered into a Share Purchase Agreement (“SPA”) with the Seller on Wednesday, February 25, 2026, with an intent to acquire 3,92,00,000 equity shares having face value of ₹ 1/- each representing 74.67% of the Equity and Voting Share Capital of the Target Company at a negotiated price of ₹ 6.00 (Rupees Six Only) per equity share, aggregating to a total consideration of ₹ 23,52,00,000 (Rupees Twenty Three Crore Fifty Two Lakh Only), payable in cash, subject to such terms and conditions as mentioned in the Share Purchase Agreement. The Seller is part of the Promoter/ Promoter Group of the Target Company and is also in the management control of the Target Company.
- 3.1.4. The details of the Promoter Seller, who had entered into the Share Purchase Agreement with the Acquirer are stated hereunder:

Name of the Promoter Seller	Nature of Entity	PAN	Part of Promoter of Target company	Residential Address	No. of Equity Shares	% of Equity Shares/ Voting Rights
Gordhan Prabhudas Tanwani Email: gordhantanwani@gmail.com	Individual	AAAPT 8116C	Yes	Flat No 801, Sai Samarth, Plot No. 234, 11th Road, Opp Pinky Paradise Building, Khar West, Khar Deliver, Mumbai 400052	3,92,00,000	74.67%
Total					3,92,00,000	74.67

Note:

- 1) *Post Open Offer (on execution of SPA), the Promoter Seller, shall be declassified from the promoter/ promoter group of the Target Company.*
 - 2) *Mr. Rahul G. Tanwani, forming part of the Promoter/promoter group of the Target Company as per the shareholding pattern filed by the Target Company with the Stock Exchange for the quarter ended December 31, 2025 under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has transferred 1,26,00,000 (One Crore Twenty-Six Lakh) fully paid-up equity shares to Mr. Gordhan Prabhudas Tanwani, also a part of Existing Promoter/ Promoter Group of the Target Company, on February 6, 2026, by way of an inter se transfer amongst promoters through an off-market transaction. The aforesaid acquisition was undertaken by way of gift in reliance upon the exemption available under Regulation 10(1)(a)(i) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and therefore did not trigger an obligation to make an Open Offer. Pursuant to the said transfer, the shareholding of Mr. Gordhan Prabhudas Tanwani has increased to 3,92,00,000 equity shares, representing 74.67% of the Equity and Voting Share Capital of the Target Company.*
 - 3) *Mr. Pravin J. Karia, forming part of the Promoter Group of the Target Company as per the shareholding pattern filed by the Target Company with the Stock Exchange for the quarter ended December 31, 2025 under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and holding 8,000 fully paid-up equity shares representing 0.01% of the Equity and Voting Share Capital, has conveyed his intention not to participate in the Share Purchase Agreement with the Acquirer. Further, Mr. Pravin J. Karia has indicated his intention to seek reclassification from the 'Promoter and Promoter Group' category to the 'Public' category, subject to receipt of necessary approvals and in accordance with applicable laws, including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*
- 3.1.5. Except for the proposed acquisition of 3,92,00,000 (Three Crore Ninety-Two Lakh) Equity Shares representing 74.67% (Seventy-Four Point Six Seven Percent) of the Equity and Voting Share Capital of the Target Company, pursuant to execution of the Share Purchase Agreement, the Acquirer is not holding any equity shares of the Target Company.
- 3.1.6. The Promoter Seller have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other regulation made under SEBI Act.
- 3.1.7. The prime object of this Open Offer is to acquire substantial acquisition of equity shares and voting share capital accompanied with the change in control and management of the Target Company.
- 3.1.8. This Offer is not pursuant to any open market purchase or a global acquisition resulting in indirect acquisition of the Equity Shares of the Target Company.
- 3.1.9. The Proposed change in control of the Target Company is not through any Scheme of Arrangement.

3.1.10. The Acquirer is making this Offer to acquire up to 1,32,92,000 (One Crore Thirty Two Lakh Ninety Two Thousand) Equity Shares representing *25.32% (Twenty Five Point Three Two Percent) of Equity and Voting Share Capital of the Target Company, at an offer price of ₹ 6.00 (Rupees Six Only) per equity share, aggregating to a total consideration of ₹ 7,97,52,000 (Rupees Seven Crore Ninety Seven Lakh Fifty Two Thousand Only), payable in cash, in accordance with the provisions of Regulation 9(1)(a) of the SEBI (SAST) Regulations, subject to the terms and conditions set out in the Offer Documents.

**As per Regulation 7 of the SEBI (SAST) Regulations, 2011, the Offer Size, for the Open Offer under Regulations 3(1) and 4 of the SEBI (SAST) Regulations, 2011, should be for at least 26.00% (Twenty-six percent) of the total Equity and Voting share capital of the Target Company. However, the Offer Size is restricted to 1,32,92,000 (One Crore Thirty-Two Lakh Ninety-Two Thousand) fully paid up Equity Shares, being the only Equity Shares held by the Public Shareholders, representing 25.32% of the total Equity and Voting Share capital of the Target Company.*

3.1.11. The Acquirer has deposited ₹ 2,01,00,000 (Rupees Two Crore One Lakh Only) in cash in Escrow Account under Regulation 17 of SEBI (SAST) Regulation, being more than 25% of the Offer Consideration payable under this Offer assuming full acceptance in the Escrow Account, pursuant of this Offer, in compliance with the provisions of Regulation 22(2) of the SEBI (SAST) Regulations.

3.1.12. Upon consummation of the transaction contemplated under the Share Purchase Agreement and completion of the Open Offer, Skybridge Interactive LLP (“Acquirer”) will acquire control over the Target Company and will be classified as the ‘Promoter’ of the Target Company in accordance with applicable laws. The existing Promoter and Promoter Group shall cease to hold any management control and, except as disclosed below, shall cease to hold any Equity Shares in the Target Company and shall accordingly cease to be classified as the Promoter and Promoter Group, subject to compliance with the conditions specified under Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”). However, Mr. Pravin J. Karia, who presently forms part of the Promoter / Promoter Group and holds 8,000 Equity Shares representing 0.01% of the equity and voting share capital, will continue to hold such Equity Shares and shall seek reclassification from the ‘Promoter and Promoter Group’ category to the ‘Public’ category in accordance with Regulation 31A of the SEBI LODR Regulations and other applicable laws, subject to receipt of the necessary approvals.

3.1.13. The Acquirer has entered into a Share Purchase Agreement (“SPA”) with the Seller on Wednesday, February 25, 2026. The salient features of the Share Purchase Agreement are as follows:

- (i) The Promoter Seller is the sole, legal and beneficial owners of 3,92,00,000 (Three Crore Ninety Two Lakh) fully paid-up equity shares having face value of Re. 1.00/- each (“Equity Shares”) representing 74.67% (Seventy Four Point Six Seven) of the voting share capital in Baba Arts Limited (“Target Company”), having its equity shares listed on the BSE Limited (“BSE”). The Promoter Seller has agreed to sell his entire equity holding of Baba Arts Limited consisting of 3,92,00,000 Equity Shares representing 74.67% of the voting share capital of the Target Company (“Sale Shares”) to the Acquirer. The Sale Shares are fully paid-up and free from all encumbrances and defects in title.
- (ii) The Purchase Price for acquisition of the Sale Shares shall be at a price of Rs 6.00 (Indian Rupees Six Only) per Sale Share, aggregating to Rs. 23,52,00,000/- (“the Purchase Price”/ “Negotiated Price”) as determined under the Takeover Regulations.
- (iii) The Acquirer has paid an amount of Rs. 1,00,00,000 (Rupees One Crore only) to the Promoter Seller at the time of signing of Share Purchase Agreement. The balance consideration of Rs. 22,52,00,000 (Rupees Twenty-Two Crore Fifty-Two lakh only) will be paid by the Acquirer to the Promoter Seller not later than 15 days from the date of closure of Open offer in the following manner:

- (a) The Acquirer will first pay Rs. 5,00,00,000 (Rupees Five Crore only) to the Promoter Seller – this amount will be deposited by the Promoter seller in the Escrow account for the purpose as mentioned in clause 8.8(d) of SPA.
 - (b) Rs. 17,52,00,000 (Rupees Seventeen Crore Fifty-Two lakh) will be payable by the Acquirer after Promoter Seller deposits Rs. 5,00,00,000 (Rupees Five Crore only) in the escrow account as per clause 8.8(d) of SPA.
 - (c) The entire Promoter Seller shares will be transferred to the Acquirer upon receipt of full consideration by the Promoter Seller.
- (iv) The Acquirer shall pay the entire Purchase consideration to the Promoter Seller through normal banking channel *i.e.* Cheque/ Bank Draft, electronic Transfer *viz.*, RTGS or NEFT.
- (v) The SPA inter alia provides that, subject to Article 5.2 herein, from the date hereof until Closing, the Promoter Seller shall do everything within their power to cause the Target Company to conduct its business in the ordinary course.
- (vi) The Promoter Seller has further agreed that, without prior written consent of the Acquirer, the Target Company shall not:
- a) adopt or agree to adopt any plan providing for the Target Company's reorganization;
 - b) make any loan or other extension of credit or issue any guarantee or otherwise incur any contingent liability except in the ordinary course of business;
 - c) alienate any material assets whether by way of sale, lease, encumbrance, or otherwise dispose of or enter into an agreement therefore outside the ordinary course of business of the Target Company;
 - d) effect any material borrowings outside the ordinary course of business;
 - e) issue or allot any authorized but unissued securities carrying voting rights during the Offer period;
 - f) implement any buy-back of shares or effect any other change to the capital structure of the Target Company;
 - g) write off or release any debts or receivables except in the ordinary course of business;
 - h) file for "bankruptcy," "sick company" or similar protection from creditors; and
 - i) enter into any related party transaction
- (vii) The SPA further provides that from the date of entering into this Agreement till the date of completion of the Offer, the Promoter Seller shall not, except with the prior written consent of the Acquirer and as otherwise required under law, sell, transfer, gift, exchange or dispose of or any way deal in the Equity Shares of the Target Company or create any right, interest, or encumbrance over the Sale Shares.
- (viii) The SPA also provides that after expiry of 21 (Twenty-One) working days from the date of Detailed Public Statement, the Acquirer shall be entitled to acquire control over the Target Company as contemplated under the provisions of Regulation 22(2) of the Takeover Regulations on deposit of 100% of the consideration payable under the Open Offer assuming full acceptance, in cash, in the Escrow Account and subject to completion of full payment to the Promoter Seller.
- (ix) The Promoter Seller further undertakes that in case the Acquirer so desire, they shall immediately facilitate to appoint themselves and nominees of the Acquirer on the Board of the Target Company ("Acquirer Nominee Directors") after an initial period of 21 (twenty one) working days from the date of Detailed Public Statement, in accordance with the provisions of Regulations 24(1) and 22(2) of the Takeover Regulations respectively subject to deposit of 100.00% (hundred percent) of the total consideration payable, under the Offer assuming full acceptance, in cash, in the Escrow Account and subject to payment to the Promoter Seller.
- (x) The SPA further records that on Closing, the Promoter Seller shall cause the Target Company to convene a meeting of the Board of Directors of the Target Company after the completion of Open Offer formalities, at which the Board shall pass resolutions for:

- (a) the Promoter Seller to secure resignations from all the existing Directors excluding Acquirer Nominee Directors on the Board of the Target Company or such of them as are requested by the Acquirer;
 - (b) appointing the additional persons nominated by the Acquirer as directors on the Board of the Target Company;
 - (c) accepting the resignations of the existing Directors excluding Acquirer Nominee Directors from the Board of the Target Company;
 - (d) to take on record the transfer/electronic transfer of Sale Shares in the name of the Acquirer; and
 - (e) transfer of Control and Management of the Target Company in favor of the Acquirer;
- (xi) The SPA further records that the Target Company has deposited ₹57,35,255/- (Rupees Fifty Seven Lakhs Thirty Five Thousand Two Hundred Fifty Five only) with Service Tax Department, under protest, pursuant to the show cause cum demand notice in respect of FY 2011-12 to 2014-15 for an amount of ₹7,64,70,058/- plus appropriate interest and penalty from Dy. Commissioner of Service Tax, Mumbai VI and the Company has filed an appeal before CESTAT. The Promoter Seller hereby undertakes that the said appeal shall be pursued by them on behalf of the Target Company and shall pass a necessary resolution authorizing the Promoter Seller's representative to represent before CEGAT, High Court, Supreme Court, and such other authorities as may be necessary for the said purpose.
- (xii) The SPA also records that the Promoter Seller shall immediately and in any event not exceeding 2 (two) working days, from the date of receipt of ₹5,00,00,000/- (Rupees Five Crores only) from the Acquirer, open an Escrow Account in favour of the Acquirer and deposit an amount of INR 5,00,00,000/- (Rupees Five Crores only) in the said Escrow Account to cover the final liability that may arise from the said proceedings.
- (xiii) The SPA further provides that in the event of arising of any undisclosed liabilities pertaining to the period prior to closing this transaction, the Promoter Seller shall be directly responsible to assume and/or pay and/or settle the liability without any adverse impact on the Target Company and/or the Acquirer.
- (xiv) The Promoter Seller shall also indemnify and hold harmless the Acquirer and the Target Company from and against all actions, proceedings, demands, loss, claims, damages, costs (including cost of defending the company in the litigation), charges and expenses which the company or the Acquirer may suffer or incur as a result of such liabilities.
- (xv) The SPA further provides that the Promoter Seller shall indemnify the Acquirer against all damages, losses, liabilities, obligations, fines, penalties, levies, action, investigations, inquisitions, notices, suits, judgments, claims of any kind including third party claims, interest, governmental and statutory action, costs, litigation and arbitral costs arising out of any misrepresentation or inaccuracy in any Warranty made by the other party or any failure by them to perform or comply with any agreement, obligation, liability, representation, warranty, term, covenant or undertaking contained in the Agreement.

3.1.14. The main object of the Acquirer for the acquisition is substantial acquisition of shares and voting rights and taking control over the management of the Target Company and by above proposed acquisition pursuant to SPA which resulted in triggering of Regulations, the Acquirer will be holding substantial stake and will be in control of the Target Company.

3.1.15. Acquisition of a controlling stake in Baba Arts Limited ("Target Company") pursuant to and in accordance with the Share Purchase Agreement executed on February 25, 2026. The primary reasons for the acquisition are as follows:

- a. Long-term Strategic Investment: The Acquirer intends to make a strategic investment in the Target Company with a view to participating in its long-term growth prospects in the media and entertainment sector.

- b. Strengthening the Financial Position of the Company: The Target Company requires additional working capital and funding support for business expansion, technology upgradation and meeting operational requirements. The Acquirer, through this investment, aims to support the Target Company's growth plans.
 - c. Management and Operational Improvement: By acquiring a controlling stake, the Acquirer intends to provide managerial oversight, strengthen operational efficiencies, facilitate improved corporate governance, and support future expansion plans.
 - d. No Intent to Change the Existing Business: As stated in the Letter of Offer, the Acquirer does not have any plan to discontinue or alter the existing line of business of the Target Company. Any future diversification or change, if required, shall be undertaken strictly in compliance with applicable laws and subject to necessary approvals.
 - e. Relevant Experience and Expertise: The Acquirer has experience in managing and operating businesses involving the conduct of online and offline skill-based gaming and entertainment-related activities. The Acquirer possesses business management expertise, financial capability, and operational experience, which will enable it to effectively support the Target Company in scaling its operations, improving efficiencies, and leveraging opportunities in the media and entertainment sector.
- 3.1.16. As per the provisions of Regulations 26(6) and 26(7) of the SEBI (SAST) Regulations, the Board of Directors of the Target Company is required to constitute a committee of independent directors who would provide written reasoned recommendation on this Offer to the Public Shareholders of the Target Company and such recommendations shall be published at least 2 (Two) Working Days before the commencement of the Tendering Period in the same newspaper where the Detailed Public Statement was published.
- 3.1.17. The Equity Shares of the Target Company are listed only at BSE. As per Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations") read with Rule 19A of the Securities Contract (Regulation) Rules, 1957, as amended ("SCRR"), the Target Company shall maintain at least 25% public shareholding, on a continuous basis for listing, on completion of this Open Offer
- 3.1.18. On completion of this Open Offer, assuming full acceptances, the shareholding of the Public Shareholders in the Target Company shall fall below minimum public shareholding requirement as per Rule 19A of the Securities Contracts (Regulation) Rules, 1957 read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Acquirer will ensure compliance with the minimum public shareholding requirements in such manner and timelines prescribed under applicable law, including but not limited to sale of shares, institutional placement, OFS etc. Any failure to comply with the minimum public shareholding requirements may result in non-compliance with the SCRR and the SEBI LODR Regulations and may attract actions/penal provisions in accordance with the applicable laws.
- 3.1.19. The Acquirer will continue with the existing line of business of the Target Company and any subsequent change in the line of activity shall be effected after taking the necessary approvals. However, depending on the requirements and expediency of the business situation and subject to all applicable laws, rules and regulations, the Board of Directors of the Target Company will take appropriate business decisions from time to time in order to improve the performance of the Target Company.
- 3.1.20. The Acquirer has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992 and subsequent amendments thereto or under any other regulations made under the SEBI Act, 1992.
- 3.1.21. In accordance with Regulation 17 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the Acquirer has deposited appx 25% of the total consideration payable under the Open Offer in an escrow account to secure the performance of its obligations. The acquisition of the Sale Shares under the Share Purchase Agreement and the consequent change in management and control of the Target Company shall occur only upon completion of the Open Offer in accordance with

the SEBI (SAST) Regulations, 2011. Until completion of the Open Offer and the underlying transaction, the existing promoter and management shall continue to manage the affairs of the Target Company.

3.2. Details of the proposed Offer

3.2.1. The Public Announcement was issued on Wednesday, February 25, 2026 by the Manager to the Offer, for and on behalf of the Acquirer. A copy of the said Public Announcement was sent to SEBI, BSE and the Target Company on Wednesday, February 25, 2026 and was filed with SEBI on Thursday, February 26, 2026

3.2.2. The Detailed Public Statement (“DPS”) dated Wednesday, March 04, 2026 published in the newspapers on Thursday, March 5, 2026, in Financial Express (English daily - All Editions), Jansatta (Hindi daily - All Editions) and Mumbai Lakshadeep (Marathi Daily- Mumbai Edition). *However, due to closure of printing in certain regions on account of non-operational printing schedules/holidays (for HOLI), the Detailed Public Statement appeared on Friday, March 06, 2026 in certain regional editions of Financial Express namely Delhi, Chandigarh, Lucknow and Ahmedabad and in certain regional editions of Jansatta namely Delhi, Chandigarh and Lucknow.*

Publication	Language	Edition
Financial Express	English	All Editions
Jansatta	Hindi	All Editions
Mumbai Lakshadeep	Marathi	Mumbai Edition

3.2.3. A copy of Public Announcement, Detailed Public Statement and Draft Letter of Offer will also be available on the website of SEBI at www.sebi.gov.in, website of BSE at www.bseindia.com and the website of Manager to the Offer accessible at www.bonanzaonline.com.

3.2.4. The Acquirer is making this Open Offer, pursuant to Regulations 3(1) and 4 of the SEBI (SAST) Regulations, to acquire up to 1,32,92,000 (One Crore Thirty-Two Lakh Ninety-Two Thousand) equity shares having face of ₹ 1/- each representing *25.32% of the Equity and Voting Share capital of Baba Arts Limited. (the “Offer Size”), at a negotiated price of ₹ 6.00 (Rupees Six Only) per equity share from the Public Shareholders of the Target Company. Assuming full acceptance, the total consideration payable by the Acquirer under this Offer, at the Offer Price, aggregates to ₹ 7,97,52,000 (Rupees Seven Crore Ninety Seven Lakh and Fifty Two Thousand Only) payable in cash, in accordance with the provisions of Regulation 9(1)(a) of the SEBI (SAST) Regulations, subject to the terms and conditions set out in the Offer Documents.

**As per Regulation 7 of the SEBI (SAST) Regulations, 2011, the Offer Size, for the Open Offer under Regulations 3(1) and 4 of the SEBI (SAST) Regulations, 2011, should be for at least 26.00% (Twenty-Six Percent) of the total Equity and voting share capital of the Target Company. However, the Offer Size is restricted to 1,32,92,000 (One Crore Thirty-Two Lakh Ninety-Two Thousand) fully paid up Equity Shares, being the only Equity Shares held by the Public Shareholders, representing 25.32% of the total Equity and Voting Share capital of the Target Company.*

3.2.5. There are no statutory and other approvals required to be obtained to complete the Underlying Transaction contemplated under the SPA or to complete this Open Offer. However, it will be subject to all statutory approvals that may become applicable at a later date.

3.2.6. As on the date of this LOO, the Target Company does not have (Source: BSE Limited, Annual Report and MCA Portal):

- Any partly paid-up equity shares;
- Outstanding instruments in warrants, or options or fully or partly convertible debentures/preference shares/ employee stock options, etc., which are convertible into equity shares at a later stage;
- Equity Shares which are forfeited or kept in abeyance;
- Outstanding Equity Shares that have been issued but not listed on any stock exchange.

- 3.2.7. As on date of this LOO, no equity shares are subject to any lock in obligation.
- 3.2.8. The Acquirer has not acquired any Equity Shares during period of 52 (Fifty-Two) weeks prior to the date of the PA. Further, the Acquirer has not purchased any equity shares from the date of the Public Announcement to the date of this Letter of Offer.
- 3.2.9. This Offer is not conditional upon any minimum level of acceptance in terms of the Regulation 19(1) of SEBI (SAST) Regulations. Further there is no differential pricing for this offer.
- 3.2.10. This Offer is not a competing offer in terms of the Regulation 20 of SEBI (SAST) Regulations.
- 3.2.11. The Acquirer has not acquired any equity shares of the Target Company after date of Public Announcement i.e. Wednesday, February 25, 2026 till the date of this Letter of Offer.
- 3.2.12. The Equity Shares which will be acquired by the Acquirer should be free from all liens, charges, and encumbrances together with all rights attached thereto, including the right to all dividends, bonus, and rights offer declared hereafter.
- 3.2.13. The Acquirer intends to retain the listing status of Target Company and no delisting offer is proposed to be made.
- 3.2.14. Upon completion of this Offer, assuming full acceptances, the Acquirer will hold 5,24,92,000 (Five Crore Twenty-Four Lakh Ninety-Two Thousand) Equity Shares representing 99.99 % (Ninety-Nine Point Nine Percent) of the Equity and Voting Share Capital of the Target Company.
- 3.2.15. The Acquirer shall not be eligible to make a voluntary delisting offer under the SEBI (Delisting of Equity Shares) Regulations, 2021, unless a period of twelve months has elapsed from the date of completion of the offer period as per regulation 7(5) of the SEBI (SAST) Regulations, 2011.
- 3.2.16. The Acquirer has appointed Bonanza Portfolio Limited holding PAN AAACB0746B, as the Manager to the Offer in terms of Regulation 12 of the SEBI (SAST) Regulations.
- 3.2.17. As on the date of this Letter of Offer, the Manager to the Offer undertake and confirms that
- a) they do not hold any Equity Shares in the Target Company and
 - b) they are not related to the Acquirer and the Target Company in any manner whatsoever.
 - c) they shall not deal on its own account in the Equity Shares of the Target Company during the Offer Period.
 - d) they have not received any complaints in relation to the Open Offer
 - e) Further, the Manager to the Offer confirms that, except as disclosed herein below, there are no directions, enforcement actions, adjudication proceedings, penalties, or orders subsisting or pending against the Manager to the Offer under the SEBI Act, 1992 or the rules and regulations framed thereunder
 - (i) penalties of ₹ 20.00 Lakh pursuant to adjudication order dated September 25, 2020, ₹ 10.00 Lakh pursuant to order dated November 17, 2022, ₹ 9.00 Lakhs pursuant to adjudication order dated July 24, 2024, and ₹ 1.00 Lakh pursuant to Show Cause Notice dated October 7, 2024, have been duly paid;
 - (ii) advisory / warning letters dated April 05, 2024, September 12, 2025, and April 07, 2026, have been duly complied with and necessary corrective actions / Action Taken Reports have been submitted; and
 - (iii) adjudication proceedings relating to merchant banking (debt) activities for the period April 2022 to April 2024 are currently pending pursuant to a Show Cause Notice dated March 17, 2025, in respect of which a personal hearing was held on January 07, 2026, and the final order is awaited

- 3.2.18. The Equity Shares of the Target Company are listed only at BSE Limited. As per Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI (LODR) Regulations”) read with Rule 19A of the Securities Contract (Regulation) Rules, 1957, as amended (“SCRR”), the Target Company is required to maintain at least 25% public shareholding, on a continuous basis for listing. If, pursuant to this Offer and upon transfer of shares under SPA, the public shareholding in the Target Company reduces below the minimum level required as per the listing agreement entered into by the Target Company with BSE Limited read with Rule 19A of the SCRR, the Acquirer hereby undertake that their shareholding in the Target Company will be reduced, within the time period specified in the SCRR, such that the Target Company complies with the required minimum level of public shareholding.
- 3.2.19. The Acquirer intends to acquire all the Equity Shares validly tendered by the Public Shareholders in the Open Offer, subject to the terms and conditions set out in this Letter of Offer and applicable laws. Since the Offer Size represents the entire public shareholding of the Target Company as on the date of this Letter of Offer, the Acquirer expects to accept all Equity Shares validly tendered in the Open Offer by the Public Shareholders. Accordingly, no proportionate acceptance is envisaged under the Open Offer. The marketable lot for the Equity Shares for the purpose of this Open Offer shall be 1 (One) Equity Share only.
- 3.2.20. In terms of Regulation 8(10) of the SEBI (SAST) Regulations, 2011, If the Acquirer acquires Equity Shares of the Target Company during the period of 26 (twenty-six) weeks after the Tendering Period at a price higher than the Offer Price, then the Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all Public Shareholders whose Offer Shares have been accepted in the Offer within 60 (sixty) days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, or pursuant to Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, including subsequent amendments thereto, or open market purchases made in the ordinary course on the stock exchange, not being negotiated acquisition of Equity Shares of the Target Company in any form.
- 3.2.21. The payment of consideration shall be made to all the Public Shareholders, who have tendered their Equity Shares in acceptance of the Offer within 10 (Ten) Working Days of the expiry of the Tendering Period. Credit for consideration will be paid to the Public Shareholders who have validly tendered Equity Shares in the Offer by crossed account payee cheques/ pay order/ demand drafts/ electronic transfer. It is desirable that Public Shareholders provide bank details in the Form of Acceptance cum Acknowledgement, so that the same can be incorporated in the cheques/demand draft/pay order.
- 3.2.22. No approval of RBI is required for Open Offer.

3.3. Object of the Acquisition/ Offer

- 3.3.1 The object and purpose of the Acquirer is to achieve substantial acquisition of equity shares/ voting capital and obtain control over the Target Company by: (a) acquisition of 3,92,00,000 (Three Crore Ninety-Two Lakh) equity shares held by the Promoter Seller of the Target Company through SPA; and (b) acquisition of 1,32,92,000 (One Crore Thirty Two Lakh Ninety Two Thousand) equity shares through Open Offer made under the SEBI (SAST) Regulations, 2011.
- 3.3.2 Acquisition of a controlling stake in Baba Arts Limited (“Target Company”) pursuant to and in accordance with the Share Purchase Agreement executed on February 25, 2026. The primary reasons for the acquisition are as follows:
- Long-term Strategic Investment:** The Acquirer intends to make a strategic investment in the Target Company with a view to participating in its long-term growth prospects in the media and entertainment sector.
 - Strengthening the Financial Position of the Company:** The Target Company requires additional working capital and funding support for business expansion, technology upgradation and meeting operational requirements. The Acquirer, through this investment, aims to support the Target Company’s growth plans.

- c. **Management and Operational Improvement:** By acquiring a controlling stake, the Acquirer intends to provide managerial oversight, strengthen operational efficiencies, facilitate improved corporate governance, and support future expansion plans.
- d. **No Intent to Change the Existing Business:** As stated in the Letter of Offer, the Acquirer does not have any plan to discontinue or alter the existing line of business of the Target Company. Any future diversification or change, if required, shall be undertaken strictly in compliance with applicable laws and subject to necessary approvals.
- e. **Relevant Experience and Expertise:** The Acquirer has experience in managing and operating businesses involving the conduct of online and offline skill-based gaming and entertainment-related activities. The Acquirer possesses business management expertise, financial capability, and operational experience, which will enable it to effectively support the Target Company in scaling its operations, improving efficiencies, and leveraging opportunities in the media and entertainment sector.

- 3.3.3 The Acquirer, Skybridge Interactive LLP, intend to continue with the existing line of business of the Target Company, which is engaged in the business of production, distribution and trading of film, activities, and related media and entertainment services. The Acquirer believe that there is scope for operational improvement and intend to enhance efficiency by leveraging their experience in business development and corporate strategy. In the near future, the Acquirer propose to evaluate and implement various strategic initiatives to improve the financial and operational performance of the Target Company. This may include diversification into allied segments, optimization of product lines, modernization of production infrastructure, and strengthening of the Company's distribution and customer network, subject to feasibility, market conditions, and receipt of necessary approvals. Further, the Acquirer shall assess inorganic growth opportunities, including potential collaborations, acquisitions, or technology partnerships, which may complement the Target Company's capabilities. All such initiatives will be undertaken in compliance with applicable laws and in the interest of all stakeholders. Any material change in the existing line of business or new project will be undertaken only after obtaining the necessary statutory and regulatory approvals, as may be required under applicable laws.
- 3.3.4 The Acquirer may, in the future, undertake streamlining or restructuring of their holding in the Target Company and/or the operations, assets, liabilities and/or the businesses of the Target Company. Such actions may include pledging or encumbering their shareholding, arrangements, reconstructions, restructurings, mergers, demergers, sale of assets or undertakings, and/or re-negotiation or termination of existing contractual or operating arrangements. Any such decisions will be undertaken in accordance with applicable laws and with approval of the Board of Directors, as required.
- 3.3.5 The Acquirer state that, they do not have any plan to dispose-off or otherwise encumber any significant assets of the Target Company except: (a) in the ordinary course of business of the Target Company; and (b) on account of the regulatory approvals or conditions or compliance with any law that is binding on or applicable to the Target company. In the event any substantial asset of the Target Company is to be sold, disposed-off, or otherwise encumbered other than in the ordinary course of business, the Acquirer undertakes that, they shall do so only upon the receipt of the prior approval of the shareholders of the Target Company through a Special Resolution in terms of Regulation 25(2) of the SEBI (SAST) Regulations, and subject to the such other provisions of applicable law as may be required.
- 3.3.6 Pursuant to this Offer and upon the consummation of the transaction contemplated in the Share Purchase Agreement, the Acquirer shall be the largest Shareholder and shall have a controlling stake in the Target Company and shall be classified as promoter of the Target Company and the Seller along with other Existing Promoter/ Promoter Group will cease to be the promoters of the Target Company and will be reclassified as public shareholder in accordance with the provisions of Regulation 31A of the SEBI (LODR) Regulations.

4. BACKGROUND OF THE ACQUIRER

4.1. Skybridge Interactive LLP ('Acquirer')

4.1.1 Skybridge Interactive LLP, is a limited liability partnership incorporated on January 11, 2022 under the provisions of the Limited Liability Partnership Act, 2008, bearing LLPIN: ABA-1867, having its registered office at 30, Floor 2nd, Plot 327, Nawab Building, D.N. Road, Hutatma Chowk, Fort, Mumbai City, Mumbai, Maharashtra, India, 400001, bearing Permanent Account Number 'AEPFS9394L', acting through its Designated Partners, Mr. Devang Dinesh Master and Mr. Ayush Devang Master (hereinafter referred to as 'Acquirer'). The contact details of the Acquirer are as follows: Mobile: +91 9136641303 and Email: skybridgeinteract@gmail.com.

4.1.2 The Acquirer is primarily engaged in the following business activities : (i) Designing and deployment of technology-driven gaming solutions, including mobile and web-based applications; (ii) Investing in future focused and high impact segments such as Artificial Intelligence, new age technologies, sports & e-sports, technology based content creation Media, production and distribution, advertising, digital entertainment ecosystems.

4.1.3 There has been no change in the name of the Acquirer since its incorporation.

4.1.4 The Acquirer does not belong to any group.

4.1.5 Capital contribution of the Acquirer is Rs. 32,14,81,094 (Rupees Thirty-Two Crore Fourteen Lakh Eighty-One Thousand Ninety-Four Only) and Acquirer is promoted by below mentioned partners and is 100% owned by them. The capital contribution of the Partners of the Acquirer as on February 26, 2026 are as under:

Sr No	Name of the Partners	Designation	PAN	Date of Appointment	DPIN / LLPIN	Monetary Value of Contribution (Rs.)	% of Profit Sharing
1	Mr. Devang Dinesh Master	Designated Partner	ACZPM7144A	11/01/2022	00480608	2,64,61,796	72.00
2	Mr. Ayush Devang Master	Designated Partner	CSGPM4656Q	14/01/2026	08442349	19,297	09.50
3	Skybridge Incap Advisory LLP	Partner	AENFS3799F	02/09/2025	AAY-5932	29,50,00,000	18.50
Total						32,14,81,094	100

4.1.6 Details of capital contribution of Skybridge Incap Advisory LLP (Partner of the Acquirer) as on date of this LOO are as under:

Sr. No	Name of the Partners	Designation	PAN	Date Of Appointment	DPIN / LLPIN	Monetary Value of Contribution (Rs.)	% of Profit Sharing
1.	Mr. Devang Dinesh Master	Designated Partner	ACZPM7144A	14/09/2021	00480608	2,99,95,000	99.98
2	Mr. Kiran Dilip Thakore	Designated Partner	AKWPT5980A	14/09/2021	03140791	5,000	0.02
Total						3,00,00,000	100%

4.1.7 None of the securities of the Acquirer are listed on any stock exchange in India or outside India.

- 4.1.8 As on the date of this LOO, neither the Acquirer nor any of its partners hold any equity shares of the Target Company, directly or indirectly. Further, the Acquirer has not acquired any equity shares after the date of the PA.
- 4.1.9 As on date of this LOO, no show cause notice (“SCN”) has been issued against the Acquirer, which may impact this Open Offer.
- 4.1.10 The Networth of the Acquirer *i.e.* M/s Skybridge Interactive LLP, as on February 26, 2026 stands at ₹ 32,14,80,000 (Rupees Thirty Two Crore Fourteen Lakh Eighty Thousand Only) vide Networth Certificate dated February 26, 2026 (UDIN-26121057LICXTR6082) issued by CA Neelanj Shah (Membership No. 121057), Partner at TDK & Co., Chartered Accountants, **FRN:** 109804W, having its head office at 102, Lotus Heights, 15th Road, Opp. Gandhi Maidan, Chembur, Mumbai – 400071, Maharashtra; **Mob No.** +91 9152002313 and **Email:** info@tdk.net.in. This certification also confirms that the Acquirer has sufficient resources to meet the obligations of the Open Offer.
- 4.1.11 The designated partners of the Acquirer are deemed persons acting in concert under SEBI (SAST) Regulations. However, both the partners of the Acquirer shall not participate directly or indirectly in this Open Offer.
- 4.1.12 As on date of this LOO, the Acquirer was neither the Promoter nor part of Promoter Group of the Target Company.
- 4.1.13 As on LOO, Designated Partner of the Acquirer, Mr. Devang Dinesh Master holds DIN 00480608 and is acting as a Director and Designated Partner in the below mentioned Companies/ LLPs:

Sr. No.	Name of Company/ LLPs	CIN	Designation	Date of Appointment	Listing Status
1.	First Call Advisory India Private Limited	U70200MH2023P TC408930	Director	20/08/2023	Unlisted
2	KCD Carmatrix Private Limited	U43291MH2023P TC409899	Director	04/09/2023	Unlisted
3	Skybridge Interactive LLP	ABA-1867	Designated Partner	11/01/2022	Unlisted
4	Skybridge Infratec LLP	AAZ-3385	Designated Partner	03/11/2021	Unlisted
5	Skybridge Incap Advisory LLP	AAAY-5932	Designated Partner	14/09/2021	Unlisted
6	Skybridge Lifespaces LLP	AAAY-2587	Designated Partner	20/08/2021	Unlisted
7	Ayush Infra Ventures LLP	AAO-3642	Designated Partner	24/02/2019	Unlisted
8	Skybridge Technologies LLP	ACR-4756	Designated Partner	18/09/2025	Unlisted
9	Skybridge Assets Management LLP	ACR-0831	Designated Partner	04/09/2025	Unlisted
10	Skybridge Ventures LLP	ACQ-0748	Designated Partner	23/07/2025	Unlisted
11	Skybridge Estates LLP	ACR-4786	Designated Partner	18/09/2025	Unlisted
12	Skybridge Lifestyle LLP	ACM-0595	Designated Partner	18/02/2025	Unlisted
13	Skybridge Strategic Ventures LLP	ACU-7923	Designated Partner	29/01/2026	Unlisted

4.1.14 As on LOO, Designated Partner of the Acquirer Mr. Ayush Devang Master holds DIN 08442349 and is acting as a Designated Partner in the below mentioned Companies/LLPs:

Sr No.	Name of Company/LLPs	CIN	Designation	Date of appointment	Listing Status
1.	Skybridge Infratec LLP	AAZ-3385	Designated Partner	03/11/2021	Unlisted
2	Skybridge Technologies LLP	ACR-4756	Designated Partner	18/09/2025	Unlisted
3	Skybridge Estates LLP	ACR-4786	Designated Partner	18/09/2025	Unlisted
4	Skybridge Assets Management LLP	ACR-0831	Designated Partner	04/09/2025	Unlisted
5	Skybridge Lifestyle LLP	ACM-0595	Designated Partner	18/02/2025	Unlisted
6	Skybridge Interactive LLP	ABA-1867	Designated Partner	14/01/2026	Unlisted

4.1.15 The key financial information of the Acquirer as on February 26, 2026, and for financial year ended on March 31, 2025, March 31, 2024 and March 31, 2023 is as under:

(Amount in Lakh)

Particulars	Financial Statements as on February 26, 2026*	Financial Statements for the Financial Year ending March 31*		
		2025	2024	2023
Total Income	18.00	-	-	-
Total Expenditure	4.20	2.04	-	-
Net Profit / (Loss) after Tax	13.80	(2.04)	-	-
Partners' Capital Contribution				
a) Contribution	511	11	11	11
b) Current Account	2703.81	239.99	-10.70	-10.70
Total Liabilities	3214.81	250.99	0.31	0.31
Sundry Debtors	15.55	-	-	-
Bank balance	3088.57	240.30	0.31	0.31
Loans & Advances	10.70	10.70	-	-
Advance for Baba Arts Ltd	100.00	-	-	-
Total Assets	3214.81	250.99	0.31	0.31

* As certified by Designated Partners of LLP

4.1.16 Details of Equity Shareholding of the Acquirer in the Target Company:

Details	Skybridge Interactive LLP	
	No. of Equity Shares	% of Voting Share Capital
Equity Shareholding as on the PA date	0	0.00%
Equity Shares agreed to be acquired under SPA	3,92,00,000	74.67%
Equity Shares acquired between the PA date and the LOO date	0	0.00%
Equity Shares proposed to be acquired in the Offer (assuming full acceptance)	1,32,92,000	25.32%
Post-Offer Shareholding on diluted basis on 10 th Working Day after closing of tendering period (assuming full acceptance under the Open Offer and assuming completion contemplated under the SPA)	5,24,92,000	99.99%

4.2. Acquirer Confirmation and Undertaking

As on date of this Letter of Offer, the Acquirer through its designated partner has confirmed & declared that:

- 4.2.1. The Acquirer is not forming part of the present promoter and promoter group of the Target Company.
- 4.2.2. The Acquirer do not have any other relationship and/or interest in the Target Company including with its Directors, Promoters & key employees.
- 4.2.3. There are no directors representing the Acquirer and/or any of its partners on the Board of the Target Company.
- 4.2.4. The Acquirer confirms that, as on date, no nominee(s) of the Acquirer has been appointed on the Board of the Target Company.
- 4.2.5. Except the transaction contemplated in the Share Purchase Agreement, as detailed in 3.1 above (Background of the Offer), that has triggered this Open Offer, the Acquirer do not have any other relationship with or interest in the Target Company;
- 4.2.6. The Acquirer is in compliance with the applicable provisions of Chapter V of SEBI (SAST) Regulations, 2011 in respect to acquisition of Equity Shares in the Target Company.
- 4.2.7. The Acquirer and none of its partners hold any Equity Shares in the Target Company, prior to the execution of the Share Purchase Agreement, and subsequently, pursuant to the consummation of the Share Purchase Agreement transaction, it will be the largest Shareholder and will have a controlling stake in the Target Company, and will be classified as a 'Promoter' of the Target Company, subject to the compliance of the SEBI (LODR) Regulations.
- 4.2.8. The Acquirer confirms that it does not hold any positions in any listed company (ies).
- 4.2.9. The Acquirer hereby undertake that if it will acquire any equity shares of the Target Company during the Offer Period, then it will inform Stock Exchange, the Target Company and the Manager to the Offer within 24 hours of the acquisition in compliance with Regulation 18(6) of the SEBI (SAST) Regulations. Further, it also undertakes that it will not acquire or sell any equity shares of the Target Company during the period between three working days prior to the commencement of the Tendering Period and until the closure of the Tendering Period as per Regulation 18(6) of the SEBI (SAST) Regulations.
- 4.2.10. The Acquirer undertakes that it will not sell the equity shares of the Target Company, held and acquired by it, if any, during the Offer Period in terms of Regulation 25(4) of the SEBI (SAST) Regulations.
- 4.2.11. The Acquirer has not been prohibited by SEBI from dealing in securities, in terms of the provisions of Section 11B of the SEBI Act or under any other Regulation made under the SEBI Act. Further, there are no directions subsisting or proceedings pending against the Acquirer under the SEBI Act and the regulations made thereunder, and no other statutory approval is pending.
- 4.2.12. The Acquirer has not been categorized nor is appearing in the 'Wilful Defaulters or a Fraudulent Borrowers' list issued by any bank, financial institution, or consortium thereof in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the Reserve Bank of India.

However, Mr. Devang Dinesh Master, a Designated Partner of the Acquirer, has been associated as a director / guarantor with Microcity India Limited, a borrowing entity in respect of credit facilities extended by a consortium of banks led by Central Bank of India and UCO Bank. In connection with the said borrowings, the name of Mr. Devang Dinesh Master appeared in the list of wilful defaulters published by UCO Bank as per information available in the public domain up to September 2025. Subsequently, the said loan accounts were settled and the concerned lenders have issued "No Dues / No Objection Certificates". In particular, Central Bank of India, J.B. Nagar Branch, issued a

No Dues Certificate dated October 25, 2019, confirming that full and final payment had been received towards closure of the loan account of Microcity India Limited and that there were no outstanding dues in its books. Further, UCO Bank (Asset Management Branch, Mumbai) issued a No Dues Certificate dated December 2, 2019 confirming receipt of full and final payment towards the loan account of Microcity India Limited and undertaking to inform credit information companies regarding the closure of the account. The Acquirer has represented that the aforesaid borrowings and related proceedings pertained to Microcity India Limited and do not relate to any borrowings or obligations of the Acquirer.

- 4.2.13. The Acquirer confirms that none of its partners or persons in control have been declared as 'Fugitive Economic Offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.
- 4.2.14. There are no pending litigations or regulatory actions against the Acquirer that may impact the Offer.
- 4.2.15. There are no persons acting in concert ("PACs") with the Acquirer for the purpose of this Open Offer. While persons may be deemed to be acting in concert with the Acquirer in terms of Regulation 2(1)(q)(2) of the SEBI (SAST) Regulations ("Deemed PAC"), however, such deemed PAC are not acting in concert with the Acquirer for the purpose of this Offer, within the meaning of Regulation 2(1)(q)(1) of the SEBI (SAST) Regulations.
- 4.2.16. The Acquirer do not intent to delist the Target Company pursuant to this Offer.
- 4.2.17. There are no outstanding unpaid penalties levied against the Acquirer by the SEBI/ Stock Exchange or any other Regulator under SEBI Act 1992 and regulations made thereunder.
- 4.2.18. There are no outstanding directions subsisting / pending proceedings / Actions / Penalties taken / levied by SEBI / RBI /Stock Exchange or any other regulatory body against the Acquirer or any of its partners under SEBI Act 1992 and regulations made thereunder.
- 4.2.19. The Acquirer does not belong to any group.
- 4.2.20. The Acquirer confirms that it has adequate financial resources to fulfil its obligations under the Open Offer and has put in place firm financial arrangements for the implementation of the Open Offer. The Acquirer further undertakes to fulfil all obligations under the Open Offer and to pay interest for any delay in payment to the shareholders, in accordance with applicable laws
- 4.2.21. The Acquirer has confirmed that there is no direct/ indirect linkage among the promoters/ directors and key employees of the Target Company and Acquirer.
- 4.2.22. The Acquirer has confirmed that there is no direct/ indirect linkage among the public shareholders of the Target Company and Acquirer.
- 4.2.23. The Acquirer has not acquired any equity shares or voting rights of the Target Company during the twelve (12) months preceding the date of the Public Announcement.
- 4.2.24. The Acquirer has confirmed that as on the date of this Letter of Offer, there are no major contingent liabilities.
- 4.2.25. The Acquirer has confirmed and undertaken that during the last three years there have been no Merger/Demerger/Spin off/Buyback/Preferential Issues.

5. BACKGROUND OF THE TARGET COMPANY

(The disclosure mentioned under this section has been sourced from information published by the Target Company or provided by the Target Company or publicly available sources)

- 5.1 The Target Company was originally incorporated as Galaxy Digi Systems Limited on March 30, 1999, as a public limited company under the provisions of the Companies Act, 1956, pursuant to a Certificate of Incorporation issued by the Registrar of Companies, Mumbai. The Company obtained the Certificate for Commencement of Business on April 15, 1999. Subsequently, the name of the Company was changed to Galaxy Multimedia Limited with effect from October 5, 1999. Thereafter, the name of the Company was further changed to Baba Arts Limited with effect from November 19, 2004, pursuant to a fresh Certificate of Incorporation issued by the Registrar of Companies, Mumbai. The Corporate Identity Number (CIN) of the Target Company is L72200MH1999PLC119177. There has been no change in the name of the Target Company during the last three years.
- 5.2 The registered office of the Target Company is presently situated at B1 & B4, Baba House, 86, M.V. Road, Andheri (East), Chakala MIDC, Mumbai – 400093, Maharashtra, India, Tel No: 022-49794623, Fax No.: 022-26733375, Email Id: investors@babaartslimited.com; babaartslimited@yahoo.com and Website: www.babaartslimited.com. The registered office of the Target Company was earlier situated at 3A, Valecha Chambers, New Link Road, Andheri (West), Mumbai – 400053, Maharashtra, India. The registered office was shifted to B1 & B4, Baba House, 86, M.V. Road, Andheri (East), Chakala MIDC, Mumbai – 400093, Maharashtra, India, with effect from April 17, 2024, in compliance with the applicable provisions of the Companies Act, 2013, and pursuant to filings made with the Registrar of Companies, Mumbai.
- 5.3 The Company is engaged in the business of producing, developing, exhibiting, buying, selling, import, export, dealing or otherwise of digital systems for pre-production, post production and software for commercial films, T.V, Serials, shooting for films, Advertisement films, Television films, Digital Broadcasting Channels, Video Shooting Films, Video and other media/ entertainment, documentaries, plays, scenarios, opera, commercial broadcasting and manufacturing and deal in Information Technology related products and services on global basis and to publish private and film music and manufacture pre- record and blank Audio and Video Cassettes, CD's and to process and manufacture CD Roms rewritable CD's, VCDs and distant Video Disc or in any other format which may come in future (Source : MOA of the Target Company).
- 5.4 The Equity shares of the Target Company are presently listed only at BSE. The Equity shares bears ISIN 'INE893A01036', Scrip ID 'BABA' and Scrip Code '532380' at BSE. The Target Company has already established connectivity with both the Depositories *i.e.* NSDL & CDSL.
- 5.5 As on date of this LOO, the trading in Equity Shares of the Target Company is not suspended at BSE and the Equity Shares of the Target Company is trading under ESM: Stage 1 with effect from April 13, 2026.
- 5.6 As on the date of this LOO, the Target Company does not have: (Source: BSE Limited, Annual Report of Target Company and Stock Exchange Disclosure and MCA Portal)
- Any partly paid-up equity shares;
 - Outstanding instruments in warrants, or options or fully or partly convertible debentures/preference shares/ employee stock options, etc., which are convertible into equity shares at a later stage;
 - Equity Shares which are forfeited or kept in abeyance;
 - Outstanding Equity Shares that have been issued but not listed on any stock exchange.
- 5.7 The Target Company has no equity shares under any lock-in obligation, as on date of this Letter of Offer.
- 5.8 As on the date of this Letter of Offer, none of the Equity Shares held by the Promoters of the Target Company are pledged or encumbered.
- 5.9 The Equity Share Capital of the Target Company is as follows:

Sr. No	Particulars	Number of equity shares	Aggregate amount of Equity Shares	Voting Share Capital
1	Authorized Equity Share Capital	30,00,00,000	₹ 30,00,00,000/- (Rupees Thirty Crore Only)	NA
2	Issued, Subscribed, and Paid- up Equity Share Capital	5,25,00,000	₹ 5,25,00,000/- (Rupees Five Crore Twenty Five Lakh Only)	100.00% (Hundred Percent)

Paid up Equity Shares of TC	Number of Equity Shares/ voting rights	% of Equity Shares/ Voting Rights
Fully paid-up equity shares	5,25,00,000	100.00%
Partly paid-up equity shares	0	0.00%
Total paid-up equity shares	5,25,00,000	100.00%
Total voting rights in TC	5,25,00,000	100.00%

- 5.10 The Target Company has not undertaken any scheme of amalgamation, restructuring, merger / de-merger, buyback or spin-off during the last three (3) years. However, the Target Company had undertaken buyback of equity shares during FY 2017-18 and FY 2018-19, the details of which are set out below at point 5.11.
- 5.11 The following table sets forth the changes in the Equity Share Capital of the Target Company during the last eight financial years, pursuant to corporate actions undertaken from time to time:

Financial year	Authorised Share Capital (₹)	Issued, Subscribed & Paid-up Capital (₹)		No. of Equity Shares		Nature of Change
		Pre-Buyback	Post-Buyback	Pre-Buyback	Post-Buyback	
FY 17-18	₹30,00,00,000*	7,74,00,000	6,00,18,300	7,74,00,000	6,00,18,300	Reduction in paid-up capital pursuant to buyback of 1,73,81,700 equity shares.
FY 18-19	₹30,00,00,000*	6,00,18,300	5,25,00,000	6,00,18,300	5,25,00,000	Reduction in paid-up capital pursuant to buyback of 75,18,300 equity shares.
FY 19-20	30,00,00,000*	5,25,00,000	5,25,00,000	5,25,00,000	5,25,00,000	No change
FY 20-21	30,00,00,000*	5,25,00,000	5,25,00,000	5,25,00,000	5,25,00,000	No change
FY 21-22	30,00,00,000*	5,25,00,000	5,25,00,000	5,25,00,000	5,25,00,000	No change
FY 22-23	30,00,00,000*	5,25,00,000	5,25,00,000	5,25,00,000	5,25,00,000	No change
FY 23-24	30,00,00,000*	5,25,00,000	5,25,00,000	5,25,00,000	5,25,00,000	No change
FY 24-25	30,00,00,000*	5,25,00,000	5,25,00,000	5,25,00,000	5,25,00,000	No change

*Authorized Share Capital remained unchanged during the aforesaid period.

- 5.12 The Target Company had undertaken buyback of its equity shares during FY 2017-18 and FY 2018-19 in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI (Buy Back of Securities) Regulations through the tender offer route (as applicable), the details of which are set out below.

Buyback undertaken during FY 2017-18:

The Board of Directors of the Target Company, at its meeting held on July 27, 2017, approved the buyback of up to 1,74,00,000 fully paid-up Equity Shares of face value Re. 1/- each at a price of ₹3.00 per Equity Share through the tender offer route. Pursuant to completion of the buyback process, settlement of bids was carried out on November 7, 2017, and the Target Company extinguished 1,73,81,700 Equity Shares (comprising 1,73,80,500 dematerialised shares and 1,200 physical shares) on November 14, 2017, being the Equity Shares tendered and accepted under the said buyback. Consequent to the buyback and extinguishment of Equity Shares, the paid-up equity share capital of the Target Company was reduced accordingly. The resultant change in the shareholding percentage of the Promoter and Promoter Group was solely on account of reduction in the total number of outstanding Equity Shares pursuant to the buyback and not on account of any acquisition by the Promoter or members of the Promoter Group. The Promoter and Promoter Group complied with the applicable disclosure requirements under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 within the prescribed timelines.

Buyback undertaken during FY 2018-19:

Subsequently, the Board of Directors of the Target Company, at its meeting held on November 13, 2018, approved a further buyback of up to 75,18,300 fully paid-up Equity Shares at a price of ₹4.50 per Equity Share through the tender offer route, which was subsequently approved by the shareholders of the Target Company. Upon completion of the buyback process, settlement of bids was carried out on March 6, 2019, and the Target Company extinguished 75,18,300 Equity Shares (comprising 75,17,100 dematerialised shares and 1,200 physical shares) on March 15, 2019. As a result of the aforesaid buyback, the paid-up equity share capital of the Target Company was further reduced. The resultant change in the shareholding of the Promoter and Promoter Group occurred solely due to the reduction in the total number of outstanding Equity Shares pursuant to the buyback and not on account of any acquisition by the Promoter or members of the Promoter Group. The Promoter and Promoter Group complied with the disclosure requirements prescribed under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 within the stipulated timelines.

- 5.13 There are no directions subsisting or proceedings pending under SEBI Act, 1992 against Target Company and its Promoters and Directors and no penalties levied by SEBI/ RBI against the promoters, directors and the Target Company.
- 5.14 There are no actions or penalties initiated, taken or levied by SEBI, RBI or any Stock Exchange under the SEBI Act 1992 or the rules and regulations framed thereunder pending against the Target Company, its Promoters and Directors.
- 5.15 Neither the Target Company nor its promoter/ directors are prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992 and subsequent amendments thereto or under any other regulations made under the SEBI Act, 1992.
- 5.16 The equity shares of the Target Company are infrequently traded within the meaning of Regulation 2(1)(j) of SEBI (SAST) Regulations.
- 5.17 The Target Company has not been a part of any scheme of arrangement.
- 5.18 The Target Company is neither a promoter nor part of the promoter group of any other listed company.
- 5.19 The Target Company is neither registered with any regulatory nor with any governmental authority in any capacity and hence is not required to obtain any No Objection Certificate from any regulatory or governmental authority for effecting change in control of the Target Company.
- 5.20 As on the date of this Letter of Offer, the Target Company does not have any material contingent liabilities.
- 5.21 There are no pending litigations or regulatory actions against the Target Company except:
 - a. The Target Company has disclosed a contingent liability in respect of a service tax demand pertaining to earlier financial years (FY 2011-12 to FY 2014-15) for an aggregate amount of ₹7,64,70,058 (Rupees Seven Crore Sixty-Four Lakh Seventy Thousand Fifty-Eight only), plus applicable interest and penalty, confirmed by the Commissioner of Service Tax, Mumbai VI by order dated March 14, 2018. The Company has filed an appeal before the Hon'ble Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai, against the said order and has complied with the requisite pre-deposit requirements by depositing ₹57,35,255 (Rupees Fifty-Seven Lakh Thirty-Five Thousand Two Hundred and Fifty-Five only) at the time of filing the appeal. The Promoter Seller hereby undertakes that the said appeal shall be pursued by them on behalf of the Target Company. The Acquirer hereby confirms that the Board of Directors of the Company shall pass a necessary resolution authorizing the Promoter seller's representative to represent the company before CEGAT, High Court, Supreme Court, and such other authorities as may be necessary for the said purpose (*Source: SPA*).
 - b. The Target Company was subject to adjudication proceedings initiated by the Securities and Exchange Board of India ("SEBI") in relation to delay in dissemination of price sensitive information to the stock exchange concerning a decision of the Board of Directors taken in June 2009 regarding non-issuance of

bonus shares. Pursuant to an adjudication order dated August 7, 2017, SEBI imposed a monetary penalty of ₹ 3,00,000 (Rupees Three Lakhs only) on the Target Company for violation of disclosure requirements under the erstwhile Listing Agreement and SEBI (Prohibition of Insider Trading) Regulations, 1992. The said penalty has been duly paid and the matter stands concluded, with no continuing directions, restraints or prohibitions against the Target Company. (Source: SEBI Order).

5.22 There are no penalties levied by SEBI / RBI or other regulator against the Target Company, its Promoters or directors or KMPs.

5.23 The Target Company has not received any complaints in relation to the Open Offer.

5.24 The present composition of the Board of Directors of the Target Company are as follows:

Sr. No	Name	Date of Appointment	PAN	DIN	% of Shares held	Designation
1	Nikhil Gordhan Tanwani	20/01/2022	ACWPT6165D	01995127	Nil	Managing Director - Chairperson
2	Malavika Ajay Acharya	01/04/2015	AAAPA7782M	07007469	0.45	Non-Executive - Non Independent Director
3	Shekhar Mennon	01/04/2024	ACJPM4151D	02262964	Nil	Non-Executive - Independent Director
4	Hemraj Gangji Chheda	01/04/2024	AABPC4669G	00113766	0.039	Non-Executive - Independent Director

(Source: MCA Website and BSE)

5.25 As on the date of this LOO, the Acquirer do not have any representation on the Board of Directors of the Target Company.

5.26 As on the date of this LOO, Mr. Naishadh Harikesh Mankad is holding the position of Company Secretary and Compliance Officer *w.e.f.* October 01, 2003.

5.27 Financial Information

The extract of the financial information based on the unaudited and limited reviewed financial statements for the nine months ended December 31, 2025 and audited financial statements for the financial years March 31, 2025, March 31, 2024 and March 31, 2023, are as under (Source: BSE)

Profit and Loss Statement

(Rupees in Lakh)

Particulars	Unaudited Financial Statements for the nine months ended	Audited Financial Statements for the Financial Year ending March		
	Dec-25	2025	2024	2023
Revenue From Operations	978.93	558.88	1146.18	278.75
Other Income	44.04	129.65	101.65	103.78
Total Income	1022.97	688.53	1247.83	382.53
Changes In Inventories	256.17	-138.75	62.54	-277.64
Purchases of Stock in Trade	572.76	517.51	375.00	46.67
Employee benefits expense	39.17	45.81	43.34	45.78
Cost of Production of Films/ Web Series	6.00	0.00	350.44	296.12
Other Expenses	71.12	63.89	138.53	131.60
Total Expenditure	945.22	488.46	969.85	242.53

Particulars	Unaudited Financial Statements for the nine months ended	Audited Financial Statements for the Financial Year ending March		
	Dec-25	2025	2024	2023
Profit Before Depreciation Interest and Tax	77.75	200.07	277.98	140.00
Finance Cost	0.28	0.00	0.26	0.87
Depreciation & Amortization	4.66	6.00	5.40	5.89
Profit/(Loss) before Tax	72.80	194.07	272.32	133.24
Less : Current Tax	18.27	49.79	68.30	36.03
Less : Deferred tax	-0.33	0.72	-1.15	0.44
Less: Prior Year Taxes	0.00	-0.28	7.75	-5.44
Profit/(Loss) after Tax	54.86	143.84	197.42	102.21
Other Comprehensive Income / (loss)	-0.22	-3.82	0.84	-0.70
Total Comprehensive Income/ (loss)	54.64	140.02	198.26	101.51

Balance Sheet

Particulars	Unaudited Financial Statements For the Quarter ended	Audited Financial Statements for the Financial Year ending March		
	Dec-25*	2025	2024	2023
(A) Sources of Funds				
Paid up Share Capital	-	525.00	525.00	525.00
Other Equity	-	2150.82	2010.80	1812.53
Net Worth	-	2675.82	2535.80	2337.53
Noncurrent liabilities				
Other Financial Liabilities		0.00	0.00	5.33
Provisions	-	4.45	2.96	6.53
Deferred tax liabilities	-	16.16	16.72	17.58
	-	20.61	19.68	29.44
Current Liabilities :				
Trade Payables	-	91.26	53.98	16.50
Other financial liabilities	-	127.48	156.16	20.66
Other Current Liabilities	-	1.46	18.98	5.69
Provisions	-	20.48	18.32	14.75
	-	240.68	247.44	57.60
Total (A)	-	2937.11	2802.92	2424.57
(B) Uses of Funds				
Non-Current Assets				
Property, Plant and Equipment and Intangible Assets	-	136.55	136.38	139.53
Investments	-	0.00	0.00	0.00
Long Term Loans and Advances	-	0.00	0.00	0.00
Other financial assets	-	103.28	1.03	150.37
Deferred Tax Assets	-	0.00	0.00	0.00
Income Tax Assets	-	0.00	52.58	7.13
Non-Current Tax Assets (Net)	-	3.80	0.00	0.00
Other Non-Current Assets	-	182.27	181.67	0.00
Total Non-Current Assets	-	425.90	371.66	297.03
Current Assets				
Inventories	-	622.56	483.81	546.35
Loan & advances	-	0.00	0.00	0.00

Particulars	Unaudited Financial Statements For the Quarter ended	Audited Financial Statements for the Financial Year ending March		
	Dec-25*	2025	2024	2023
Trade Receivables	-	140.55	66.47	27.15
Short Term Loans & Advances	-	0.00	0.00	0.00
Cash & Cash Equivalents	-	22.28	80.44	172.77
Bank Balance other than Cash	-	1125.00	1675.00	1027.41
Other Financial Assets	-	543.87	62.93	31.25
Other Current Assets	-	56.95	62.60	322.61
Total Current Assets	-	2511.21	2431.25	2127.54
Total (B)	-	2937.11	2802.92	2424.57

(Amt in Lakhs except EPS')

Particulars	Unaudited Financial Statements For the Quarter ended	Audited Financial Statements for the Financial Year ending March 31		
	Dec-25	2025	2024	2023
Total Income	1022.97	688.53	1247.83	382.53
Profit/(Loss) after Tax	54.86	143.84	197.42	102.21
Earnings per share (EPS)	0.105	0.274	0.376	0.195
Dividend(%)	-	-	-	-
Net Worth	-	2675.82	2535.80	2337.53

* Not Annualized

* As on date of this LOO, The Balance Sheet figures of the Target Company for the nine months ended December 31, 2021 is not available on the website of BSE.

The financial information of the Target Company is extracted from the audited financial statements filed with the BSE as per Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.

(INTENTIONALLY KEPT BLANK)

5.28 The Pre-Offer and Post-Offer shareholding of the Target Company (based on the issued, subscribed and paid up equity and voting share capital), assuming full acceptance under this Offer is as specified below:

Shareholders' Category	Shareholding/ voting rights prior to the SPA/ acquisition and Offer		Shares/ voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulations		Shares/voting rights to be acquired in Open Offer (assuming full acceptances)		Shareholding / voting rights after Acquisition and Offer (A+B+C)	
	(A)		(B)		(C)		(D)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
1. Promoter								
(a) Party to Agreement:								
Gordhan Prabhudas Tanwani*	3,92,00,000	74.67	-3,92,00,000	-74.67	0	0.00	0	0.00
Total	3,92,00,000	74.67	-3,92,00,000	-74.67	0	0.00	0	0.00
(b) Promoter other than (a) above								
Pravin J Karia*	8000	0.01	0	0.00	0	0.00	0	0.00
Rahul G Tanwani*	0	0.00	0	0.00	0	0.00	0	0.00
Total	8000	0.01	0	0	0	0	0	0.00
Total 1 (a+b)	3,92,08,000	74.68	-3,92,00,000	-74.67	0	0.00	0	0.00
2. Acquirer:								
Skybridge Interactive LLP	0	0.00	3,92,00,000	74.67	1,32,92,000	25.32	5,24,92,000	99.99
Total 2	0	0.00	3,92,00,000	74.67	1,32,92,000	25.32	5,24,92,000	99.99
3. Parties to Agreement other than 1(a) & 2	0	0.00	0	0.00	0	0.00	0	0.00
4. Public (other than Parties to Agreement and Acquirer)								
a. FIs/MFs/FIIs/ Banks/ SFIs	0	0.00	0	0.00				
b. Others								
Investor Education and Protection Fund	2,17,204	0.41						
Key Managerial Personnel	61,600	0.12			-1,32,92,000	-25.32	8,000	0.01
Resident Individuals Share Capital up to ₹ 2 Lakhs	68,59,196	13.07	0	0.00				
Resident Individuals Share Capital in excess of ₹ 2 Lakhs	21,92,360	4.18						
Bodies Corporate	18,27,565	3.48	0	0.00				
NRI	6,92,063	1.32						
Others	14,42,012	2.75						
Total (4) (a+b)	1,32,92,000	25.32	0	0.00				
GRAND TOTAL (1+2+3+4)	5,25,00,000	100.00	0	0.00	0	0.00	5,25,00,000	100.00

**Mr. Rahul G. Tanwani, forming part of the Promoter/promoter group of the Target Company as per the shareholding pattern filed by the Target Company with the Stock Exchange for the quarter ended December 31, 2025 under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has transferred 1,26,00,000 (One Crore Twenty-Six Lakh) fully paid-up Equity Shares to Mr. Gordhan Prabhudas Tanwani, also a promoter of the Target Company, on February 6, 2026, by way of an inter se transfer amongst promoters through an off-market transaction. The aforesaid acquisition was undertaken by way of gift in reliance upon the exemption available under Regulation 10(1)(a)(i) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and therefore did not trigger an obligation to make an open offer. Pursuant to the said transfer, the shareholding of Mr. Gordhan Prabhudas Tanwani has increased to 3,92,00,000 Equity Shares, representing 74.67% of the equity and voting share capital of the Target Company.*

** Mr. Pravin J. Karia, forming part of the Promoter Group of the Target Company as per the shareholding pattern filed by the Target Company with the Stock Exchange for the quarter ended December 31, 2025 under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and holding 8,000 fully paid-up Equity Shares representing 0.01% of the Equity and voting share capital, has conveyed his intention not to participate in the Share Purchase Agreement with the Acquirer. Further, Mr. Pravin J. Karia has indicated his intention to seek reclassification from the 'Promoter and Promoter Group' category to the 'Public' category, subject to receipt of necessary approvals and in accordance with applicable laws, including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

Notes:

- a) *Based on shareholding pattern filled with BSE for the quarter ending December 31, 2025.*
- b) *The Data within the bracket/ (-) sign indicates sale of Equity Shares.*
- c) *As per the shareholding filed for the quarter ended December 31, 2025, there are 11,493 Public Shareholders.*
- d) *Post completion of the SPA transaction and after completion of the compliance under Reg 31A of the SEBI (LODR) Regulations, the Promoter/ Promoter Group shall cease to classify as Promoter of the Target Company & will be reclassified as Public Category. Accordingly, post completion of the Offer, the Acquirer will be classified as the Promoter of the Target Company, in accordance with the applicable laws.*
- e) *All percentages are calculated on the Total equity paid up share capital of the Target Company, as on 10th working day after closing of tendering period.*
- f) *On completion of this Open Offer, assuming full acceptances, the shareholding of the Acquirer will be 99.99% and the shareholding of the Public Shareholders in the Target Company shall fall below minimum public shareholding requirement as per Rule 19A of the Securities Contracts (Regulation) Rules, 1957 read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Acquirer will ensure compliance with the minimum public shareholding requirements in such manner and timelines prescribed under applicable law.*
- g) *Based on the shareholding pattern of the Target Company as on December 31, 2025 and the beneficial position data (BENPOS) as on February 27, 2026, it is confirmed that no public shareholder holds 10% or more of the Equity Share Capital of the Target Company.*

5.29 Upon consummation of the transaction contemplated under the Share Purchase Agreement and completion of the Open Offer, Skybridge Interactive LLP ("Acquirer") will acquire control over the Target Company and will be classified as the 'Promoter' of the Target Company in accordance with applicable laws. The existing Promoter and Promoter Group shall cease to hold any management control and, except as disclosed below, shall cease to hold any Equity Shares in the Target Company and shall accordingly cease to be classified as the Promoter and Promoter Group, subject to compliance with the conditions specified under Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"). However, Mr. Pravin J. Karia, who presently forms part of the Promoter / Promoter Group and

holds 8,000 Equity Shares representing 0.01% of the equity and voting share capital, will continue to hold such Equity Shares and shall seek reclassification from the 'Promoter and Promoter Group' category to the 'Public' category in accordance with Regulation 31A of the SEBI LODR Regulations and other applicable laws, subject to receipt of the necessary approvals.

- 5.30 Pursuant to the completion of this Open Offer and acquisition of Equity Shares of the Target Company in terms of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the Acquirer will acquire control over the management and affairs of the Target Company. The aforesaid classification shall also be reflected in the Shareholding Pattern of the Target Company filed with the stock exchange under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 5.31 There has been no acquisition by the Promoters or members of the Promoter Group of the Target Company during the last eight (8) years which triggered an obligation to make an open offer under the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SAST Regulations"), except as set out below:
- a) During the financial year 2022–2023, Mr. Rahul Gordhan Tanwani acquired 1,26,00,000 Equity Shares of the Target Company from Mr. Gordhan P. Tanwani, forming part of the Promoter/Promoter Group, on February 1, 2022, by way of an inter-se transfer through gift. The said acquisition was undertaken in reliance upon the exemption available under Regulation 10(1)(a)(i) of the SAST Regulations. Accordingly, a report under Regulation 10(7) of the SAST Regulations was duly filed with SEBI in respect of the said exempt acquisition.
- b) Further, during the financial year 2025–2026, Mr. Gordhan P. Tanwani acquired 1,26,00,000 Equity Shares of the Target Company from Mr. Rahul Gordhan Tanwani, forming part of the Promoter/Promoter Group, on February 6, 2026, by way of an inter-se transfer through gift. The said acquisition was undertaken in reliance upon the exemption available under Regulation 10(1)(a)(i) of the SAST Regulations, and a report under Regulation 10(7) of the SAST Regulations was duly filed with SEBI in respect of the said exempt acquisition.
- 5.32 Neither the Target Company nor any of its Promoters, Directors and KMPs have been declared as 'Fugitive Economic Offenders' under Section 12 of the Fugitive Economic Offenders Act, 2018.
- 5.33 Neither the Target Company nor any of its Promoters, Directors and KMPs have been classified as Wilful Defaulters by any Statutory/ Regulatory Authority (Indian/Foreign).
- 5.34 As confirmed by the management of the Target Company, as on the date of this LOO, there is no direct/ indirect connection/ relation between the Promoters/ Directors and Public Shareholders of the Target Company.
- 5.35 The Target Company confirms and undertakes that there have been no corporate actions undertaken by it which warrant any adjustment of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations. The Target Company further undertakes that, in the event of any corporate action such as bonus, rights issue, stock split, consolidation, dividend, demerger, capital reduction or any other similar action, where the record date for such corporate action falls between the date of the Letter of Offer and up to 3 (three) Working Days prior to the commencement of the Tendering Period of the Offer, the Offer Price shall be adjusted in accordance with Regulation 8(9) of the SEBI (SAST) Regulations.
- 5.36 The Target Company confirms and undertakes that there is no pending or contemplated corporate actions (including but not limited to bonus issue, stock split, rights issue, preferential allotment, or buy-back) which may impact the shareholding pattern of the Target Company or which have been undertaken or proposed for the purpose of meeting the minimum offer size requirement under the SEBI (SAST) Regulations.
- 5.37 There are instances of non-compliances/ delay compliances, in the past, by Target Company, under SEBI (SAST) Regulations, 2011, SEBI (LODR) Regulations, 2015 and SEBI (DP) Regulations, 2018; for which regulatory authorities may initiate suitable action against them. The details are as follows:

a) **SAST - Event based compliances - By Promoters/ Promoters Group**

Sr. No.	Regulation/ Sub-Regulation	Due Date for Compliance as mentioned in the regulation	Actual date of Compliance with BSE Limited	Delay, if any (in no. of days) [Col. 4- Col. 3]	Status of Compliance with Takeover Regulations	Remarks
1.	Reg 29(1)	03/02/2022	04/02/2022	1 day	Delay in compliance	Rahul Gordhan Tanwani acquired 1,26,000 equity shares on February 1, 2022 by way of Gift (Inter se Transfer) from Gordhan P Tanwani and given intimation on February 4, 2022 which is in delay of 1 day.

b) **As per SEBI (LODR) Regulations, 2015 - LODR Non Compliances (Source: BSE Website)**

Sr. No.	Regulation/ Sub Regulation	Financial year	Due date for Compliances	Actual Date	Delay, if any	Status of Compliance with LODR Regulations	Remarks, If any
1	33	2017-18 (Q1)	14-08-2017	04-09-2017	21 days	Delay Compliance	Financial Results under Regulation 33 of SEBI (LODR) Regulations, 2015 for the quarter ended June 30, 2017 were filed by the Target Company on September 04, 2017, resulting in a delay of 21 days.
2	33	2017-18 (Q2)	14-11-2017	16-11-2017	2 days	Delay Compliance	Financial Results under Regulation 33 of SEBI (LODR) Regulations, 2015 for the quarter ended September 30, 2017 were filed by the Target Company on November 16, 2017, resulting in a delay of 2 days.
3	31	2025-26 (Q2)	21-10-2025	23-10-2025	2 days	Delay Compliance	Shareholding Pattern filed under Regulation 31 of SEBI (LODR) Regulations, 2015 by Target Company on October 23, 2025 which is delay of 2 days.

c) As per SEBI (DP) Regulations, 2018 - DP Non Compliances

Sr No.	Regulation/ Sub Regulation	Financial year	Due date for Compliances	Actual Date	Delay, if any	Status of Compliance with LODR Regulations	Remarks, If any
1	74(5)	2018-19 (Q3)	28-01-2019	-	2600 days	Not Complied	The Target Company has not filed Reconciliation report under Regulation 74(5) of SEBI (Depositories and Participants) Regulation, 2018 till date of Draft Letter of offer.
2	74(5)	2018-19 (Q4)	24-04-2019	25-04-2019	1 day	Delay Compliance	The Target Company filled Reconciliation Report under Reg. 74(5) of SEBI (Depositories and Participants) Regulation, 2018 for quarter ended March 31, 2019 on April 25, 2019 with a delay of 1 day.
3	76	2019-2020 (Q4)	31-05-2020	-	2111D ays	Not Complied	The Target Company has not filed Audit Report under Regulation 76 of SEBI (Depositories and Participants) Regulation, 2018 till the date of Draft Letter of Offer.
4	76	2020-2021 (Q1)	30-07-2020	-	2051D ays	Not Complied	The Target Company has not filed Audit Report under Regulation 76 of SEBI (Depositories and Participants) Regulation, 2018 till the date of Draft Letter of Offer.

5.38 Details of market price (closing) of the shares of the Target Company

Event	Closing Price (Rs.)
Public Announcement dated February 25, 2026	13.25
The day after Public Announcement dated February 26, 2026	13.91
Detailed Public Statement dated March 05, 2026	15.94
Draft Letter of Offer dated March 12, 2026	16.24
Letter of Offer dated May 25, 2026	13.37

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1. Justification of the Offer Price

6.1.1. The Equity Shares of the Target Company bears ISIN 'INE893A01036', Scrip ID 'BABA' and Scrip Code '532380' at BSE. The Target Company has already established connectivity with both the Depositories *i.e.* NSDL & CDSL. The Shares of the Target Company are not under suspension.

- 6.1.2. The annualized trading turnover of the Equity Shares of the Target Company on BSE during the 12 calendar months prior to the month of the Public Announcement *i.e.*, February 01, 2025 to January 31, 2026 have been obtained from the website of BSE *i.e.* www.bseindia.com, as below:

Stock Exchange	Total no. of equity shares traded during preceding 12 months prior to the month of PA	Total no. of listed Equity Shares	Annualized trading Turnover (as % of shares listed)
BSE	47,45,269	5,25,00,000	9.04%

- 6.1.3. Based on the information provided above, the Equity Shares of the Target Company are infrequently traded in accordance within the meaning of explanation provided in Regulation 2(1)(j) of the SEBI (SAST) Regulations.

- 6.1.4. The Offer Price of ₹ 6.00 (Rupees Six Only) per share of ₹ 1/- each has been determined considering the parameters as set out under Regulations 8 of the SEBI (SAST) Regulations, being highest of the following:

Sr. No.	Particulars	Price (in ₹ per equity share)
1.	Negotiated Price under the Share Purchase Agreement attracting the obligations to make a Public Announcement for the Offer	₹6.00 (Rupees Six Only)
2.	The volume-weighted average price paid or payable for acquisition(s) by the Acquirer, during the 52 (fifty-two) weeks immediately preceding the date of Public Announcement	Not Applicable
3.	The highest price paid or payable for any acquisition by the Acquirer, during the 26 (twenty-six) weeks immediately preceding the date of Public Announcement	Not Applicable
4.	The volume-weighted average market price of Equity Shares for a period of 60 (sixty) trading days immediately preceding the date of Public Announcement as traded on BSE where the maximum volume of trading in the Equity Shares of the Target Company are recorded during such period, provided such shares are frequently traded	Not Available
5.	Where the equity shares are not frequently traded, the price determined by the Acquirer and the Manager to Offer taking into account valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies	₹ 5.98* (Rupees Five Point Nine Eight Only)
6.	The per share value computed under sub-regulation (5) of Regulation 8 of SEBI (SAST) Regulations	Not Applicable Since this is not an indirect acquisition of equity shares

** Mr. Rushabh Doshi, IBBI Registered Valuer bearing number 'IBBI/RV/03/2022/15050', through his Valuation Report dated February 25, 2026, has certified the fair value of the equity share of Target Company at ₹ 5.98 (Rupees Five Point Nine Eight Only) per Equity Share.*

- 6.1.5. In view of the parameters considered and presented in the table above, in the opinion of the Acquirer and Manager, the Offer Price of ₹ 6.00 (Rupees Six Only) per equity share, being the highest of the prices mentioned above, is justified in terms of Regulation 8(2) of the SEBI (SAST) Regulations and is payable in cash. The Offer Price is denominated and payable in Indian Rupees only.

- 6.1.6. As on date of this Letter of Offer, there is no revision in Offer Price or Offer Size. In case of any revision in the Offer Price or Offer Size, the Acquirer would comply with Regulation 18 and all other applicable provisions of SEBI (SAST) Regulations.

- 6.1.7. There have been no corporate actions undertaken by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations. The Offer Price may be adjusted in the event of any corporate actions like bonus, rights issue, stock split, consolidation, dividend, demergers, reduction, etc. where the record date for effecting such corporate actions falls between the date of the Letter of Offer upto 3 (three) Working Days prior to the commencement of the Tendering Period of the Offer, in accordance with Regulation 8(9) of the SEBI (SAST) Regulations.
- 6.1.8. If there is any revision in the offer price on account of future purchases / competing offers, it will be done only up to the period prior to one (1) working days before the date of commencement of the tendering period and would be notified to shareholders.
- 6.1.9. The Acquirer shall disclose during the offer period, every acquisition made by them of any Equity Shares of the Target Company, to the Stock Exchange and to the Target Company at its registered office within twenty-four hours of such acquisition in accordance with Regulation 18(6).
- 6.1.10. In the event of any acquisition of Equity Shares by the Acquirer during the Offer Period, at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer shall not acquire any Equity Shares after the 3rd Working Day prior to the commencement and until the expiry of the Tendering Period of this Offer.
- 6.1.11. As on the date of this Letter of Offer, there is no revision in the Offer Price or Offer Size. An upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, may also be done at any time prior to the commencement of 1 (one) Working Day before the commencement of the Tendering Period in accordance with the provisions of Regulation 18(4) of the SEBI (SAST) Regulations. Such revision would be done in compliance with other formalities prescribed under the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall: (i) make corresponding increase to the escrow amount (ii) make an announcement in the same newspapers in which the Detailed Public Statement has been published; and (iii) simultaneously notify the BSE, the SEBI, and the Target Company at its registered office of such revision.
- 6.1.12. In terms of Regulation 8(10) of the SEBI (SAST) Regulations, 2011, If the Acquirer acquires or agrees to acquire any Equity Shares during the period of 26 (twenty-six) weeks after the Tendering Period at a price higher than the Offer Price, the Acquirer would pay the difference between the highest acquisition price and the Offer Price, to all the Public Shareholders whose Equity Shares have been accepted in the Open Offer within 60 (Sixty) days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under SEBI (SAST) Regulations, or pursuant to Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, or open market purchases made in the ordinary course on the stock exchange, not being negotiated acquisition of Equity Shares of the Target Company in any form.

6.2. Financial Arrangements

- 6.2.1. The maximum consideration payable by Acquirer to acquire 1,32,92,000 Equity Shares, representing 25.32%* of the equity and voting share capital of the Target Company, at an offer price of ₹ 6.00 per equity share, to the Public Shareholders of the Target Company, payable in cash, assuming full acceptance, aggregating to a maximum consideration of ₹ 7,97,52,000 (Rupees Seven Crore Ninety Seven Lakh Fifty Two Thousand Only).

**As per Regulation 7 of the SEBI (SAST) Regulations, 2011, the Offer Size, for the Open Offer under Regulations 3(1) and 4 of the SEBI (SAST) Regulations, 2011, should be for at least 26.00% (Twenty-six percent) of the total Equity and Voting Share capital of the Target Company. However, the Offer Size is restricted to 1,32,92,000 (One Crore Thirty-Two Lakh Ninety-Two Thousand) fully paid up Equity Shares, being the only Equity Shares held by the Public Shareholders, representing 25.32% of the total Equity and Voting Share Capital of the Target Company.*

- 6.2.2. In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirer has opened an Escrow Account in the name and style of '**BABA ARTS OPEN OFFER ESCROW ACCOUNT**' bearing Account No. 0053101952 with Kotak Mahindra Bank Limited, having its Home Branch at 22 Ground Floor, Ing Vysya. House, M.G Road, Bnagalore-560001 and its registered office at 2nd floor 27 BKC, Plot No. C-27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra ("**Escrow Banker**") pursuant to an Escrow Agreement dated March 02, 2026 executed between the Manager to the Offer, The Escrow Banker and Acquirer. The Acquirer has deposited an amount of ₹ 2,01,00,000 (Rupees Two Crore One Lakh only) being more than 25% of the Offer Consideration payable under this Offer.
- 6.2.3. The Acquirer has confirmed that they, have adequate financial resources to meet the financial requirements under the Open Offer and have made firm arrangement for financial resources for fulfilling the payment obligations under this Open Offer in terms of Regulation 25(1) of the SEBI (SAST) Regulations and are able to implement this Open Offer. The Open Offer obligations shall be met by the Acquirer through their own internal resources and no borrowings from any Bank/ Financial Institution or NRIs or otherwise is envisaged by the Acquirer for the purpose of this Open Offer.
- 6.2.4. The Acquirer has duly empowered and authorized Bonanza Portfolio Limited, the Manager to the Offer, to operate and realize the value of the Escrow Account and the Special Escrow Account in terms of the SEBI (SAST) Regulations.
- 6.2.5. In terms of Regulation 25(1) of the SEBI (SAST) Regulations, the Acquirer has adequate financial resources and has made firm financial arrangements for the implementation of the Offer in full out of their own sources/ Networth and no borrowings from any Bank and/ or Financial Institutions. CA Neelanj Shah (Membership No. 121057), Partner at TDK & Co., Chartered Accountants, FRN: 109804W, having its head office at 102, Lotus Heights, 15th Road, Opp. Gandhi Maidan, Chembur, Mumbai - 400071, Maharashtra Mob No. +91 9152002313 and Email: info@tdk.net.in, has certified the Networth of the Acquirer as on February 26, 2026 (UDIN: 26121057LICXTR6082) is ₹ 32,14,80,000 (Rupees Thirty Two Crore Fourteen Lakh Eighty Thousand Only) and that the Acquirer has sufficient resources to meet the full obligations of the Offer.
- 6.2.6. Based on the aforesaid financial arrangements and on the confirmations received from the Chartered Accountant, the Manager to the Offer is satisfied, (a) about the adequacy of resources to meet the financial requirements for the Open Offer and the ability of the Acquirer to implement the Open Offer in accordance with the SEBI (SAST) Regulations; and (b) that firm arrangements for payment through verifiable means are in place to fulfill the Open Offer obligations.
- 6.2.7. In case of upward revision of the Offer Price and/or the Offer Size, the Acquirer shall deposit appropriate additional amount into an Escrow Account to ensure compliance with Regulation 18(5) of the SEBI (SAST) Regulations, prior to effecting such revision.

7. TERMS AND CONDITIONS OF THE OFFER

7.1 Operational Terms and Conditions

- 7.1.1 The Offer is being made by the Acquirer to: (a) all the Public Shareholders, whose names appear in the register of members of the Target Company as of the close of business on the Identified Date; (b) the beneficial owners of the Equity Shares whose names appear as beneficiaries on the records of the respective Depositories, as of the close of business on the Identified Date; and (c) those persons who acquire the Equity Shares any time prior to the Offer Closing Date but who are not the registered Public Shareholders. The LOO shall be sent to all Public Shareholders holding Equity Shares whose names appear in the register of members of the Target Company and the records of the respective Depositories on the Identified Date.
- 7.1.2 The Acquirer is making this Offer to all Public Shareholders to acquire up to 1,32,92,000 Equity Shares, constituting *25.32% of the Equity and Voting Share capital, subject to the terms and conditions mentioned in the PA, DPS and the LOO.

**As per Regulation 7 of the SEBI (SAST) Regulations, 2011, the Offer Size, for the Open Offer under Regulations 3(1) and 4 of the SEBI (SAST) Regulations, 2011, should be for at least 26.00% (Twenty-six percent) of the total Equity and Voting Share capital of the Target Company. However, the Offer Size is restricted to 1,32,92,000 (One Crore Thirty-Two Lakh Ninety-Two Thousand) fully paid up Equity Shares, being the only Equity Shares held by the Public Shareholders, representing 25.32% of the total Equity and voting share capital of the Target Company.*

- 7.1.3 In terms of the indicative schedule of major activities, the Tendering Period for the Open Offer is expected to commence on Tuesday, June 09, 2026 and close on Monday, June 22, 2026.
- 7.1.4 The Public Shareholders who tender their Equity Shares in this Open Offer shall ensure that they have good and valid title on the Offer Shares. The Equity Shares tendered under this Open Offer shall be fully paid-up, free from all liens, charges, equitable interests and encumbrances and shall be tendered together with all rights attaching thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter, and the tendering Public Shareholders shall have obtained all necessary consents for them to sell the Equity Shares on the foregoing basis.
- 7.1.5 This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations.
- 7.1.6 This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
- 7.1.7 This Letter of Offer is in accordance with the format of Letter of Offer prescribed by SEBI.
- 7.1.8 The marketable lot for the Equity Shares for the purpose of this Open Offer shall be 1. Public Shareholders can participate in the Offer by offering their shareholding in whole or in part.
- 7.1.9 The Letter of Offer specifying the detailed terms and conditions of the Offer along with the Form of Acceptance-cum-Acknowledgement shall be sent through electronic means to those Public Shareholder(s) who have registered their email ids with the depositories and also will be dispatched through physical mode by registered post / speed post / courier to those Public Shareholder(s) who have not registered their email ids and to those Public Shareholder(s) who hold Equity Shares in physical form. Further, on receipt of request from any Public Shareholder to receive a copy of Letter of Offer in physical form, the same shall be provided. In case of non-receipt of LOO and the Acceptance Form, please follow the procedure mentioned in paragraph 8.20.
- 7.1.10 Non-receipt or delayed receipt of the Letter of Offer by any person, or accidental omission to dispatch this Letter of Offer to any shareholder, shall not invalidate the Offer in any way. The last date by which the Letter of Offer would be dispatched to each of the Public Shareholders is Tuesday, June 02, 2026. In terms of Regulation 18 (2) the Letter of Offer shall be dispatched to the shareholders whose names appear on the register of members of the Target Company as of the identified date. Every person holding shares, regardless of whether he held shares on the identified date or has not received the letter of offer, shall be entitled to tender such shares in acceptance of the Open Offer.
- 7.1.11 The Public Shareholders who tender their Equity Shares under the Offer shall ensure that the Equity Shares are free and clear from all liens, charges and encumbrances and shall ensure that such Equity Shares when acquired by the Acquirer will be acquired free and clear from all liens, charges and encumbrances and together with all rights attached thereto, including but not limited to the rights to all dividends, bonus and rights declared thereafter
- 7.1.12 Public Shareholders to whom the Offer is being made are free to offer their shareholding in the Target Company in whole or in part while accepting the Offer. The acceptance must be unconditional and should be absolute and unqualified. In the event any change or modification is made to the Form of Acceptance-cum-Acknowledgement or if any condition is inserted therein by a Public Shareholder, the Manager to the Offer, Acquirer reserve the right to reject the acceptance of this Offer from such Public Shareholder.

- 7.1.13 In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Equity Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.
- 7.1.14 The Acquirer reserves the right to revise the Offer Price and/or the number of Offer Shares upwards at any time prior to the commencement of 1 Working Day prior to the commencement of the Tendering Period, *i.e.*, up to Monday, June 08, 2026 in accordance with the SEBI (SAST) Regulations. In the event of such revision, in terms of Regulation 18(5) of the SEBI (SAST) Regulations, the Acquirer shall (i) make a corresponding increase to the escrow amount, (ii) make an announcement in the Newspapers, and (iii) simultaneously notify BSE Limited, SEBI and the Target Company at its registered office. In case of any revision of the Offer Price, the Acquirer would pay such revised price for all the Equity Shares validly tendered at any time during the Offer and accepted under the Offer in accordance with the terms of the Letter of Offer.
- 7.1.15 The instructions, authorizations and provisions contained in the Form of Acceptance-cum-Acknowledgement constitute an integral part of the Letter of Offer. The Public Shareholders can write to the Registrar to the Offer/ Manager to the Offer requesting for the Letter of Offer along with the Form of Acceptance. Alternatively, the Letter of Offer along with the Form of Acceptance will also be available at SEBI's website (www.sebi.gov.in), and the Public Shareholders can also apply by downloading such forms from the website.
- 7.1.16 Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases/attachment orders/restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during the pendency of the said litigation, are liable to be rejected.
- 7.1.17 The Acquirer intends to acquire all the Equity Shares validly tendered by the Public Shareholders in the Open Offer, subject to the terms and conditions set out in this Letter of Offer and applicable laws. Since the Offer Size represents the entire public shareholding of the Target Company as on the date of this Letter of Offer, the Acquirer expects to accept all Equity Shares validly tendered in the Open Offer by the Public Shareholders. Accordingly, no proportionate acceptance is envisaged under the Open Offer. The marketable lot for the Equity Shares for the purpose of this Open Offer shall be 1 (One) Equity Share only.

7.2 Locked-in Shares

As on date of this Letter of Offer, as per the shareholding pattern filed for the quarter ended December 31, 2025, none of the Equity Shares of the Target Company are subject to lock-in. There shall be no discrimination in the acceptance of locked-in (subject to continuation of the residual lock-in period in the hands of the Acquirer) and non-locked-in Equity Shares in the Offer.

7.3 Eligibility for accepting the Offer

- 7.3.1 All the Public Shareholders and/or beneficial owners, registered or unregistered, of the Target Company, except the parties to the Share Purchase Agreement including persons deemed to be acting in concert with such Parties, whether holding the Equity Shares in physical form or dematerialized form are eligible to participate in this Offer at any time during the tendering period for this Open Offer.
- 7.3.2 A copy of the LOO (along with Form of Acceptance cum Acknowledgement) will also be available on SEBI's website at www.sebi.gov.in, on the website of Manager to the offer at www.bonanzaonline.com. In case of non-receipt of the Letter of Offer, the Public Shareholders may download LOO from SEBI's website or Manager to the Offer's website.
- 7.3.3 The Acquirer has appointed Purva Sharegistry (India) Private Limited bearing SEBI Registration No INR000001112 and holds a PAN AAACP4924D, as the Registrar to the Offer, having its office at Unit No. 9, Ground Floor, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel East, Mumbai-400011, Maharashtra, India, with contact no.: +91 22 31998810/ 49614132, Email:

support@purvashare.com and website: www.purvashare.com. The Contact Person Ms. Deepali Gaonkar can be contacted from 10:00 a.m. to 5:00 p.m. on working days (except Saturdays, Sundays and all public holidays).

- 7.3.4 Unregistered Public Shareholders, those who hold in street name and those who apply in plain paper will not be required to provide any indemnity. They may follow the same procedure mentioned above for registered Public Shareholders.
- 7.3.5 The acceptance of this Offer by the Public Shareholders of Target Company must be absolute and unqualified. Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.
- 7.3.6 The acceptance of this offer is entirely at the discretion of the Public Shareholder(s) /Beneficial owner(s) of the Target Company.
- 7.3.7 The Acquirer, Manager to the Offer or Registrar to the Offer will not be responsible for any loss of share certificate(s) and the Offer acceptance documents during transit and the Shareholders are advised to adequately safeguard their interest in this regard.
- 7.3.8 The acceptance of Equity Shares tendered in this Offer will be made by the Acquirer in consultation with the Manager to the Offer.
- 7.3.9 The instructions, authorizations and provisions contained in the Form of Acceptance cum Acknowledgement constitute part of the terms of this Offer.
- 7.3.10 The Registrar to the Offer confirms that as on the date of this Letter of Offer there are no directions subsisting and no proceedings are pending against them under the SEBI Act, 1992 or any of the regulations made thereunder. Further, the Registrar to the Offer confirms that no enforcement actions, adjudication proceedings, or orders have been issued or are presently outstanding against them by SEBI, except the following:
- a. With respect to the inspection carried out by SEBI on November 25 and November 26, 2014, and January 28 and January 29, 2015, a restrain order for onboarding new clients was passed for a period of one month from March 09, 2021.
 - b. With respect to Kelvin Fincap Ltd., an adjudication order dated 24/07/2019 was passed imposing a penalty of ₹ 2,00,000/-. The penalty was paid on 28/08/2019.
- 7.3.11 The Registrar to the Offer hereby confirms that there are no actions or penalties initiated, taken or levied by SEBI, RBI, or any Stock Exchange under the SEBI Act 1992 or the rules and regulations framed thereunder which are pending against them.

7.4 Statutory Approvals and Conditions of the Offer

- 7.4.1 As on the date of this LOO, there are no statutory approvals required to acquire the Equity Shares tendered pursuant to this Offer. However, in case of any such statutory approvals are required by the Acquirer later before the expiry of the Tendering Period, this Offer shall be subject to such approvals and the Acquirer shall make the necessary applications for such statutory approval.
- 7.4.2 All Public Shareholders, including non-resident holders of Equity Shares, must obtain all requisite approvals required, if any, to tender the Offer Shares (including without limitation, the approval from the Reserve Bank of India) and submit such approvals, along with the other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer. Further, if the holders of the Equity Shares who are not persons resident in India had required any approvals (including from the Reserve Bank of India, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Offer Shares, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Offer Shares.

- 7.4.3 In case of delay in receipt of any statutory approval, SEBI may, if satisfied that delayed receipt of the requisite approvals was not due to any wilful default or neglect of the Acquirer or the failure of the Acquirer to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the Public Shareholders as directed by SEBI, in terms of Regulation 18(11) of the SEBI (SAST) Regulations. Further, if a delay occurs on account of wilful default by the Acquirer in obtaining the requisite approvals, Regulation 17(9) of the SEBI (SAST) Regulations will also become applicable and the amount lying in the Escrow Account shall become liable for forfeiture.
- 7.4.4 Further, where any statutory approval extends to some but not all the Public Shareholders, Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.
- 7.4.5 Public Shareholders classified as OCBs, if any, may tender the Equity Shares held by them in the Open Offer subject to receipt of approval from the RBI under FEMA and the regulations made thereunder. Such OCBs shall approach the RBI independently to seek approval for tendering the Equity Shares held by them in the Open Offer.
- 7.4.6 The Acquirer shall not withdraw the Open Offer except in accordance with Regulation 23(1) of the SEBI (SAST) Regulations, 2011, which, inter alia, permits withdrawal of an open offer under the following circumstances:
- where any statutory approvals required for the open offer or for effecting the acquisition are finally refused;
 - where any condition stipulated in the underlying agreement attracting the obligation to make the open offer is not met for reasons beyond the reasonable control of the Acquirer, and such agreement is rescinded, subject to such conditions being disclosed in the Detailed Public Statement and the Letter of Offer;
 - where the sole Acquirer, being a natural person, has died; and
 - such circumstances as in the opinion of SEBI merit withdrawal.

In addition to the above, the Acquirer shall not withdraw the Open Offer except in the event that the statutory approvals specified in paragraph 7.4 of this Letter of Offer or those which become applicable prior to completion of the Open Offer are not received, or any of the conditions precedent under the Share Purchase Agreement, as specified in paragraph 3.1.13 of this Letter of Offer, are not met, in terms of Regulation 23(1)(a) and 23(1)(b) of the SEBI (SAST) Regulations, 2011. In the event of such withdrawal of the Open Offer, the Acquirer (through the Manager) shall, within 2 (two) Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds for withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations, 2011.

- 7.4.7 The Acquirer shall, within ten (10) working days from the last date of the Tendering Period of the Offer, complete all requirements under the SEBI (SAST) Regulations and other applicable law relating to the Offer including payment of consideration to the Public Shareholders who have validly tendered their acceptance to the Offer and for that purpose open a special escrow account provided under Regulation 21(1).
- 7.4.8 No approval is required from any bank or financial institutions for this offer.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

- 8.1. The Acquirer has appointed Purva Sharegistry (India) Private Limited bearing SEBI Registration No- INR000001112 and holds a PAN AAACP4924D, as the Registrar to the Offer, having office at Unit No. 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Near Lodha Excelus, Lower Parel East, Mumbai-400011, Maharashtra, India, with Contact/Telephone number: +91 022-3199810/49614132, Email: support@purvashare.com and website: www.purvashare.com. The Contact Person Ms. Deepali Gaonkar can be contacted from 10:00 a.m. to 5:00 p.m. on working days (except Saturdays, Sundays and all public holidays), during the Tendering Period.

- 8.2. The Open Offer will be implemented by the Acquirer through the Stock Exchange Mechanism made available by the designated Stock Exchange in the form of a separate window (“Acquisition Window”), in accordance with SEBI (SAST) Regulations and the SEBI Circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, as amended from time to time, read with the SEBI Circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, as amended from time to time and SEBI Circular SEBI/HO/CFD/ DCR-III/CIR/P/2021/615 dated August 13, 2021 and SEBI master circular SEBI/HO/CFD/PoD-1/P/ CIR/2023/31 dated February 16, 2023, as amended from time to time.
- 8.3. BSE Limited shall be the Designated Stock Exchange for the purpose of tendering Equity Shares in this Offer (“**Designated Stock Exchange**”).
- 8.4. The facility for acquisition of Equity Shares through stock exchange mechanism pursuant to this Offer shall be available on the BSE Limited, in the form of a separate window (“**Acquisition Window**”).
- 8.5. The Letter of Offer and Form of Acceptance cum acknowledgement will be sent to the Public Shareholders whose names appear on the register of members of the Target Company and to the beneficial owners of the Equity Shares whose names appear in the beneficial records of the respective Depositories, as of the close of business on the Identified Date.
- 8.6. The Public Announcement, the Detailed Public Statement, this Draft Letter of Offer, Letter of Offer and Form of Acceptance would also be available on SEBI website (www.sebi.gov.in). In case of non-receipt of the Letter of Offer and Form of Acceptance, all the Public Shareholders, including those who have acquired Equity Shares of the Target Company after the Identified Date, if they so desire, may download the same from the aforesaid website or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company.
- 8.7. The Acquirer has appointed Aikyam Capital Private Limited (“**Buying Broker**”) through whom the purchases and settlements on account of this Offer would be made by the Acquirer. The contact details of the Buying Broker are as follows:

Name	Aikyam Capital Private Limited (Formerly known as Aikyam Capital Advisors Private Limited)
CIN	U67100MH2022PTC394087
Address	1203, 12th Floor, Lotus Link Square, Near D.N. Nagar Metro Station, D. N. Nagar, New Link Road, Andheri (W), Mumbai - 400 053
Contact No.	+91 22 6975 2604
Membership No	BSE-6899/NSE-90419
Email	info@aikyamcap.com
Website	www.aikyamcap.com
Contact Person	Mr. Anand Mody
SEBI Registration No.	INZ000321232

- 8.8. All the Public Shareholders who desire to tender their Equity Shares under the Offer should consult with their depository participants and their respective stock brokers (“**Selling Broker(s)**”) well in advance to understand the process and methodology in relation to tendering of the Equity Shares through the Stock Exchange during the Tendering Period.
- 8.9. During the Tendering Period, the tender of the Equity Shares by the Public Shareholders in this Offer will be placed through their respective Selling Brokers during normal trading hours of the secondary market.
- 8.10. A Separate Acquisition window will be provided by BSE Limited to facilitate placing of sell orders. The Selling Brokers can enter orders for demat Equity Shares as well as physical Equity Shares.
- 8.11. The Public Shareholders can tender their Equity Shares only through Selling Broker(s) with whom such shareholder is registered as client (and has complied with the relevant ‘Know Your Client’ procedures and guidelines).

- 8.12. Public Shareholders have to ensure that their Equity Shares are made available to their seller brokers in order to mark the lien before the closure of the Tendering Period. The lien marked against unaccepted Equity Shares will be released, if any, or would be returned by registered post or by ordinary post or courier (in case of physical shares) at the Public Shareholders' sole risk. Public Shareholders should ensure that their depository account is maintained till all formalities pertaining to the Offer are completed.
- 8.13. In the event the Shareholder Broker(s) of Public Shareholders is not registered with BSE Limited, then the Public Shareholders can approach any BSE registered stock broker and can register themselves by using quick unique client code ("UCC") facility through the BSE registered stock broker (after submitting all details as may be required by such BSE Registered stock broker in compliance with the applicable law). In case the Public Shareholders are unable to register using quick UCC facility through any other BSE registered stock broker, Public Shareholder may approach the Buying Broker *i.e.*, Aikyam Capital Private Limited, to place their bids
- 8.14. The cumulative quantity tendered shall be displayed on the stock exchange website *i.e.* www.bseindia.com throughout the trading session at specific intervals by the stock exchange during the Tendering Period.
- 8.15. **Procedure for Equity Shares held in physical form**
- 8.15.1 As per the provisions of Regulation 40(1) of the SEBI (LODR) Regulations and SEBI's press release dated December 3, 2018, bearing reference no. PR 49/2018, requests for transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository with effect from April 01, 2019. However, in accordance with the SEBI bearing reference number SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020 and SEBI Master Circular No. SEBI/HO/CFD/PoD-1/P/CIR/2023/31 dated February 16, 2023, shareholders holding securities in physical form are allowed to tender shares in an Open Offer. Such tendering shall be as per the provisions of the SEBI (SAST) Regulations. Accordingly, Public Shareholders holding Equity Shares in physical form as well are eligible to tender their Equity Shares in this Open Offer as per the provisions of the SEBI (SAST) Regulations.
- 8.15.2 The Public Shareholders who are holding physical Equity Shares and intend to participate in the Offer will be required to approach their respective Selling Broker along with the complete set of documents for verification procedures to be carried out including.
- The Form of Acceptance-cum-Acknowledgement duly signed (by all Public Shareholders in case shares are in joint names) in the same order in which they hold the Equity Shares;
 - Original share certificates;
 - 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 Target Company and duly witnessed at the appropriate place authorizing the transfer in favor of the Acquirer;
 - Self-attested copy of the Shareholder's PAN Card (in case of joint holders, PAN card copy of all transferors);
 - Any other relevant documents such as (but not limited to)
 - Duly attested power of attorney if any person other than the Equity Shareholder has signed the relevant Form of Acceptance-cum-Acknowledgement
 - Notarized copy of death certificate / succession certificate or probated will, if the original Shareholder has deceased
 - Necessary corporate authorizations (including board resolution/ specimen signature) etc., in case of companies.
- 8.15.3 In addition to the above, if the address of the Shareholder has undergone a change from the address registered in the register of members of the Target 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.
- 8.15.4 Based on these documents, the Selling Broker(s) should place bids on behalf of the Public Shareholder holding Equity Shares in physical form who wishes to tender Equity Shares in the Open Offer, using

the acquisition window of BSE. Upon placing the bid, the Selling Broker shall provide a Transaction Registration Slip (“TRS”) generated by the Stock Exchange bidding system to the Public Shareholder. The TRS will contain the details of the order submitted like folio number, certificate number, distinctive number of Equity Shares tendered etc.

- 8.15.5 After placement of order, as mentioned in paragraph 8.15.4, the Selling Broker/Public Shareholders must ensure delivery of the Form of Acceptance-cum-Acknowledgement, TRS, original share certificate(s), valid share transfer form(s) and other documents (as mentioned in paragraph 8.15.2 either by registered post/speed post or courier or hand delivery to the Registrar to the Offer (at the address mentioned on the cover page on or before the Offer Closing Date (by 5.00 p.m.)). The envelope should be superscribed as “*Baba Arts Limited – Open Offer*”. One copy of the TRS along with supporting documents will be retained by Registrar to the Offer and it will provide acknowledgement of the same to the Selling Broker in case of hand delivery.
- 8.15.6 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 by the Acquirer shall be subject to verification as per the SEBI (SAST) Regulations, 2011 and any further directions issued in this regard. Registrar to the Offer will verify such bids based on the documents submitted on a daily basis and till such time the stock exchange shall display such bids as unconfirmed physical bids. Once, Registrar to the Offer confirms the bids it will be treated as “Confirmed Bids”. Physical share certificates and other relevant documents should not be sent to Acquirer, Target Company or the Manager.
- 8.15.7 The Registrar to the Offer will hold in trust the share certificate(s) and other documents (as mentioned in this paragraph 8.15.2 of this Letter of Offer) until the Acquirer complete their obligations under the Open Offer in accordance with the SEBI (SAST) Regulations.
- 8.15.8 All documents as mentioned above, shall be enclosed with the Form of Acceptance, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others
- (a) If there is any other company’s equity share certificate(s) enclosed with the Form of Acceptance instead of the Equity Share certificate(s) of the Target Company;
 - (b) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Public Shareholders;
 - (c) If the Public Shareholders tender Equity Shares but the Registrar to the Offer does not receive the Equity Share certificate(s);
 - (d) In case the signature on the Form of Acceptance and Form SH-4 does not match as per the specimen signature recorded with Target Company/registrar of the Target Company.
- 8.15.9 In case any person has submitted Equity Shares in physical form for dematerialisation, such Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Offer before the Offer Closing Date.

8.16. Procedure for tendering the Equity Shares held in dematerialized form

- 8.16.1. The Public Shareholders who are holding the Equity Shares in demat form and who desire to tender their Equity Shares in this Offer shall approach their Selling Broker/ Seller Member, indicating details of Equity Shares they wish to tender in this Offer. Public Shareholders should tender their Equity Shares before market hours close on the last day of the Tendering Period.
- 8.16.2. The Public Shareholders shall submit delivery instruction slip duly filled-in, specifying the appropriate market type in relation to the “Open Offer” and execution date along with all other details to their respective Selling Broker so that the shares can be tendered in the Offer.
- 8.16.3. The Seller Member would be required to place a bid on behalf of the Public Shareholders who wish to tender their Equity Shares in this Offer using the Acquisition Window of the BSE Limited. Before placing the order/bid, the Selling Broker would be required to tender the Demat Shares by using the

settlement number and the procedure prescribed by the Indian Clearing Corporation Limited (“Clearing Corporation”).

- 8.16.4. The lien shall be marked by the Selling Broker in the demat account of the Public Shareholder for the Equity Shares tendered in the Open Offer. Details of such Equity Shares marked as lien in the demat account of the Public Shareholder shall be provided by the depositories to the Clearing Corporation. The details of settlement number shall be informed in the issue opening circular/ notice that will be issued by BSE/ Clearing Corporation before the Bid Opening Date. In case, the shareholders demat account is held with one depository and clearing member pool and Clearing Corporation account is held with other depository, shares shall be blocked in the shareholders demat account at source depository during the tendering period. Inter depository tender offer (‘IDT’) instructions shall be initiated by the eligible shareholders at source depository to clearing member/ Clearing Corporation account at target depository. Source depository shall block the shareholder’s securities (i.e., transfers from free balance to blocked balance) and send IDT message to target depository for confirming creation of lien. Details of shares blocked in the shareholders' demat account shall be provided by the target depository to the Clearing Corporation.
- 8.16.5. For Custodian Participant, orders for Equity Shares in demat form early pay-in is mandatory prior to confirmation of order by custodian. The custodian shall either confirm or reject the orders not later than the time provided by stock exchange on the last day of tendering period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed Custodian Participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to custodian again for confirmation.
- 8.16.6. Upon placing the order, the Selling Broker(s) shall provide Transaction Registration Slip (“TRS”) generated by the stock exchange bidding system to the Shareholder. TRS will contain details of order submitted like bid ID No., DP ID, client ID, no. of Equity Shares tendered etc. On receipt of TRS from the respective Seller Broker, the Public Shareholder has successfully placed the bid in the Offer. In case of non-receipt of the completed Tender Form and other documents, but lien marked on Equity Shares and a valid bid in the exchange bidding system, the bid by such Public Shareholder shall be deemed to have been accepted.
- 8.16.7. The details of settlement number for early pay-in of Equity Shares shall be informed in the issue opening circular that will be issued by the Stock Exchange / Clearing Corporation, before the opening of the Offer.
- 8.16.8. In case any person has submitted Equity Shares in physical form for dematerialization, such Public Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Offer before the Offer Closing Date.
- 8.16.9. Upon finalization of the entitlement, only accepted quantity of Equity Shares shall be debited from the demat account of the Public Shareholders and shall be transferred to Clearing Corporations. The lien marked against unaccepted shares shall be released post finalization of entitlement on settlement date.
- 8.16.10. The Public Shareholders will have to ensure that they keep the depository participant (“DP”) account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Open Offer. Further, Public Shareholders will have to ensure that they keep the bank account attached with the DP account active and updated to receive credit remittance due to acceptance of equity shares under the Open Offer.
- 8.16.11. In case of receipt of Shares in the special account of the Clearing Corporation and a valid bid in the exchange bidding system, the Open Offer shall be deemed to have been accepted, for Demat Shareholders.
- 8.16.12. The Clearing Corporation will hold in trust the lien marked on the Offer Shares until the Acquirer complete their obligations under the Open Offer in accordance with the SEBI (SAST) Regulations.

- 8.16.13. The Public Shareholders holding shares in Demat mode are not required to fill any Form of Acceptance-cum-Acknowledgement, unless required by their respective Selling Broker.
- 8.16.14. All non-resident Public Shareholders (i.e., Public Shareholders not residing in India including NRIs, OCBs and FPIs) are mandatorily required to fill the Form of Acceptance. The non-resident Public Shareholders holding Equity Shares in Demat mode, directly or through their respective Selling Brokers, are required to send the Form of Acceptance along with the required documents to the Registrar to the Offer at its address given on the cover page of the Letter of Offer. The envelope should be superscribed as “*Baba Arts Limited - Open Offer*”. The detailed procedure for tendering Equity Shares will be included in the Form of Acceptance.
- 8.17. The Equity Shares and all other relevant documents should be sent to the Registrar to the Offer and not to the Acquirer or to Baba Arts Limited or to the Manager to the Offer.**
- 8.18. The Public Shareholders holding Equity Shares in physical mode will be required to fill the respective Form of Acceptance-cum-Acknowledgement. Detailed procedure for tendering Equity Shares has been included in the Form of Acceptance-cum-Acknowledgement.
- 8.19. Modification / Cancellation of orders will not be allowed during the period the Offer is open.
- 8.20. Procedure for tendering the shares by unregistered shareholders and/or in case of non-receipt of Letter of Offer**
- Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Offer. A Shareholder may participate in the Offer by approaching their broker and tender Equity Shares in the Open Offer as per the procedure mentioned in this Letter of Offer or in the Form of Acceptance-cum Acknowledgement.
 - The Letter of Offer along with Form of Acceptance-cum-Acknowledgement will be dispatched to all the Public Shareholders of the Target Company as of the Identified Date.
 - In case of non-receipt of the Letter of Offer, such Public Shareholders of the Target Company may download the same from the SEBI website (www.sebi.gov.in) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company.
 - Alternatively, in case of non-receipt of the Letter of Offer, shareholders holding shares may participate in the Offer by providing their application in plain paper in writing signed by all shareholder, stating name, address, number of shares held, client ID number, DP name, DP ID number, number of shares tendered and other relevant documents such as physical share certificate and Form SH-4 in case of shares being held in physical form. Such shareholders have to ensure that their order is entered in the electronic platform to be made available by BSE before the closure of the Offer. It may be noted that no indemnity is required from the unregistered shareholders.
 - Non-receipt of this Letter of Offer by, or accidental omission to dispatch this Letter of Offer to any shareholder, shall not invalidate the Offer in any way.
 - The acceptance of the Offer made by the Acquirer is entirely at the discretion of the Shareholders of the Target Company. The Acquirer does not accept any responsibility for the decision of any Shareholder to either participate or to not participate in the Offer. The Acquirer will not be responsible in any manner for any loss of share certificate(s) and other documents during transit and the Shareholders are advised to adequately safeguard their interest in this regard.

- 8.21. **Shares held in IEPF Account:** Equity Shares of the Target Company that have been transferred to the Investor Education and Protection Fund (“IEPF”) pursuant to Section 124 of the Companies Act, 2013 are not directly eligible for tendering in the Open Offer. The underlying beneficial owners of such Equity Shares who wish to participate in the Open Offer are required to first apply to the Investor Education and Protection Fund Authority (“IEPF Authority”) for refund / retransfer of such Equity Shares in accordance with the procedure prescribed by the IEPF Authority, including submission of Form IEPF-5 along with the requisite documents.

Only upon successful retransfer and credit of such Equity Shares to the shareholder’s demat account prior to the closure of the Tendering Period shall such shareholder be eligible to tender such Equity Shares in the Open Offer through the stock exchange mechanism, in accordance with the procedure set out in this Letter of Offer. Shareholders are advised to initiate the refund process well in advance, as completion of such process is subject to statutory timelines and procedural requirements.

9. ACCEPTANCE OF EQUITY SHARES

- 9.1 The Registrar shall provide details of order acceptance to Clearing Corporation within the specified timelines.
- 9.2 Since the Offer Size represents the entire public shareholding of the Target Company as on the date of this Letter of Offer, the Acquirer expects to accept all Equity Shares (including demat Equity Shares, physical Equity Shares and locked-in Equity Shares) validly tendered by the Shareholders under this Offer, subject to the terms and conditions set out in this Letter of Offer and applicable laws. Accordingly, no proportionate acceptance is envisaged under the Open Offer. The marketable lot of Baba Arts Limited is 1 (One) Equity Share.
- 9.3 In case of any practical issues, resulting out of rounding-off of Equity Shares or otherwise, Acquirer will have the authority to decide such final allocation with respect to such rounding-off or any excess of Equity Shares or any shortage of Equity Shares.

10. SETTLEMENT PROCESS AND PAYMENT OF CONSIDERATION

- 10.1 On closure of the Tendering Period, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer and the final list shall be provided to the Stock Exchange to facilitate settlement on the basis of Shares transferred to the Clearing Corporation.
- 10.2 The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market. Selling Broker(s) should use the settlement number to be provided by the Clearing Corporation to transfer the Equity Shares in favour of the Clearing Corporation.
- 10.3 The Acquirer shall pay the consideration payable towards purchase of the Offer Shares accepted under the Open Offer, to the Buying Broker who in turn will transfer the funds to the Clearing Corporation, on or before the pay-in date for settlement as per the secondary market mechanism. For the Offer Shares acquired in dematerialised form, the Public Shareholders will receive the consideration in their bank account attached to the depository account from the Clearing Corporation. If bank account details of any Public Shareholders are not available or if the fund transfer instruction is rejected by the Reserve Bank of India (“RBI”) or the relevant bank, due to any reason, then the amount payable to the relevant Public Shareholder will be transferred to the concerned Selling Broker for onward transfer to such Public Shareholder. For the Offer Shares acquired in physical form, the Clearing Corporation will release the funds to the Selling Broker as per the secondary market mechanism for onward transfer to Public Shareholders.
- 10.4 In case of certain client types viz. NRI, Foreign Clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Selling Broker’s settlement accounts for releasing the same to their respective Shareholder’s account onwards.
- 10.5 The Public Shareholders will have to ensure that they keep the DP account active and unblocked so that lien can be released in case of rejection or non-acceptance of the shares under the Open Offer. The Public

Shareholders holding Equity Shares in dematerialized form will have to ensure that they update their bank account details with their correct account number used in core banking and IFSC codes.

- 10.6 The Equity Shares acquired in dematerialised form would either be transferred directly to the account of the Acquirer provided it is indicated by the Buying Broker or it will be transferred by the Buying Broker to the account of the Acquirer on receipt of the Offer Shares pursuant to the clearing and settlement mechanism of Stock Exchange. Equity Shares acquired in physical form will be transferred directly to the Acquirer by the Registrar to the Offer.
- 10.7 Details in respect of acceptance for Open Offer process will be provided to the Clearing Corporation by the Company or Registrar to the Open Offer in consultation with the Manager. On receipt of the same, Clearing Corporations will cancel the excess or unaccepted blocked shares in the demat account of the shareholder. On settlement date, all blocked shares mentioned in the accepted bid will be transferred to the Clearing Corporations.
- 10.8 Upon finalization of the entitlement, only accepted quantity of shares shall be debited from the demat account of the public shareholders. In case of unaccepted dematerialised Offer Shares, if any, tendered by the Public Shareholders, the lien marked against unaccepted offer shares shall be released by the Clearing Corporation, as part of the exchange pay-out process. Offer Shares tendered in physical form will be returned to the respective Public Shareholders directly by Registrar to the Offer.
- 10.9 In the case of inter depository, Clearing Corporations will cancel the excess or unaccepted shares in target depository. Source depository will not be able to release the lien without a release of IDT message from target depository. Further, release of IDT message shall be sent by target depository either based on cancellation request received from Clearing Corporations or automatically generated after matching with bid accepted detail as received from the Company or the Registrar to the Open Offer. Post receiving the IDT message from target depository, source Depository will cancel/release excess or unaccepted block shares in the demat account of the shareholder. Post completion of Tendering Period and receiving the requisite details viz., demat account details and accepted bid quantity, source depository shall debit the securities as per the communication/message received from target depository to the extent of accepted bid shares from shareholder's demat account and credit it to Clearing Corporation settlement account in target depository on settlement date.
- 10.10 In the event of any rejection of transfer to the Demat account of the Public Shareholder for any reason, the Demat Equity Shares shall be released to the securities pool account of their respective Selling Broker, and the Selling Broker will thereafter transfer the balance Equity Shares to the respective Public Shareholders.
- 10.11 The Target Company is authorized to split the share certificate and issue a new consolidated share certificate for the unaccepted Equity Shares in case the Equity Shares accepted are less than the Equity Shares tendered in the Open Offer by the Public Shareholders holding Equity Shares in the physical form. Once the basis of acceptance is finalised, the lien marked against unaccepted shares shall be released.
- 10.12 Any excess physical Equity Shares, including to the extent tendered but not accepted, will be returned by Speed / registered post back to the Public Shareholder(s) directly by Registrar to the Open Offer. Unaccepted share certificate(s), transfer deed(s) and other documents, if any, will be returned by Speed / registered post at the registered Public Shareholders'/unregistered owners' sole risk to the sole/first Public Shareholder/unregistered owner.
- 10.13 Public Shareholders who intend to participate in the Offer should consult their respective Selling Broker for any cost, applicable taxes, charges, and expenses (including brokerage) that may be levied by the Selling Broker upon the selling shareholders for tendering Equity Shares in the Offer (secondary market transaction). The Offer consideration received by the Public Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Acquirer and the Manager to the Open Offer accept no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Public Shareholders.

- 10.14 Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases/attachment orders/restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation are liable to be rejected if directions/orders regarding these Equity Shares are not received together with the Equity Shares tendered under the Offer.
- 10.15 Buying Broker shall issue a contract note to Acquirer for the Equity Shares accepted under the Offer.
- 10.16 Once the basis of acceptance is finalized, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number to Acquirer. The Buying Broker will transfer the funds pertaining to the Offer to the Clearing Corporation's bank account as per the prescribed schedule.
- 10.17 The Acquirer intend to complete all formalities, including the payment of consideration to the Public Shareholders of the Target Company whose shares have been accepted in the Offer subject to receipt of statutory approvals, if any, within a period of 10 (Ten) Working Days from the closure of the Tendering Period, and for this purpose, open a special account as provided under Regulation 21(1) of the SEBI (SAST) Regulations, 2011 and will thereafter transfer the consideration to their respective Equity Shareholders. The Equity Shareholders will be required to independently settle fees, dues, statutory levies or other charges (if any) with their Selling Brokers.
- 10.18 In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirer for payment of consideration to the shareholders of the Target Company who have accepted the Open Offer within such period, subject to Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations.

11. NOTE ON TAXATION

11.1 General

- 11.1.1 The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 until March 31.
- 11.1.2 A person who is an Indian tax resident is liable to income-tax in India on his worldwide income, in a manner as provided under the Income Tax Act, as amended from time to time.
- 11.1.3 A person who is treated as a non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India-sourced income (i.e., income which accrues or arises or deemed to accrue or arise in India) and income received by such persons in India (including income deemed to be received in India).
- 11.1.4 In the case of shares of a company, the source of income from shares will depend on the "situs" of such shares. As per judicial precedents, generally the "situs" of the shares is where a company is "incorporated" and where its shares can be transferred. Since the Target Company is incorporated in India, the Equity Shares are "situated" in India and any gains arising to a non-resident on transfer of such shares is taxable in India under the Income Tax Act.
- 11.1.5 Further, the non-resident shareholder can avail benefits of the DTAA between India and the respective country of which the said shareholder is a tax resident subject to satisfying the relevant conditions including but not limited to (a) conditions present in the said DTAA (if any) read with the relevant provisions of the Multilateral Instrument as ratified by India with the respective country of which the said shareholder is tax resident; (b) non-applicability of GAAR and (c) providing and maintaining necessary information and documents as prescribed under the Income Tax Act.
- 11.1.6 The Income Tax Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of shares under the Open Offer, and corresponding withholding tax obligation based on the period of holding, residential status, classification of the shareholder, nature of the income earned, mode of acquisition, etc.

11.1.7 The shareholders may be required to undertake compliances such as filing an annual income tax return, as may be applicable to different categories of persons, with the income tax authorities, reporting their income for the relevant year.

11.1.8 In addition to income tax, as the tendering of Equity Shares is being undertaken on BSE Limited, such transaction will be chargeable to STT. STT is payable in India on the value of securities on every purchase or sale of securities that are listed on any Indian stock exchange. Currently, the STT rate applicable on the purchase and sale of shares on the stock exchange is 0.1% of the value of security transacted.

11.1.9 All references to equity shares herein is to listed equity shares unless stated otherwise.

11.2 Classification of Shareholders

Shareholders can be classified under the following categories:

11.2.1 Resident Shareholders being:

- (a) individuals, HUF, AOP and BOI; and
- (b) others:
 - a) Company, and
 - b) Other than company.

11.2.2 Non-Resident Shareholders being:

- (a) NRIs
- (b) FIIs / FPIs
- (c) Others:
 - a) Company; and
 - b) Other than company.

11.3 Classification of Shares

The characterization of gains / losses, arising from sale of shares, as Capital Gains or Business Income would depend on the nature of holding in the hands of the shareholder and various other factors. Shareholders are also required to refer to Circular No.6/2016 dated February 29, 2016 issued by the CBDT. The nature of gains / loss in the foregoing cases will be as under:

- a. Shares held as investment: Income arising from transfer of shares taxable under the head “**Capital Gains**”.
- b. Shares held as stock-in-trade: Income arising from transfer of shares taxable under the head “**Profits and Gains from Business or Profession**”.

11.4 Taxability of Capital Gains in the hands of the Shareholders

11.4.1 Capital gains in the hands of shareholders would be computed as per the provisions of Section 48 of the Income Tax Act and the rate of income tax would depend on the period of holding.

11.4.2 Period of Holding

Depending on the period for which the shares are held, the gains would be taxable as ‘short term capital gain’ or ‘long-term capital gain’. Such classification would be determined as under:

- (a) **STCA**: Equity shares held for less than or equal to 12 (Twelve) months.
- (b) **LTCA**: Equity shares held for more than 12 (Twelve) months.

11.4.3 Accordingly, gains arising from transfer of a STCA are taxable as STCG. Gains arising from transfer of a LTCA are taxable as LTCG.

11.4.4 As per Section 112A of the Income Tax Act, LTCG arising on sale of listed equity shares will be subject to tax at the rate of 12.50% if STT has been paid on both, purchase and sale of shares (except in certain cases notified by CBDT vide Notification No. 60/2018 dated October 1, 2018) and if the aggregate LTCG during the financial year exceeds INR 1,25,000 (Indian Rupees one lakh twenty five thousand only). The said rate will be increased by applicable surcharge and cess. Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under Section 112A of the Income Tax Act.

11.4.5 The cost of acquisition will be computed in accordance with the provisions of Section 55 read with Section 112A of the Income Tax Act. In terms of Section 55 read with Section 112A of the Income Tax Act, if investments were made on or before January 31, 2018, a method of determining the cost of acquisition of such investments has been specifically laid down such that gains up to January 31, 2018 are grandfathered (i.e. not taxed). To clarify, if the equity shares on which STT is paid were acquired prior to January 31, 2018, the cost of acquisition of such shares should be higher of: (a) actual cost of acquisition and (b) lower of (i) fair market value as on January 31, 2018 (highest quoted price on January 31, 2018 or immediately prior trading day if shares were not traded on January 31, 2018) and (ii) actual sale consideration.

If STT is not paid at the time of acquisition of the shares being acquired under the Open Offer and they do not fall within the exceptions identified under Notification No. 60/2018/F.No.370142/9/2017-TPL dated October 1, 2018, then the entire LTCG arising to the shareholder shall be subject to tax as under at 12.50% (plus applicable surcharge and cess) under Section 112 of the Income Tax Act, in the case of resident shareholders and non- resident shareholders (other than FPI or NRI governed by the provisions of Chapter XII-A of the Income Tax Act).

11.4.6 STCG realized on sale of listed equity shares (STT paid) will be subject to tax at the rate of 20% under Section 111A of the Income Tax Act. The said rate will be increased by applicable surcharge and cess. Further, no deduction under Chapter VI-A would be allowed in computing STCG subject to tax under Section 111A of the Income Tax Act.

11.4.7 Further, in the case of shareholders being resident individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is required to be considered while computing tax on such LTCG or STCG taxable under Sections 112, 112A or 111A of the Income Tax Act.

11.4.8 As per the seventh proviso to Section 48 of the IT Act, no deduction of amount paid on account of STT will be allowed in computing the income chargeable to tax as Capital Gains.

11.4.9 The provisions of Minimum Alternate Tax on the book profits as contained in Section 115JB of the Income Tax Act may get triggered for certain companies' resident in India and need to be considered by such shareholders. For domestic companies who have opted to be governed by the provisions of Section 115BAA or 115BAB respectively of the Income Tax Act, the provisions of MAT as contained in Section 115JB will not be applicable.

Further, the provisions of Section 115JB of the Income Tax Act do not apply to a foreign company if it is a resident of a country with which India has entered into a DTAA under Section 90/90A of the Income Tax Act and the assessee does not have a Permanent Establishment in India or such company is a resident of a country with which India does not have such agreement and the assessee is not required to seek registration under any law for the time being in force, relating to companies.

For certain shareholders (other than companies), the provisions of Alternate Minimum Tax on the adjusted total income as contained in Section 115JC of the Income Tax Act may get triggered and need to be considered by such shareholders.

Further, the provisions of Section 115JC of the Income Tax Act do not apply to certain shareholders (other than companies):

- a) whose adjusted total income does not exceed INR 20,00,000 (Indian Rupees twenty lakh only)
- b) who have opted to be governed by the provisions of section 115BAC of the Income Tax Act

11.4.10 As per Section 70 of the Income Tax Act, Short Term Capital Loss computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent 8 (Eight) assessment years, for being set off against subsequent years' STCG as well as LTCG, in terms of Section 74 of the Income Tax Act.

11.4.11 Long Term Capital Loss computed for a given year is allowed to be set off only against LTCG computed for the said year, in terms of Section 70 of the Income Tax Act. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off only against subsequent years' LTCG, in terms of Section 74 of the Income Tax Act.

11.4.12 **Additional information in case of FIIs:**

- (a) As per Section 2(14) of the Income Tax Act, any securities held by a FII which has invested in the equity shares in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, will be treated as capital assets. Accordingly, any gains arising from transfer of such securities will be chargeable to tax in the hands of FIIs as capital gains.
- (b) Under Section 115AD(1)(ii) of the Income Tax Act, STCG arising to a FII on transfer of shares (STT paid) will be chargeable to tax at the rate of 20%.
- (c) Under Section 115AD(1)(iii) of the Income Tax Act, income by way of LTCG arising from transfer of shares will be chargeable to tax at the rate of 12.50%.
- (d) Provided that in case of income arising from the transfer of a LTCA referred to in Section 112A, income-tax at the rate of 12.50% will be calculated on such income exceeding INR 1,25,000.
- (e) Such capital gains would be computed without giving effect to the first proviso to Section 48. In other words, adjustment in respect of foreign exchange fluctuation would not be allowed while computing the Capital Gains.
- (f) The above rates are to be increased by applicable surcharge and cess.
- (g) Further, no deduction under Chapter VI-A would be allowed in computing STCG as well as LTCG.
- (h) The CBDT has *vide* Notification No. 9/2014 dated January 22, 2014 notified Foreign Portfolio Investors registered under the Securities and Exchange Board of India (FPI) Regulations, 2014 as FII for the purpose of Section 115AD of the Income Tax Act.

11.4.13 **Additional Information in case of NRIs:**

Where the shares of the Target Company were acquired or purchased in convertible foreign exchange, NRIs, i.e., individuals being citizen of India or person of Indian origin who are not resident, have the option of being governed by the provisions of Chapter XII-A of the Income Tax Act, which *inter alia* entitles them to the following benefits:

- a) Under Section 115E of the Income Tax Act, the LTCG arising to an NRI will be taxable at the rate of 12.50% (plus applicable surcharge and cess). While computing the LTCG, the benefit of indexation of cost would not be available.

- b) Under Section 115F of the Income Tax Act, LTCG arising to an NRI from the transfer of the shares acquired or purchased in convertible foreign exchange shall be exempt from income-tax, if the net consideration is reinvested in specified assets, within 6 (Six) months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within 3 years from the date of their acquisition.
- c) Under Section 115G of the Income Tax Act, it will not be necessary for an NRI to furnish his return of income under Section 139(1) of the Income Tax Act if his income chargeable under the Income Tax Act consists of only investment income or LTCG or both; arising out of assets acquired, purchased or subscribed to in convertible foreign exchange and tax deductible at source has been deducted there from as per the provisions of Chapter XVII-B of the Income Tax Act.
- d) Further, no deduction under Chapter VI-A would be allowed in computing LTCG.
- e) As per provisions of Section 115-I of the Income Tax Act, an NRI may elect not to be governed by provisions of Chapter XII-A and compute his total income as per other provisions of the Income Tax Act.

11.4.14 Section 90(2) of the Income Tax Act, provides relief to a non-resident, where there is a DTAA between India and the country of residence of the non-resident shareholder and the provisions of the DTAA are more favorable to the taxpayer, subject to satisfying relevant conditions including not limited to (a) conditions present in the said DTAA (if any) read with the relevant provisions of the MLI as ratified by India with the respective country of which the said shareholder is tax resident; (b) non-applicability of GAAR; and (c) providing and maintaining necessary information and documents as prescribed under the Income Tax Act.

11.4.15 **Investment Funds**

Under Section 10(23FBA) of the Income Tax Act, any income of an Investment Fund, other than the income chargeable under the head "Profits and gains of business or profession" would be exempt from income-tax. For this purpose, an "Investment Fund" means a fund registered as Category I or Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternate Investment Fund) Regulations, 2012.

11.4.16 **Mutual Funds**

Under Section 10(23D) of the Income Tax Act, any income of mutual funds registered under SEBI or regulations made thereunder or mutual funds set up by public sector banks or public financial institutions or mutual funds authorized by the Reserve Bank of India ('RBI') and subject to the conditions specified therein, is exempt from tax subject to such conditions as the Central Government may by notification in the Official Gazette, specify in this behalf.

11.5 Taxability of Business Income in the hands of the Shareholders

- 11.5.1 Where the listed equity shares are held as stock-in-trade and gains realized from their sale are taxable as business income, they will be taxable at applicable tax rates to such shareholders. The loss if any can be carried forward in accordance with the provisions of the Income Tax Act.
- 11.5.2 In terms of Section 36(1)(xv) of the Income Tax Act, STT paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for deduction from the amount of income chargeable under the head "Profit and gains of business or profession", if the income arising from taxable securities transaction is included in such income.
- 11.5.3 Section 90(2) of the Income Tax Act, provides relief to a non-resident, where there is a DTAA between India and the country of residence of the non-resident shareholder and the provisions of

the DTAA are more favorable to the taxpayer, subject to satisfying relevant conditions including but not limited to (a) conditions present in the said DTAA (if any) read with the relevant provisions of the MLI as ratified by India with the respective country of which the said shareholder is tax resident; (b) non-applicability of GAAR; and (c) maintaining necessary information and documents as prescribed under the Income Tax Act.

11.6 Withholding Tax implications

11.6.1 Remittance/ Payment of Consideration

a. Resident shareholders:

- a) As of the date of filing of this document, in the absence of any provisions under the Income Tax Act casting an obligation on the buyer to deduct tax on income arising in the hands of the resident seller on transfer of any property (other than immovable property), the Acquirer is not required to withhold tax on the consideration payable to eligible shareholders pursuant to tendering of shares under the Open Offer.
- b) With effect from July 1, 2021, Finance Act 2021 creates an obligation on the buyer of goods to withhold tax under Section 194Q at the rate of 0.1% when buying goods from an Indian resident. The withholding obligation only exists where the consideration for goods exceeds INR 50,00,000 (Indian Rupees fifty lakh only) and the buyer had a business turnover of more than INR 10,00,00,000 (Indian Rupees ten crore) (in the immediately preceding year. The term “goods” has not been defined and may cover shares
- c) As per Circular No 13 of 2021 dated June 30, 2021 issued by the CBDT, the provisions of Section 194Q is not applicable where the transactions in securities and commodities are traded through recognized stock exchange. Therefore, the Acquirer is not required to withhold tax under Section 194Q on consideration payable to resident shareholders.
- d) The resident shareholders must file their tax return in India *inter alia* considering gains arising pursuant to this Open Offer. The resident shareholders undertake to fully indemnify the Acquirer if any tax demand is raised on the Acquirer on account of income arising to the resident shareholders pursuant to this Open Offer. The resident shareholders also undertake to provide the Acquirer, on demand, the relevant details in respect of the taxability/ non-taxability of the proceeds pursuant to this Open Offer, copy of tax return filed in India, evidence of the tax paid etc.

b. Non-resident shareholders – FIIs

Section 196D of Income Tax Act, provides for a specific exemption from withholding tax at source from any income, by way of Capital Gains arising to an FII from the transfer of securities referred to in Section 115AD of the Income Tax Act. Thus, no withholding of tax is required in case of consideration payable to FIIs/FPIs.

c. Non-resident shareholders (other than FIIs):

- a) Each non-resident shareholder will confirm its status by selecting the appropriate box in the Form of Acceptance-cum-Acknowledgement.
- b) Section 195(1) of the Income Tax Act provides that any person responsible for paying to a non-resident, any sum chargeable to tax under the provisions of the Income Tax Act is required to deduct tax at source at applicable rates in force (including applicable surcharge and cess). This tax shall be deducted at appropriate rates as per the Income Tax Act read with the provisions of the relevant DTAA, if applicable.

- c) However, the Acquirer will not be able to deduct income-tax at source on the consideration payable to such non-resident shareholders as there is no ability for the Acquirer to deduct taxes since the remittance / payment will be routed through the stock exchange, and there will be no direct payment by the Acquirer to the non-resident shareholders.
- d) Since the tendering of shares under the Open Offer is through the stock exchange, the responsibility to discharge tax due on the gains (if any) is on the non-resident shareholder given that practically it is not possible to withhold taxes and the Acquirer believe that the responsibility of withholding / discharge of the taxes due on such gains (if any) on sale of Equity Shares is solely on the custodians/ authorized dealers / non-resident shareholders – with no recourse to the Acquirer. It is therefore recommended that the non-resident shareholders consult their custodians / authorized dealers / tax advisors appropriately. In the event the Acquirer are held liable for the tax liability of the shareholder, the same shall be to the account of the shareholder and to that extent the Acquirer should be fully indemnified.
- e) The non-resident shareholders must file their tax return in India *inter alia* considering gains arising pursuant to this Open Offer. The non-resident shareholders also undertake to provide the Acquirer, on demand, the relevant details in respect of the taxability / non-taxability of the proceeds pursuant to this Open Offer, copy of tax return filed in India, evidence of the tax paid etc.

11.6.2 Remittance / Payment of Interest

- (a) In case of interest, if any, paid by the Acquirer to Public Shareholders (all such shareholders being resident shareholders) for delay in receipt of statutory approvals as per Regulation 18(11) of the SEBI (SAST) Regulations or in accordance with Regulation 18(11A) of the SEBI (SAST) Regulations, the final decision to deduct tax or the quantum of taxes to be deducted rests solely with the Acquirer depending on the settlement mechanism for such interest payments. In the event, to withhold tax, the same shall be basis the documents submitted along with the Form of Acceptance- cum-Acknowledgement or such additional documents as may be called for by the Acquirer. It is recommended that the Public Shareholders consult their custodians / authorized dealers / tax advisors appropriately with respect to the taxability of such interest amount (including on the categorization of the interest, whether as capital gains or as other income). In the event the Acquirer is held liable for the tax liability of the Public Shareholder, the same shall be to the account of the Public Shareholder and to that extent the Acquirer should be fully indemnified.
- (b) The Public Shareholders must file their tax return in India *inter alia* considering the interest (in addition to the gains on the sale of shares), if any, arising pursuant to this Open Offer. The Public Shareholders also undertake to provide to the Acquirer, on demand, the relevant details in respect of the taxability / non-taxability of the proceeds pursuant to this Open Offer, copy of tax return filed in India, evidence of the tax paid etc.

11.7 Rate of Surcharge and Cess

In addition to the basic tax rate, applicable Surcharge, Health and Education Cess are currently leviable as under:

11.7.1 Surcharge

- a) In case of domestic companies: Surcharge at 12% is leviable where the total income exceeds INR 10,00,00,000 (Indian Rupees ten crore) and at 7% where the total income exceeds INR 1,00,00,000 (Indian Rupees one crore) but less than INR 10,00,00,000 (Indian Rupees ten crore).
- b) In case of domestic companies liable to pay tax under section 115BAA or section 115BAB: Surcharge at 10% is leviable.

- c) In case of companies other than domestic companies: Surcharge at 5% is leviable where the total income exceeds INR 10,00,00,000 (Indian Rupees ten crore) and at 2% where the total income exceeds INR 1,00,00,000 (Indian Rupees one crore) but less than INR 10,00,00,000 (Indian Rupees ten crore).
- d) In case of individuals, HUF, AOP, BOI:
 - a. Surcharge at the rate of 10% is leviable where the total income exceeds INR 50,00,000 (Indian Rupees fifty lakh only) but does not exceed INR 1,00,00,000 (Indian Rupees one crore).
 - b. Surcharge at the rate of 15% is leviable where the total income exceeds INR 1,00,00,000 (Indian Rupees one crore) but does not exceed INR 2,00,00,000 (Indian Rupees two crore).
 - c. Surcharge at the rate of 25% is leviable where the total income exceeds INR 2,00,00,000 (Indian Rupees two crore) but does not exceed INR 5,00,00,000 (Indian Rupees five crore).
 - d. Surcharge at the rate of 37% is leviable where the total income exceeds INR 5,00,00,000 (Indian Rupees five crore).

The enhanced surcharge rate of 37% is not applicable for eligible taxpayers opting for tax regime under Section 115BAC of the Income Tax Act.

- e) However, for the purpose of income chargeable under section 111A, 112A and 115AD(1)(b) of the Income Tax Act (for income chargeable to tax under the head capital gains), the surcharge rate shall not exceed 15%.
- f) In case of Firm and Local Authority: Surcharge at 12% is leviable where the total income exceeds INR 1,00,00,000 (Indian Rupees one crore).

11.7.2 Cess

Health and Education Cess at 4% is currently leviable in all cases.

11.8 Others

- 11.8.1 Notwithstanding the details provided above, all payments will be made to the Public Shareholders subject to compliance with prevailing tax laws.
- 11.8.2 The tax deducted by the Acquirer while making payment to a Public Shareholder may not be the final tax liability of such Public Shareholder and shall in no way discharge the obligation of the Public Shareholder to appropriately disclose the amounts received by it, pursuant to this Open Offer, before the income-tax authorities.
- 11.8.3 The Acquirer will deduct tax (if required) as per the information provided and representation made by the Public Shareholders. In the event of any income-tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided /to be provided by the Public Shareholder, such Public Shareholder will be responsible to pay such income-tax demand under the Income Tax Act and provide the Acquirer with all information / documents that may be necessary and co-operate in any proceedings before income tax / appellate authority in India.

SHAREHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS FOR THE TAX PROVISIONS APPLICABLE TO THEIR PARTICULAR CIRCUMSTANCES. THE ACQUIRER AND THE MANAGER TO THE OFFER DO NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF THE TAX PROVISIONS SET FORTH HEREIN ABOVE.

12. DOCUMENTS FOR INSPECTION

The copies of the following documents will be available for inspection at the Corporate Office of the Manager to the Offer *i.e.* Bonanza Portfolio Limited located at Bonanza House, Plot No. M-2, Cama Industrial Estate, Walbhat Road, behind the Hub, Goregaon (East), Mumbai – 400063, Maharashtra, India on any working day between 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the Tendering Period commencing from Tuesday, June 09, 2026 to Monday, June 22, 2026.

Further, in light of SEBI Circular SEBI/HO/CFD/DCR2/CIR/P/2020/139 dated July 27, 2020, read with SEBI Circular SEBI/CIR/CFD/DCR1/CIR/P/2020/83 dated May 14, 2020, copies of the following documents will be available for inspection to the Public Shareholders electronically during the Tendering Period. The Public Shareholders interested to inspect any of the following documents can send an email from their registered email addresses (including shareholding details and authority letter in the event the Public Shareholder is a corporate body) with a subject line “**BAL - Open Offer - Documents for Inspection**”, to the Manager to the Open Offer at documents@bonanzaonline.com; and upon receipt and processing of the received request, access can be provided to the respective Public Shareholders for electronic inspection of documents.

- 12.1 Certificate of Incorporation and Fresh Certificate of Incorporation of the Target Company
- 12.2 Memorandum of Association and Articles of Association of the Target Company.
- 12.3 Mandate Letter dated Wednesday, February 25, 2026 and Memorandum of Understanding between the Manager and the Acquirer dated Wednesday, February 25, 2026.
- 12.4 Escrow Agreement dated March 02, 2026 between Acquirer, Escrow Bank and Manager to the Offer.
- 12.5 Copy of Agreement between the Registrar and the Acquirer dated Wednesday, February 25, 2026.
- 12.6 Networth Certificate dated February 26, 2026 (UDIN-26121057LICXTR6082) from CA Neelanj Shah (Membership No. 121057), Partner at TDK & Co., Chartered Accountants, FRN: 109804W, certifying the Net Worth of Skybridge Interactive LLP ‘Acquirer’ and certifying that the Acquirer has firm and adequate financial resources to meet the financial obligations under the Open Offer.
- 12.7 Audited Annual Reports of the Target Company for the last 3 financial year ending March 31, 2025, March 31, 2024, and March 31, 2023, and unaudited limited reviewed financial results for the quarter and nine months ended December 31, 2025.
- 12.8 Escrow Statement dated March 02, 2026 received from Kotak Mahindra Bank for required amount kept in the Escrow Account.
- 12.9 Copy of Share Purchase Agreement dated Wednesday, February 25, 2026 entered between the Promoter Seller and the Acquirer, which triggered this Offer.
- 12.10 Copy of the Public Announcement dated Wednesday, February 25, 2026.
- 12.11 Copy of the Detailed Public Statement dated Wednesday, March 04, 2026, published on behalf of the Acquirer on Thursday, March 05, 2026 in the newspapers. *However, due to closure of printing in certain regions on account of non-operational printing schedules/holidays (for HOLI), the Detailed Public Statement appeared on Friday, March 06, 2026 in certain regional editions of Financial Express namely Delhi, Chandigarh, Lucknow and Ahmedabad and in certain regional editions of Jansatta namely Delhi, Chandigarh and Lucknow.*
- 12.12 Undertaking from the Acquirer stating full responsibility for all information contained in the PA, DPS and the Letter of Offer.
- 12.13 Valuation Report from Mr. Rushabh Doshi, Registered Valuer (Registration No: IBBI/RV/03/2022/15050) dated Wednesday, February 25, 2026 regarding the Fair Valuation of the equity shares of Baba Arts Limited.

12.14 Copy of the recommendations to be published on Friday, June 05, 2026, by the Committee of Independent Directors of the Target Company.

12.15 Copy of SEBI Observation Letter bearing reference number 'I/12132/2026' dated **May 21, 2026**.

13. DECLARATION BY THE ACQUIRER

13.1 The Acquirer, accepts full responsibility for the information contained in this Letter of Offer and also for the obligations of the Acquirer as laid down in the SEBI (SAST) Regulations and subsequent amendments made thereof. The Acquirer is responsible for ensuring compliance with the SEBI (SAST) Regulations.

13.2 The information pertaining to the Target Company and/or Seller contained in the Public Announcement or the Detailed Public Statement or this Letter of Offer has been obtained from publicly available sources or provided by the Target Company and/or the Seller, as the case may be, and the accuracy thereof has not been independently verified by the Acquirer or the Manager to the Offer. The Acquirer and the Manager to the Offer do not accept any responsibility with respect to such information relating to the Target Company and/or the Seller.

13.3 The information contained in this Letter of Offer is as on the date of this Letter of Offer, unless expressly stated otherwise.

For and on behalf of the Acquirer,

For Skybridge Interactive LLP

**Sd/-
Devang Dinesh Master
(Designated Partner)**

**Sd/-
Ayush Devang Master
(Designated Partner)**

Place : Mumbai

Date : May 25, 2026

THIS PAGE INTENTIONALLY LEFT BLANK

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Public Shareholders holding shares in dematerialized form are not required to fill the Form of Acceptance, unless required by their respective Selling Broker. Public Shareholders holding shares in physical form (resident and non-resident) are required to send this Form of Acceptance along with the enclosures to the Registrar to the Offer, at its registered office address provided in the LOO. Capitalized terms and expressions used herein but not defined, shall have the same meaning as ascribed to them in the LOO.)

TENDERING PERIOD FOR THIS OPEN OFFER	
OPENS ON	Tuesday, June 09, 2026
CLOSES ON	Monday, June 22, 2026

From	
Name:	
Address:	
Tel. No.:	
Fax:	
Email:	

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT BABA ARTS LIMITED

To,
The Acquirer
C/o Purva Sharegistry (India) Private Limited
Unit: Baba Arts Limited - Open Offer
SEBI Regn. No. INR000001112
Unit No. 9, Shiv Shakti Industrial Estate,
J.R. Boricha Marg, Lower Parel (E),
Mumbai – 400 011, Maharashtra.
Email id: support@purvashare.com
Website: www.purvashare.com
Contact Person: Ms. Deepali Dhuri
Tel: 022 4961 4132 / 3199 8810

Dear Sir/Madam,

Sub: Open offer made by Skybridge Interactive LLP (“Acquirer”) for acquisition of up to 1,32,92,000 Equity Shares representing *25.32 % of the Equity and Voting Share Capital of Baba Arts Limited (“Target Company”) from the Public Shareholders of the Target Company.

I / We refer to the Letter of Offer dated May 25, 2026 for acquiring Equity Shares held by me / us in Baba Arts Limited.

I / We, the undersigned, have read the Public Announcement, Detailed Public Statement, Letter of Offer and the Offer opening public announcement and understood its contents, including the terms and conditions mentioned therein and unconditionally agree to such terms and conditions.

I / We acknowledge and confirm that all the particulars / statements given herein are true and correct.

DETAILS OF PUBLIC SHAREHOLDER:

Name (in BLOCK LETTERS)	Holder	Name of the Shareholder(s)	Permanent Account Number (PAN)
(Please write names of the joint holders in the same order as appearing in the Equity Share certificate(s)/ demat account)	Sole/First		
	Second		
	Third		
Contact number(s) of the first holder	Tel No. (With STD code):		Mobile No.:
Full Address of the first holder (with pin code)			
Email address of first holder			
Date and place of incorporation (if applicable)			

FOR EQUITY SHARES HELD IN PHYSICAL FORM:

I / We, confirm that our residential status under the Income Tax Act is as below (✓ *whichever is applicable*):

- Resident
- Non-resident

I / We, holding the Equity Shares in physical form, accept the Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my / our Equity Shares as detailed below along with enclosures as mentioned herein:

Sr. No.	Regd. Folio Number	Share Certificate No.	Distinctive Nos.		No. of Equity Shares
			From	To	
1					
2					
3					
4					
Total					

(In case of insufficient space, please use an additional sheet and authenticate the same)

Enclosures (please provide the following and ✓ *whichever is applicable*)

- Original Equity Share certificate(s)
- Valid share transfer deed(s) duly filled, stamped and signed by the transferor(s) (i.e. by all registered Public Shareholder(s) in the same order and as per specimen signatures registered with the Target Company), and duly witnessed at the appropriate place.
- Photocopy of Transaction Registration Slip (TRS)
- Self attested copy of PAN card of all the transferor(s)
- If the address of the Shareholder has undergone a change from the address registered in the register of members of the Target 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.
- Any other relevant document (but not limited to) such as duly attested power of attorney (if any person apart from the Public Shareholder has signed the Form of Acceptance-cum-Acknowledgement or Equity Share transfer deed(s)), corporate authorization, in case of companies (including board resolution / specimen signature), duly notarised copy of death certificate and succession certificate/ probated will/ letter of administration, if the original shareholder has deceased etc., as applicable.

Public Shareholders should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted.

FOR ALL PUBLIC SHAREHOLDERS:

I / We confirm that the Equity Shares which are being tendered herewith by me / us under this Offer, are not locked in and are free from any pledges, liens, charges, equitable interests, non-disposal undertakings and encumbrances and will be transferred together with the rights attached thereto, including all rights to dividend, bonus and rights offer, if any, declared hereafter and that I / we have obtained any necessary consents to sell the Equity Shares on the foregoing basis.

I / We declare that there are no restraints / injunctions or other order(s) of any nature which limits / restricts in any manner my/our right to tender Equity Shares for Offer and that I / we am / are legally entitled to tender the Equity Shares for the Offer. I / We declare that regulatory approvals, if applicable, for holding the Equity Shares and/or for tendering the Equity Shares in this Offer have been enclosed herewith.

I/We confirm that the sale and transfer of the Equity Shares held by me/us will not contravene any applicable law and will not breach the terms of any agreement (written or otherwise) that I/we are a party to. My / Our execution of this Form of Acceptance shall constitute my / our warranty that the Equity Shares comprised in this application are owned by me / us. If any claim is made by any third party in respect of the said Equity Shares, I / we will hold the Acquirer harmless and indemnified against any loss they or either of them may suffer in the event these Equity Shares are acquired by the Acquirer.

I / We agree that the Acquirer will pay the consideration as per secondary market mechanism only after verification of the certificates, documents and signatures, as applicable submitted along with this Form. I / We undertake to return to Acquirer any Open Offer consideration that may be wrongfully received by me/us.

I/We confirm that I / We are not persons acting in concert or persons deemed to be acting in concert with the Acquirer. I / We am / are not debarred from dealing in shares or securities, including the Equity Shares.

I/We give my/our consent to the Acquirer to file any statutory documents on my/our behalf in relation to accepting the Equity Shares in this Offer. I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my/our tender/offer and agree to abide by any decision that may be taken by the Acquirer to effectuate this Offer in accordance with the SEBI (SAST) Regulations.

I/ we note and understand that the shares/ original share certificate(s) and transfer deed(s) will be held by the Registrar to the Offer in trust for me / us till the date Acquirer makes payment of consideration as mentioned in the Letter of Offer or the date by which original share certificate(s), transfer deed(s) and other documents are dispatched to me / us, as the case may be. I / We also note and understand that the consideration will be paid only to those Shareholders who have validly tendered their Equity Shares in this Offer, in accordance with the terms of the LOO.

I / We authorise the Acquirer to accept the Equity Shares so offered or such lesser number of Equity Shares which they may decide to accept in consultation with the Manager to the Offer and the Registrar to the Offer and in terms of the Letter of Offer, and I / we further authorize the Acquirer to return to me / us the Equity Shares (including the share certificate(s)) in respect of which the Open Offer is not found valid / not accepted without specifying the reasons thereof.

In case of Public Shareholders holding Equity Shares in physical form, I / we further agree to receive a single share certificate for the unaccepted Equity Shares in physical form. (*Strikeout if not applicable*)

I/We confirm that I/we have neither received any notice, nor have been subject to any investigation or inspection from any tax authority and there are no pending audits, examinations or assessments for or relating to any liability in respect of Tax. I/We are not involved in a dispute, litigation or claim in relation to Tax paid or payable in India. There are no pending tax proceedings and / or outstanding tax demands (disputed or otherwise) against me/us under the IT Act that can adversely affect the transfer of the Company Shares under the IT Act including but not limited to Section 281 of the IT Act.

I / We confirm that in the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by me / us, as a result of income tax (including any consequent interest and penalty) on the capital gains arising from tendering of the Equity Shares,

I/ we will indemnify Acquirer for such income tax demand (including interest, penalty, etc.) and provide Acquirer with all information / documents that may be necessary and co-operate in any proceedings before any income tax / appellate authority.

I / We have enclosed all documents required under paragraph 8.15.2 of the Letter of Offer.

I / We confirm that I / we are in compliance with the terms of the Open Offer set out in the PA, the DPS and the Letter of Offer.

Status of Shareholders (✓ whichever is applicable): -

▪ Individual	▪ Foreign Company	▪ FII/FPI - Corporate	▪ FII/FPI Others -	▪ Domestic Company
▪ Foreign Trust	▪ Private Equity Fund/ AIF	▪ Pension/Provident	▪ Sovereign Wealth Fund	▪ Partnership/LLP
▪ Financial Institution	▪ NRIs/ PIOs-repatriable	▪ NRIs/ PIOs Non-repatriable	▪ OCB	▪ Domestic Trust
▪ Banks	▪ FVCI	▪ Insurance Company	▪ QFI	▪ Others – please specify

FOR NRIs/ OCBs/ FIIs AND SUB-ACCOUNTS/OTHER NON-RESIDENT SHAREHOLDERS:

I/ we confirm that our investment status is (please provide supporting documents and ✓ whichever is applicable):

- FDI route
- PIS route
- Any other – please specify _____

I/ We confirm that the Equity Shares tendered by me/us are held on (✓ whichever is applicable):

- Repatriable basis
- Non-repatriable basis

I/ We confirm that (✓ whichever is applicable):

- No RBI, FIPB or other regulatory approval was required by me for holding Equity Shares that have been tendered in this Offer and the Equity Shares are held under general permission of the RBI and FIPB
- Copies of all approvals required by me for holding Equity Shares that have been tendered in this Offer are enclosed herewith
- Copy of RBI Registration letter taking on record the allotment of shares to me/us is enclosed herewith I / We confirm that (✓ whichever is applicable):
- No RBI, FIPB or other regulatory approval is required by me for tendering the Equity Shares in this Open Offer
- Copies of all approvals required by me for tendering Equity Shares in this Offer are enclosed herewith

ADDITIONAL CONFIRMATIONS AND ENCLOSURES FOR ALL PUBLIC SHAREHOLDERS, AS APPLICABLE:

I/ We, have enclosed the following documents (✓ whichever is applicable):

- Self-attested copy of PAN card
- Self-declaration form in Form 15G / Form 15H, in duplicate copy
- Certificate from Income-tax Authorities for deduction of tax at lower or nil rate
- For Mutual funds / Banks / Notified Institutions under Section 194A (3)(iii) of the Income Tax Act, copy of relevant registration or notification in support of the claim that they are eligible to exemption from withholding tax (applicable in case of interest payment, if any).
- 'Valid Tax Residency Certificate' issued by the income tax authority of a foreign country of which he / it claims to be a tax resident, in case the Shareholder intends to claim benefit under the DTAA between India and that jurisdiction in which the Public Shareholder claims to be resident and a duly filled in 'Form 10F' as prescribed under the Income Tax Act. Such other information and documentation as may be required depending upon the specific terms of the relevant DTAA, including but not limited to a declaration of not having a permanent establishment in India and declaration of characterisation of income arising from the Open Offer..

- SEBI registration certificate issued to Category I or Category II Alternative Investment Funds if such fund intends to claim exemption from TDS under Section 197A(1F) of the Income Tax Act.
- SEBI Registration Certificate for FIIs / FPIs (mandatory to be submitted by FIIs/FPIs)
- Declaration that the investment in the Equity Shares is in accordance with the applicable SEBI regulations (mandatory to be submitted by FIIs/FPIs).
- Duly attested power of attorney if any person apart from the Public Shareholder has signed the Form-of Acceptance-cum-Acknowledgement.
- Corporate authorization, in case of Companies along with certified copy of the Board Resolution and Specimen Signatures of Authorised Signatories
- Other relevant documents (Please specify)

BANK DETAILS

In case of Public Shareholders holding Equity Shares in physical form, kindly provide the following details:

Name of Bank	
Branch Address and PIN Code	
Type of Account	Savings / Current / NRE / NRO / Others <i>(circle whichever is applicable)</i>
Account Number	
9 digit MICR code	
IFS Code for RTGS/NEFT transfers	

Yours faithfully,

Signed and Delivered	Full Name	PAN	Signature
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

In case of joint holders, all must sign. In case of body corporate, it must affix the corporate seal and also attach necessary corporate resolutions.

Place:

Date:

-----TEAR HERE-----

Acknowledgement Receipt – Baba Arts Limited - Open Offer

Received from Mr./Ms./M/s. _____			
Address _____			
Form of Acceptance-cum-Acknowledgement for Baba Arts Limited - Open Offer as per details below:			
Physical Shares: Folio No. _____ / Demat Shares: DP ID: _____ Client ID: _____			
Copy of delivery instruction to depository participant of DP ID/ Client ID/ Folio No. _____ for _____			
_____ Equity Shares			
Date of Receipt:	Place or Receipt:	Stamp of collection center:	Signature of official:

INSTRUCTIONS:

NO EQUITY SHARES / FORMS SHOULD BE SENT TO THE ACQUIRER, THE MANAGER TO THE OFFER OR TO THE TARGET COMPANY.

1. All queries pertaining to this Offer may be directed to the Registrar to the Offer.
2. The Form of Acceptance-cum-Acknowledgment should be legible and should be filled up in English only.
3. In case of Equity Shares held in joint names, names should be filled up in the same order in the Form of Acceptance-cum-Acknowledgment and in the Equity Share transfer deed(s), in the order in which they hold Equity Shares, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting this Offer.
4. Attestation, where required (as indicated in the Equity Share transfer deed) (thumb impressions, signature difference, etc.) should be done by a magistrate, notary public or special executive magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under its seal of office and membership number or manager of the transferor's bank.
5. If Non-Resident Public Shareholders had required any approval from the RBI or the FIPB or any other regulatory body in respect of the Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them pursuant to this Offer. Further, Non-Resident Public Shareholders must obtain all approvals required, if any, to tender the Equity Shares in this Offer (including without limitation, the approval from the RBI and FIPB) and submit such approvals, along with the other documents required in terms of the Letter of Offer, and provide such other consents, documents and confirmations as may be required to enable the Acquirer to purchase the Equity Shares so tendered. In the event any such approvals are not submitted, the Acquirer reserve the right to reject such Equity Shares tendered in this Offer. If the Equity Shares are held under general permission of RBI, the non-resident Public Shareholder should state that the Equity Shares are held under general permission and whether they are held on repatriable basis or non-repatriable basis.
6. If the Equity Shares are rejected for any reason, the Equity Shares will be returned to the sole / first named Public Shareholder(s) along with all the documents received from them at the time of submission.
7. All the Public Shareholders should provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of which the acceptance is being sent.
8. All documents / remittances sent by or to Public Shareholders will be at their own risk. Public Shareholders are advised to adequately safeguard their interests in this regard.

FOR DETAILED PROCEDURE FOR TENDERING THE EQUITY SHARES IN THIS OFFER, REFER TO THE LETTER OF OFFER.

-----TEAR HERE-----

All future correspondence, if any, should be addressed to Registrar to the Offer at the following address:

Purva Sharegistry (India) Private Limited.
Registered Office: Unit No. 9, Shiv Shakti Industrial Estate,
J.R. Boricha Marg, Lower Parel (East), Mumbai – 400011
Tel: +91-22-4961 4132/ 3199 8810, **Email ID:** support@purvashare.com

Form No. SH-4 - Securities Transfer Form

[Pursuant to section 56 of the Companies Act, 2013 and sub-rule (1) of rule 11 of the Companies (Share Capital and Debentures) Rules 2014]

Date of execution: ____/____/____

FOR THE CONSIDERATION stated below the “Transferor(s)” named do hereby transfer to the “Transferee(s)” named the securities specified below subject to the conditions on which the said securities are now held by the Transferor(s) and the Transferee(s) do hereby agree to accept and hold the said securities subject to the conditions aforesaid.

CIN: **L72200MH1999PLC119177**

Name of the company (in full): **BABA ARTS LIMITED**

Name of the Stock Exchange where the company is listed, (if any): **BSE LIMITED**

DESCRIPTION OF SECURITIES:

Kind/ Class of securities (1)	Nominal value of each unit of security (2)	Amount called up per unit of security (3)	Amount paid up per unit of security (4)
No. of Securities being Transferred		Consideration received (Rs.)	
In figures	In words	In words	In figures
Distinctive Number	From		
	To		
Corresponding Certificate Nos.			

Transferors' Particulars

Registered Folio Number:

Name(s) in full

Signature(s)

1. _____

2. _____

3. _____

I, hereby confirm that the transferor has signed before me.

Signature of the Witness: _____

Name of the Witness: _____

Address of the Witness: _____

Pincode: _____

Transferees' Particulars

Name in full (1)	Father's/ Mother's / Spouse Name (2)	Address & Email Id (3)
1. _____ 2. _____ 3. _____	1. _____ 2. _____ 3. _____	_____ _____ _____ Pin code _____ Email id: _____
Occupation (4)	Existing Folio No., if any (5)	Signature (6)
1. _____ 2. _____ 3. _____	_____ 	1. _____ 2. _____ 3. _____

Folio No. of Transferee

Specimen Signature of Transferee(s)

1. _____
 2. _____
 3. _____

Value of Stamp affixed: Rs. _____

STAMPS

Enclosures:

1. Certificate of shares or debentures or other securities
2. If no certificate is issued, Letter of allotment
3. Copy of PAN Card of all the Transferee(s) (For all listed Cos.)
4. Others, Specify, _____

For Office Use Only

Checked by _____

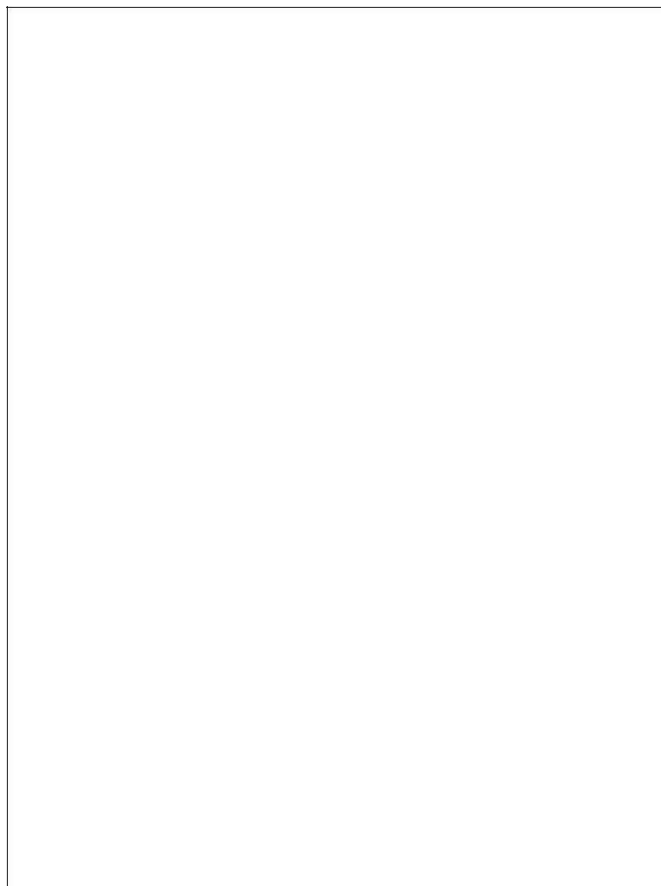
Signature Talled by _____

Entered in the Register of Transfer on _____
 vide Transfer no _____

Approval Date _____

Power of attorney / Probate / Death certificate /
 Letter of Administration

Registered on _____ at
 No _____



THIS PAGE INTENTIONALLY LEFT BLANK
