



BABA ARTS LIMITED

(CIN : L72200MH1999PLC119177)

Regd. Address: 3A, Valecha Chambers, New Link Road, Mumbai-400053

Tel No.2673 3131 Fax : 2673 3375

Email : babaartslimited@yahoo.com Website : www.babaartslimited.com

NOTICE OF THE FIFTEENTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fifteenth Annual General Meeting of Baba Arts Limited will be held on Monday the 22nd September, 2014 at 11.30 a.m. at Juhu Vile Parle Gymkhana Club, Orchid Hall, Second Floor, Opp: Juhu Bus Depot, Juhu, Mumbai 400049 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements and the reports of the Board of Directors and Auditors thereon for the Financial Year ended on 31st March, 2014.

2. **To appoint Director in place of Shri Gordhan P. Tanwani (DIN 00040942) who retires by rotation and being eligible offers himself for reappointment and in this connection to pass with or without modification, the following resolution as an Ordinary Resolution**

“RESOLVED THAT Shri Gordhan P. Tanwani (DIN 00040942), who retires by rotation be and is hereby reappointed as a Director of the Company liable to retire by rotation. “

3. **To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution**

“RESOLVED THAT in accordance with the provisions of Section 139 of the Companies Act, 2013, and the Rules made there under (including any statutory modification(s) or re-enactment thereof) the retiring auditors M/s. Prakash Muni & Associates., Chartered Accountants, having the ICAI Registration No. 111792W and holding valid Peer Review Certificate issued by the Institute of Chartered Accountants of India, be and are hereby appointed as Statutory Auditors of the Company to hold office for a period of three years from the conclusion of this Annual General Meeting till the conclusion of the 18th Annual General Meeting (subject to ratification by the shareholders at every Annual General Meeting), on remuneration and other expenses to be fixed by the Managing Director of the Company.”

SPECIAL BUSINESS

4. **To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.**

“RESOLVED THAT consent of the Company be and is hereby accorded to Shri Sanjiv L. Hinduja (DIN 00040858) who holds office as an Independent Director of the Company pursuant to Clause 49 of the Listing Agreement and who being eligible to continue as an Independent Director under Section 149 of the Companies Act, 2013 read with Rules made there under and Clause 49 of the Listing Agreement entered with the Stock Exchange(s) (including any statutory modification(s) or re-enactment thereof, for the time being in force), to continue to hold the office of Independent Director of the Company for a period of five consecutive years from April 01, 2014 up to March 31, 2019 who shall not be liable to retire by rotation.”

5. **To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.**

“RESOLVED THAT consent of the Company be and is hereby accorded to Shri Santosh A. Shah (DIN 01259840) who holds office as an Independent Director of the Company pursuant to Clause 49 of the Listing Agreement and who being eligible to continue as an Independent Director under Section 149 of the Companies Act, 2013 read with Rules made there under and Clause 49 of the Listing Agreement entered with the Stock Exchange(s) (including any statutory modification(s) or re-enactment thereof, for the time being in force), to continue to hold the office of Independent Director of the Company for a period of five consecutive years from April 01, 2014 up to March 31, 2019 who shall not be liable to retire by rotation.”

6. **To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution**

RESOLVED THAT in supersession of the Ordinary Resolution adopted at the 11th Annual General Meeting held on

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21st September, 2010 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from the Company's bankers in the ordinary course of business, shall not be in excess Rs. 500 Crore (Rupees Five Hundred Crore Only) over and above the aggregate of the paid up share capital and free reserves of the Company.

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution

RESOLVED THAT pursuant to the provisions of Section 73(2) of the Companies Act, 2013 ("The Act") read with The Companies (Acceptance of Deposit) Rules, 2014 and such other provisions of the Act as may be applicable from time to time (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company be and is hereby authorized to invite and accept Secured or Unsecured Deposits from its members subject to the condition that the total amount of deposits so invited and accepted by the Company shall not at any time exceed the limit of 25% of the paid up capital and free reserves of the Company.

RESOLVED FURTHER THAT the board of directors of the Company be and are hereby authorized to prescribe terms and conditions for inviting and accepting the deposits from the members of the Company including period of deposit, rate of interest, nature of security, provision of insurance and such other terms and conditions as they may deem fit and to do all such acts, deeds, matters and things as may be necessary and desirable to give effect to this resolution.

By Order of the Board
For Baba Arts Limited

N. H. Mankad
Company Secretary

Regd. Office:

3A, Valecha Chambers,
New Link Road,
Andheri (West)
Mumbai 400053.

Date: 5th August, 2014

NOTES :

1. **Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business to be transacted at the meeting is annexed to and forms part of this notice.**
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE, INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 (FIFTY) AND HOLDING IN AGGREGATE NOT MORE THAN 10% OF THE TOTAL PAID UP CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**

PROXIES TO BE VALID MUST BE LODGED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING. A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING. BLANK PROXY FORM IS ENCLOSED.
3. The Register of Members and Share Transfer Books of the Company will be closed from Thursday the 18th September, 2014 to Monday the 22nd September, 2014 (both days inclusive).
4. Members are requested to:
 - a. Bring their copy of the Annual Report to the Annual General Meeting.
 - b. Bring the Attendance Slip sent herewith, duly filled in, for attending the meeting.



5. As per Section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 the items of business set out in the attached Notice may be transacted also through electronic voting systems as an alternative mode of voting. The Company is providing the facility of casting votes through the electronic voting system (“e-Voting”) under an arrangement with the Central Depository Services (India) Limited (“CDSL”) The Notice of the Meeting will also be available on the Company’s website <http://www.babaartslimited.com> and the website of the Central Depository Services (India) Limited.

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> <p>* In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>* Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.</p>

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly to the company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that

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company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant "Company Name" on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option "YES or NO" as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - * Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - * They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - * After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - * The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - * They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on 15th September, 2014 at 9.00 a.m. and ends on 17th September, 2014 at 6.00 p.m. During this period shareholder of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd August, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) The Company has appointed Mr. Bhumitra V. Dholakia, Partner of Dholakia & Associates, Company Secretaries in Whole Time Practice as Scrutinizer to scrutinize the e-voting process in fair and transparent manner.
- (D) The Scrutinizer shall within a period not exceeding three working days from the conclusion of e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (E) The results on resolutions shall be declared at or after the AGM and subject to the requisite votes, the resolutions shall be deemed to be passed on the date of AGM.
- (F) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com



6. Brief profile of Director seeking appointment as per Clause 49 of the Listing Agreement with the Stock Exchange is given in the notes / explanatory statement annexed to this notice.
7. Beneficial Owners holding shares in electronic/demat form are requested to notify any change in their address, bank account, mandate, etc. to their respective Depository Participant. Members holding shares in physical form are requested to notify any change in their address, bank account etc. to the Registrar and Share Transfer Agents, **Universal Capital Securities Pvt. Ltd.**
8. Members desirous of getting any information about the accounts and operations of the Company are requested to write their queries to the Company at least seven days in advance of the meeting so that the information required can be made readily available at the meeting.
9. As per the provisions of Section 72(1) of the Companies Act, 2013, the facility for making/ varying/ cancelling nomination is available to individuals holding shares in the Company. Nominations can be made in Form-SH.13 and any variation/ cancellation thereof can be made by giving notice in Form SH.14, prescribed under the Companies (Share Capital and Debentures) Rules, 2014 for the purpose. The Forms can be obtained from the share Department of the Company/ Registrars and Share Transfer Agents or from the Website of the Ministry of Corporate Affairs at www.mca.gov.in
10. Pursuant to Section 101 of Companies Act, 2013 read with Rule 18 of Companies (Management & Administration) Rules, 2014, electronic copy of the Annual Report for 2013-2014 is being sent to all the Members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Annual Report for 2013-2014 is being sent in the permitted mode.

To avail of services through electronic mode, members are requested to register their E-mail address with the Registrar & Share Transfer Agent of the Company, **Universal Capital Securities Pvt. Ltd.** to receive all communication by the Company including Annual Report and notice(s) of meetings by E-mail, by sending appropriate communication on baba@unisec.in and also register/update their e-mail ID with the Depository Participant where their Demat account is maintained, for shares held in the electronic form.

11. Members' attention is drawn to the provisions of Section 205A of the Companies Act, 1956, wherein the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred an amount of Rs.20,983/- (Rupees Twenty Thousand Nine Hundred and Eighty Three Only) and Rs. 65,257/- (Rupees Sixty Five Thousand Two Hundred and Fifty Seven Only) being the unpaid and unclaimed dividend amount pertaining to Dividend for the Financial Year 2005-06 and 2006-07, to the Investor Education and Protection Fund of the Central Government on 9th November, 2013 and 25th April, 2014 respectively.
12. The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules). The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problem due to misplacement of intimation thereof by post etc. The Company has uploaded the information in respect of the Unclaimed Dividends in respect of the Financial years 2007-08, 2008-09 and 2009-10 on the website of the IEPF viz. www.iepf.gov.in and under "IEPF Section" on the website of the Company viz. www.babaartslimited.com.
13. Members who have not encashed their dividend warrants for Financial Year 2007-08, 2008-09 and 2009-10 are requested to write to the Company immediately claiming dividends declared by the Company for the said periods. Please note that as per Section 205C of the Companies Act, 1956, no claim shall lie against the Company or IEPF in respect of individual amounts which remain unclaimed or unpaid for a period of seven years from the due date and no payment shall be made in respect of any such claims. (Proforma of Indemnity Bond to be submitted to the Company for issue of Duplicate Dividend Warrant is available under "Investor Section" on the website of the Company viz. www.babaartslimited.com).
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to the Registrar and Transfer Agents **Universal Capital Securities Pvt. Ltd.**

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15. Members/Proxies should bring the attendance slip duly filled in for attending the meeting. The identity/signature of the members holding shares in electronic/demat form is liable for verification with specimen signatures as may be furnished by NSDL/CDSL to the Company. Such members are advised to bring the relevant identity card, issued by the Depository Participant, to attend the Annual General Meeting. The Annual Report duly circulated to the Members of the Company, is available on the Company's Website at www.babaartslimited.com.
16. As required by Clause 49 of the Listing Agreement brief profile of Shri Gordhan P. Tanwani, Director proposed to be reappointed at the Annual General Meeting is given below:

Name of the Director	Gordhan P. Tanwani
Date of Birth	21st January, 1958
Date of Appointment on the Board	28th August, 2003
Qualification	Undergraduate
Experience in specific field	Film Production, and Distribution as also Construction.
Name of other Companies in which he holds Directorship	(1) One
Chairman / Member of Committee(s) of the Board of Directors of the Company	Member- Stakeholders Relationship Committee
Chairman / Member of Committee (s) of Directors of other Companies in which he is a Director	NIL
Directorship held in other Public Companies (excluding Foreign and Private Companies)	1
No. of Shares held in the Company (as on 31st March, 2014)	59,281,978
Director Identification No.	00040942

By Order of the Board
For Baba Arts Limited

N. H. Mankad
Company Secretary

Regd. Office:
3A, Valecha Chambers,
New Link Road,
Andheri (West)
Mumbai 400053.

Date: 5th August, 2014



STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NO. 4

Shri Sanjiv L. Hinduja (DIN 00040858) has been an Independent Director pursuant to clause 49 of the listing agreement on the Board of the Company for 11 years. With the enactment of the Companies Act, 2013 ('Act') it is now incumbent upon every listed Company to appoint 'Independent Directors' as defined in section 149(6) of the Act and ensure that at least 1/3rd of the total number of directors are Independent Directors. The Board of Directors of your Company, after reviewing the provisions of the Act, are of the opinion that Shri Sanjiv L. Hinduja (DIN 00040858) fulfills the conditions specified in the Act and the Rules made there under to be eligible to continue to hold office as an Independent Director pursuant to the provisions of Section 149 of the Act. The Board of Directors of your Company is also of the opinion that Shri Sanjiv L. Hinduja (DIN 00040858) is independent of the management of the Company. Shri Sanjiv L. Hinduja (DIN 00040858) has also given a declaration pursuant to Section 149(7) of the Companies Act, 2013 that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Sanjiv L. Hinduja (DIN 00040858) as an Independent Director. Accordingly, the Board recommends the resolution as set out under Item No. 4 of the notice, to the shareholders in relation to the approval of Shri Sanjiv L. Hinduja (DIN 00040858) to continue to hold office as an Independent Director for a period of five consecutive years from April 01, 2014 up to March 31, 2019 pursuant to provisions of section 149 of the Act read with schedule IV to the Act. In terms of provisions of section 149(13) of the Act, Shri Sanjiv L. Hinduja (DIN 00040858) shall not be liable to retire by rotation.

Except Shri Sanjiv L. Hinduja (DIN 00040858), being an appointee, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 4. This statement may also be regarded as a disclosure Under Clause 49 of the Listing Agreement with the Stock Exchange.

As required under Clause 49 of the Listing Agreement, brief profile of Shri Sanjiv L. Hinduja (DIN 00040858) is given hereunder:

Name of the Director	Shri Sanjiv Laxmichand Hinduja
Date of Birth	09/06/1963
Date of Appointment on the Board	28/08/2003
Qualification	B.com, F.C.A
Experience in specific field	Accounts, Taxation & Audit
Name of other Companies in which he holds Directorship	Nil
Chairman / Member of Committee(s) of the Board of Directors of the Company	Chairman-Nomination & Remuneration Committee
Chairman / Member of Committee (s) of Directors of other Companies in which he is a Director	Nil
Directorship held in other Public Companies (excluding Foreign and Private Companies)	Nil
No. of Shares held in the Company	7600
Director Identification No.	00040858

ITEM NO.5

Shri Santosh A. Shah (DIN 01259840) has been an Independent Director pursuant to clause 49 of the Listing Agreement on the Board of the Company for 6 years. With the enactment of the Companies Act, 2013 ('Act') it is now incumbent upon every listed company to appoint 'Independent Directors' as defined in section 149(6) of the Act and ensure that at least 1/3rd of the total number of directors are Independent Directors. The Board of Directors of your Company, after reviewing the provisions of the Act, are of the opinion that Shri Santosh A. Shah (DIN 01259840) fulfills the conditions specified in the Act and the Rules made there under to be eligible to continue to hold office as an Independent Director pursuant to the provisions of section 149 of the Act. The Board of Directors of your Company is also of the opinion that Shri Santosh A. Shah (DIN 01259840) is

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independent of the management of the Company. Shri Santosh A. Shah (DIN 01259840) has also given a declaration pursuant to Section 149(7) of the Companies Act, 2013 that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Santosh A. Shah (DIN 01259840) as an Independent Director. Accordingly, the Board recommends the resolution as set out under Item No. 5 of this notice, to the shareholders in relation to the approval of Shri Santosh A Shah (DIN 01259840) to continue to hold office as an Independent Director for a period of five consecutive years from April 01, 2014 up to March 31, 2019 pursuant to provisions of section 149 of the Act read with schedule IV to the Act. In terms of provisions of section 149(13) of the Act, Shri Santosh A. Shah (DIN 01259840) shall not be liable to retire by rotation.

Except Shri Santosh A. Shah (DIN 01259840), being an appointee, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 5. This statement may also be regarded as a disclosure Under Clause 49 of the Listing Agreement with the Stock Exchange.

As required under Clause 49 of the Listing Agreement, brief profile of Shri Santosh A. Shah (DIN 01259840) is given hereunder:

Name of the Director	Shri Santosh Anilkumar Shah
Date of Birth	15/06/1968
Date of Appointment on the Board	25/03/2008
Qualification	B.com, F.C.A
Experience in specific field	Accounts, Taxation & Audit
Name of other Companies in which he holds Directorship	<ol style="list-style-type: none"> 1. Kota Farm Services Limited 2. Solitaire Financial Solutions Pvt. Ltd. 3. Ravya Media Miners Pvt. Ltd. 4. Solitaire Productions and Media Pvt. Ltd.
Chairman / Member of Committee(s) of the Board of Directors of the Company	Chairman-Audit Committee Chairman- Risk Management Committee
Chairman / Member of Committee (s) of Directors of other Companies in which he is a Director	NIL
Directorship held in other Public Companies (excluding Foreign and Private Companies)	<ol style="list-style-type: none"> 1. Kota Farm Services Limited
No. of Shares held in the Company	NIL
Director Identification No.	01259840

ITEM NO. 6

The members of the Company at their 11th Annual General Meeting held on 21st September, 2010 by way of an Ordinary Resolution under Section 293(1)(d) of Companies Act, 1956 had accorded consent to the Board of Directors for borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs.500 Crore(Rupees Five Hundred Crore Only).

Section 180(1)(c) of the Companies Act, 2013 requires that the Board of Directors shall not borrow money in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of a special resolution.

It is, therefore, necessary that the members, pass a special resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No.6 of the notice, to enable the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money upto Rs.500 Crore (Rupees 500 Crore Only) in excess of the aggregate of the paid up share capital and free reserves of the Company.



None of the Directors and /or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.6.

ITEM NO. 7

In the normal course of its business the company may be required to invite and accept deposits from its members to meet its short term and long term financial needs. As per Section 73(2) of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 ("the Rules) the Company can invite and accept deposits from its members up to a maximum amount of 25% of the paid up capital and free reserves of the Company, only after obtaining prior approval of members by passing a special resolution and after complying with other conditions stipulated under the said Section and the Rules.

Your Board of Directors therefore seek approval of the members to invite and accept deposits from its members up to an amount not exceeding 25% of the aggregate of paid up capital and free reserves of the Company at any given time. The Board of Directors shall exercise the authority so given subject to compliance of various stipulations under the Companies Act, 2013 and Reserve Bank of India Act, 1934 for invitation and acceptance of deposits from the members such as issue of circular to the members, obtaining credit rating, providing security, arranging deposit insurance as may be applicable from time to time.

None of the Directors and /or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.7 of the notice except that they shall be entitled to keep deposits with the Company in their capacity as members of the Company on the same terms and conditions as any other member of the Company.

By Order of the Board
For Baba Arts Limited

N. H. Mankad
Company Secretary

Regd. Office:

3A, Valecha Chambers,
New Link Road,
Andheri (West)
Mumbai 400053.

Date: 5th August, 2014