

## ANNUAL REPORT 2015-2016

**BABA ARTS LIMITED**  
CIN : L72200MH1999PLC119177

### BOARD AND COMMITTEES

#### Board of Directors

**Shri Gordhan P. Tanwani**

Chairman & Managing Director

**Shri Santosh A. Shah**

Independent Director

Chairman-Audit Committee

Chairman-Risk Management Committee

**Shri Sanjiv L. Hinduja**

Independent Director

Chairman-Nomination & Remuneration Committee

**Smt Malavika A. Acharya**

Director

#### Chief Financial Officer

Shri Liladhar M. Sawant (Ceased on 21.03.2016)

#### Company Secretary

Shri Naishadh H. Mankad

#### Statutory Auditors

Prakkash Muni & Associates

Chartered Accountants

#### Banker

Bank of India, Versova Branch, Andheri (West), Mumbai-400053

#### Registered Office and Studio

3A, Valecha Chambers,

New Link Road,

Andheri (West),

Mumbai – 400053

Phone : (022) 2673 3131 Fax : (022) 2673 3375

CIN : L72200MH1999PLC119177

Email : [babaartslimited@yahoo.com](mailto:babaartslimited@yahoo.com)

[investors@babaartslimited.com](mailto:investors@babaartslimited.com)

Website: [www.babaartslimited.com](http://www.babaartslimited.com)

#### Registrars & Share Transfer Agents

**Universal Capital Securities Private Limited**

21, Shakil Niwas, Mahakali Caves Road,

Andheri(East), Mumbai-400093

Phone : (022) 2836 6620 Fax : (022) 2821 1996

Email : [baba@uniseq.in](mailto:baba@uniseq.in)

ISIN: INE893A01036

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## BABA ARTS LIMITED

(CIN : L72200MH1999PLC119177)

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

Tel No.022 2673 3131 Fax : 022 2673 3375

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

### NOTICE OF THE SEVENTEENTH ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the Seventeenth Annual General Meeting of **Baba Arts Limited** will be held on Tuesday the 20th September, 2016 at 11.30 a.m. at Juhu Vile Parle Gymkhana Club, Activity Hall, 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, 2016.

2. **To appoint Director in place of Smt. Malavika A. Acharya (DIN 07007469) who retires by rotation and being eligible offers herself for reappointment and in this connection to pass the following resolution as an Ordinary Resolution:**

**“RESOLVED THAT** Smt. Malavika A. Acharya(DIN 07007469), 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, the following resolution as an Ordinary Resolution:**

**RESOLVED THAT** pursuant to the provisions of Sections 139(2) and 142 of the Companies Act, 2013 and rules made there under and pursuant to recommendations of Audit Committee of the Board of Directors, and pursuant to resolution passed by the members at the 15th Annual General Meeting held on 22nd September, 2014 the appointment of M/s. Prakkash Muni & Associates., Chartered Accountants, having ICAI Registration No. 111792W as Statutory Auditors of the Company, to hold office until the conclusion of Eighteenth Annual General Meeting be and is hereby ratified and that the Board of Directors be and is hereby authorised to fix the remuneration payable to them for the financial year ending 31st March, 2017 as may be determined by the Audit Committee in consultation with the Auditors, and that such remuneration may be paid on a progressive billing basis as may be agreed upon between the Auditors and the Board of Directors from time to time.

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: 10th August, 2016

#### **NOTES :**

1. **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.

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2. The Register of Members and Share Transfer Books of the Company will be closed from Wednesday the 14th September, 2016 to Tuesday the 20th September, 2016 (both days inclusive).
3. 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.
4. 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 [www.babaartslimited.com](http://www.babaartslimited.com) and the website of the Central Depository Services (India) Limited.

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

The voting period begins on Saturday, the 17th September, 2016 at 9.00 a.m. and ends on Monday, the 19th September, 2016 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date on Tuesday, the 13th September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

In case of members receiving e-mail:

- i. Log on to the e-voting website [www.evotingindia.com](http://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](http://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:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  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 which is mentioned in address label as Sr. no. affixed on Annual Report, in the PAN field.  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.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
	If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).



- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for the relevant <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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- xix. **Note for Non – Individual Shareholders and Custodians**
- xx. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- xxi. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- xxii. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- xxiii. The list of accounts linked in the login should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- xxiv. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xxv. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

The Company has appointed Shri Bhumitra V. Dholakia, Designated Partner of M/s. Dholakia & Associates LLP, Company Secretaries in Whole Time Practice as Scrutinizer to scrutinize the e-voting process in fair and transparent manner

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.

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The results declared along with the Scrutinizer's report shall be hosted on the website of the company viz; [www.babaartslimited.com](http://www.babaartslimited.com) and on the website of CDSL viz: [www.cdslindia.com](http://www.cdslindia.com). The results shall simultaneously be communicated to BSE Ltd.

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.

5. Brief profile of Director seeking re-appointment as per Clause 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is given in the notes / explanatory statement annexed to this notice.
6. 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.**
7. 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.
8. 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 Company at [www.babaartslimited.com](http://www.babaartslimited.com)
9. 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 2015-16 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 2015-16 is being sent in the permitted mode.
10. 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](mailto: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. 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 2008-09 and 2009-10 on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and under "IEPF Section" on the website of the Company viz. [www.babaartslimited.com](http://www.babaartslimited.com).
12. Members who have not encashed their dividends warrants for Financial Year 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 the unclaimed dividend for the year 2008-09 will be transferred to Investor Education & Protection Fund on 4th November, 2016 and 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](http://www.babaartslimited.com)).
13. 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.



14. 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](http://www.babaartslimited.com).
15. Pursuant to Regulation 36(3) of the SEBI(Listing Obligations & Disclosure Requirements) Regulations,2015 brief profile of Smt. Malavika A. Acharya, proposed to be appointed at the Annual General Meeting is given below:

<b>Name of the Director</b>	<b>Malavika A. Acharya</b>
Date of Birth	29th September, 1960
Date of Appointment on the Board	1st April, 2015
Qualification	B.Com, Diploma in Business Management, Certificate Course from Film Making & Direction, General Green House Management, Interior Designing
Nature of Expertise in specific functional areas	Interior Designer on free lance basis, Line Production in Films
Relationship with other Directors and Key Managerial Personnel	None
Names of listed entities in which she holds Directorship and membership of committees of the Board.	None
Chairman / Member of Committee(s) of the Board of Directors of the Company	Member-Nomination & Remuneration Committee Member- Risk Management Committee Member-Audit Committee
Chairman / Member of Committee (s) of Directors of other Companies in which he is a Director	None
No. of Shares held in the Company (as on 31st March, 2016)	19,00,000 Joint Holder with Shri Ajay D Acharya.
Director Identification No.	07007469

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: 10th August, 2016

## ANNUAL REPORT 2015-2016

### DIRECTORS' REPORT

To,  
The Members,

Your directors have pleasure in presenting their Seventeenth Annual Report together with the Audited Accounts for the year ended on 31st March, 2016.

### FINANCIAL RESULTS

(Rs. Lac.)

Particulars	March 31, 2016	March 31, 2015
Income from Operations	785.06	8,595.39
Other Income	124.18	32.32
<b>Total Income</b>	<b>909.24</b>	<b>8,627.71</b>
<b>Total Expenditure</b>	<b>886.93</b>	<b>8,866.89</b>
Profit /(Loss) before Finance Charges, Depreciation and Tax	22.31	(239.18)
Finance Charges	0.38	3.16
Profit /(Loss) after interest but before Depreciation	21.93	(242.34)
Depreciation	14.31	20.41
Profit /(Loss) before Tax	7.62	(262.75)
<b>Provision for Tax</b>		
- Current Tax	—	—
- Deferred Tax	—	—
Prior period Taxes	3.24	—
<b>Net Profit /(Loss) for the Year</b>	<b>4.38</b>	<b>(262.75)</b>
Profit /(Loss) brought forward from previous year	1273.47	1,555.31
Transitional Depreciation	—	(19.09)
<b>Profit available for Appropriations</b>	<b>1277.85</b>	<b>1,273.47</b>
<b>Appropriations</b>	<b>—</b>	<b>—</b>
<b>Balance Profit /(Loss) carried forward to Balance Sheet</b>	<b>1277.85</b>	<b>1,273.47</b>

### DIVIDEND

On account of negligible profit during the year, your directors have not recommended any dividend on equity shares for the year ended on 31st March, 2016.

### REVIEW OF OPERATIONS

During the year under review, income from Post Production activity decreased to 21.69 Lac from 22.21 Lac in the previous year. Income from trading in IPR of Films/Production and Distribution of Films and TV Serials decreased to Rs. 763.37 Lac from Rs. 8,573.18 Lac in the previous year. Your Company earned a profit of Rs.4.38 Lac vis-à-vis Net Loss of Rs. 262.75 Lac in the previous year, after providing for Depreciation of Rs. 14.31 Lac (Previous Year Rs. 20.41 Lac), Current Tax of Rs. Nil (Previous Year Rs.Nil) and Deferred Tax of Rs. Nil (Previous Year Rs.Nil).

### MATERIAL CHANGES BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THIS REPORT

#### BUY BACK OF SHARES

In terms of resolution passed by the Board of Directors in its meeting held on 20th April,2016 and in accordance with the provisions of Companies Act,2013 and the Securities and Exchange Board of India(Buy-back)Regulations,1998 and with the approval of shareholders by Postal Ballot on 2nd June,2016, the Company has completed buy-back of 2,58,00,000 fully paid equity shares of Re.1/- each at price of Rs.3/- per share for an aggregate amount of Rs. 774 Lac from existing shareholders of the Company through Tender Offer mechanism. Consequent upon the said buy-back, the paid-up equity share capital of the Company now stands reduced to Rs. 774 Lac.



## **BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Your Board comprises of 4 (Four) Directors including 2 (Two) Independent Directors. Independent Directors provide their declarations both at the time of appointment and annually confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013. During the year your Board met 4 (Four) times details of which are available in Corporate Governance Report annexed to this report.

In terms of Section 152 of the Companies Act, 2013, Smt. Malavika A. Acharya (07007469), Director, retires by rotation at the forthcoming AGM and is eligible for re-appointment. Smt. Malavika A. Acharya (07007469) has offered herself for re-appointment.

The details of training and familiarization programmes and Annual Board Evaluation process for directors have been provided under Corporate Governance Report.

Shri Liladhar M. Sawant, Chief Financial Officer of the Company met with an untimely accidental death on 21st March, 2016 at a young age of 40 years. The Board while condoling the death of Shri Liladhar M. Sawant has recorded its appreciation for the valuable services rendered by him during his association with the Company.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with Section 134(5) of the Companies Act, 2013, your Board of directors confirms that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the said standards;
- ii) the accounting policies have been consistently applied and reasonable and prudent judgment and estimates have been made so as to give a true and fair view of the profit of the Company for the year ended on 31st March, 2016 and the state of affairs of the Company as at 31st March, 2016 as disclosed in the enclosed accounts;
- iii) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis.
- v) They have laid down internal financial controls for the Company and such financial controls are adequate and operating effectively; and
- vi) They have devised proper systems to ensure compliance with provision of all applicable laws and such systems are adequate and operating effectively.

## **EXTRACT OF ANNUAL RETURN**

An extract of the Annual Return as of 31st March, 2016 pursuant to the sub-section (3) of Section 92 of Companies Act, 2013 is appended as an Annexure I to this report.

## **PARTICULARS OF LOAN, GUARANTEE AND INVESTMENTS**

The Particulars of loans / advances, guarantees and investments under Section 186 of the Companies Act, 2013 are given in the notes forming part of the Financial Statements.

## **RISK MANAGEMENT POLICY**

The Company has constituted a Risk Management Committee for identifying and evaluating the risks associated with the Business of the Company and to minimize them. The details of Committee and its terms of reference are set out in the Corporate Governance Report.

## **AUDITORS**

M/s. Prakash Muni & Associates (Firm Regn. No. 111792W), Chartered Accountants were appointed as Statutory Auditors of your Company at the 15th Annual General meeting held on 22nd September, 2014 for a term of three years. As per the provisions of Section 139 of the Companies Act, 2013 the appointment of Auditors is required to be ratified by members at every Annual General meeting. Your Board of Directors recommend to ratify their reappointment for the year 2016-17.



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The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. There is no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

### CORPORATE GOVERNANCE

A separate report on Corporate Governance is provided together with a Certificate from Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. A certificate of the Managing Director in terms of Regulation 17(8) as specified in Part B of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, in part, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is also annexed.

### BOARD EVALUATION

The Nomination & Remuneration Committee of the Board has laid down the evaluation criteria for the performance of executive/Non executive / Independent Directors through a Board effectiveness survey. A questionnaire of the survey is designed with the objective of reviewing the functioning and effectiveness of the Board. Each Board member is requested to evaluate the effectiveness of the members of the Board (other than the Director being evaluated) on the basis of information flow, decision making of the directors, relationship to stakeholders, Company performance, Company strategy, and the effectiveness of the whole Board and its various committees on a scale of one to five.

Evaluation of Independent Directors is done on the basis of their role in Governance, Control and Guidance and more particularly their performance in the following areas:

- \* Their contribution towards monitoring the Company's corporate governance practice
- \* Their participation in formulating business strategies and
- \* Their participation in Board and Committee meetings and generally fulfilling their obligations and fiduciary responsibilities as Directors of the Company.

### SEXUAL HARASSMENT

The Company did not receive any complaint of sexual harassment at workplace during the year under review.

### SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company with approval of Board, appointed M/s Dholakia & Associates LLP, Company Secretaries in practice to undertake the Secretarial Audit of the Company for the financial year 2015-16. There were no qualification, reservation or adverse remarks given by Secretarial Auditors of the Company. The Detailed Report on Secretarial Audit is appended as an Annexure II to this Report.

### DEPOSITS

Your Company has not invited / accepted any deposits from public under Section 73 and Section 76 of the Companies Act, 2013.

### RELATED PARTY TRANSACTIONS

In line with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has formulated a Policy on Related Party Transactions which is also available on Company's website at [www.babaartslimited.com](http://www.babaartslimited.com).

The Company has not entered into any transactions with related parties, in accordance with the Accounting Standard 18 prescribed by the Institute of Chartered Accountants of India.

### INTERNAL CONTROL SYSTEM

The Company has in place adequate internal financial controls with reference to financial statements.

The Internal Auditor continuously monitors the efficiency of the internal controls/compliance with the objective of providing to Audit Committee and the Board of Directors, an independent, objective and reasonable assurance of the adequacy and effectiveness of the organization's risk management, control and governance processes. This system of internal control facilitates effective compliance of Section 138 of Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

#### **PARTICULARS OF EMPLOYEES**

The particulars of employees in accordance with the provision of Section 197(12) of the Companies Act 2013 read with Rule 5 (1) and 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is appended as an Annexure III(a) & an Annexure III (b) to this Report.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO:**

##### **Conservation of Energy**

Your Company's activities do not require substantial energy consumption. However, the Company continues to lay emphasis on reducing energy consumption by constantly monitoring the consumption and taking steps to reduce wasteful use of energy.

##### **Export Efforts**

The Company is engaged in providing post production services to entertainment industry in its post production studio and creating content for Television and also in film production and distribution where there is not much scope for exports. The Company is selling overseas rights of films to domestic distributors. The Company did not have any export income during the year.

Foreign Exchange Earning Nil

Foreign Exchange Outgo Nil

##### **Research & Development, Technology Absorption, Adoption and Innovation**

The Company has not under taken any Research & Development activity.

#### **SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES.**

The Company does not have any Subsidiary, Joint Venture and Associate Company.

#### **ACKNOWLEDGEMENT**

The Board wishes to thank all the Company's customers, film producers, artists and technicians, satellite channels, and Company's bankers, who have extended their continuous support to the Company.

Your Directors specially thank the shareholders of the Company for having reposed their confidence in the management of the Company and employees and technicians of the Company at all levels for their dedicated services to the Company and the contribution made by them towards working of the Company.

For and On behalf of the Board of Directors

**Gordhan P. Tanwani**  
Chairman & Managing Director

Place : Mumbai

Date : 10th August, 2016

## ANNUAL REPORT 2015-2016

### ANNEXURE TO DIRECTORS' REPORT

#### ANNEXURE I

Form no. MGT-9

#### EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies Act (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS

i)	CIN	L72200MH1999PLC119177
ii)	Registration date	30/03/1999
iii)	Name of the Company	BABAARTS LIMITED
iv)	Category/ sub-category of the company	Limited by Shares
v)	Address of the Registered office and contact details	3 A, Valecha Chambers, New Link Road, Andheri (West), Mumbai-400053 Tel: 022 26733131 Fax : 022 26733375 Email: <a href="mailto:babaartslimited@yahoo.com">babaartslimited@yahoo.com</a> , <a href="mailto:investors@babaartslimited.com">investors@babaartslimited.com</a>
vi)	Whether listed company	Yes
vii)	Name, address and contact details of registrar and transfer agent, if any	Universal Capital Securities Private Limited 21,Shakil Niwas, Mahakali Caves Road, Andheri(E),Mumbai-400093 Tel: 022 2836 6620 Fax : 022 2821 1996

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products/services	NIC Code of the Product/Service	% to total turnover of the Company
1	Motion, Picture, Videotape & Television Programme Production Services.	99961210	86.34

#### III. PARTICULARS OF HOLDING SUBSIDIARY AND ASSOCIATE COMPANIES

Sl.No.	Name & Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section
1	NOT APPLICABLE				
2					



#### IV. SHARE HOLDING PATTERN (Equity Share Capital break up as percentage of Total Equity)

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	60186887	—	60186887	58.32	70004587	—	70004587	67.83	9.51
b) Central Govt.	—	—	—	—	—	—	—	—	—
c) State Govt(s).	—	—	—	—	—	—	—	—	—
d) Bodies Corp.	5150757	—	5150757	4.99	—	—	—	—	(4.99)
e) Banks/ FI	—	—	—	—	—	—	—	—	—
f) Any Other	—	—	—	—	—	—	—	—	—
<b>Sub- total (A) (1) :-</b>	<b>65337644</b>	<b>—</b>	<b>65337644</b>	<b>63.31</b>	<b>70004587</b>	<b>—</b>	<b>70004587</b>	<b>67.83</b>	<b>4.52</b>
(2) Foreign									
a) NRI's individuals	—	—	—	—	—	—	—	—	—
b) other individuals	—	—	—	—	—	—	—	—	—
c) Bodies corp.	—	—	—	—	—	—	—	—	—
d) Banks / FI	—	—	—	—	—	—	—	—	—
e) Any other	—	—	—	—	—	—	—	—	—
<b>sub total (A) (2) :-</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total share holding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>65337644</b>	<b>—</b>	<b>65337644</b>	<b>63.31</b>	<b>70004587</b>	<b>—</b>	<b>70004587</b>	<b>67.83</b>	<b>4.52</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	—	—	—	—	—	—	—	—	—
b) Banks/ FI	—	—	—	—	—	—	—	—	—
c) Central Govt.	—	—	—	—	—	—	—	—	—
d) State Govt(s)	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
f) Insurance Companies	—	—	—	—	—	—	—	—	—
g) FII's	250000	—	250000	0.24	250000	—	250000	0.24	—
h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
i) others (specify)	—	—	—	—	—	—	—	—	—
<b>Sub-total (B)(1) :-</b>	<b>250000</b>	<b>—</b>	<b>250000</b>	<b>0.24</b>	<b>250000</b>	<b>—</b>	<b>250000</b>	<b>0.24</b>	<b>—</b>
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	9972842	65600	10038442	9.73	8283634	65600	8349234	8.09	(1.64)
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals	—	—	—	—	—	—	—	—	—
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	5621747	320608	5942355	5.76	5910239	311008	6221247	6.03	0.27
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	20182551	—	20182551	19.56	18141955	—	18141955	—	(1.69)
c) Others(specify)	—	—	—	—	—	—	—	—	—
(i) Clearing Members	75605	—	75605	0.07	29914	—	29914	0.03	(0.04)
(ii) Directors & Relatives	85250	—	85250	0.08	85250	—	85250	0.08	—
(iii) NRI/OCBs	1288153	—	1288153	1.25	117813	—	117813	0.11	(1.13)
<b>Sub-total (B)(2):-</b>	<b>37226148</b>	<b>386208</b>	<b>37612356</b>	<b>36.45</b>	<b>32568805</b>	<b>376608</b>	<b>32945413</b>	<b>31.92</b>	<b>(4.52)</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>37476148</b>	<b>386208</b>	<b>37862356</b>	<b>36.69</b>	<b>32818805</b>	<b>376608</b>	<b>33195413</b>	<b>32.17</b>	<b>(4.52)</b>
C. Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
<b>Grand Total (A+B+C)</b>	<b>102813792</b>	<b>386208</b>	<b>103200000</b>	<b>100</b>	<b>102823392</b>	<b>376608</b>	<b>103200000</b>	<b>100</b>	<b>—</b>

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### ii) Share holding of promoters

SI No.	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	Gordhan P. Tanwani	60178887	58.31	29.07	69996587	67.83	—	9.52
2	Pravin J. Karia	8000	0.01	—	8000	0.01	—	—
3	Bhagwati Holdings Pvt. Ltd.	5150757	4.99	—	—	—	—	(4.99)
	<b>Total</b>	<b>65337644</b>	<b>63.31</b>	<b>29.07</b>	<b>70004587</b>	<b>67.84</b>	<b>—</b>	<b>4.53</b>

### (iii) Change in Promoter's Shareholding

#### Date wise Increase / (Decrease) in Promoter's Shareholding

Date	Shareholding at the beginning of the year		Increase/(Decrease)		Reason for Change	Cumulative shareholding during the year		Shareholding at the end of the year	
	No. of shares	% of total shares of the Company	No. of shares	% of change		No. of shares Company	% of total shares of the	No. of shares	% of total shares of the Company
	<b>60178887</b>	<b>58.31</b>							
06.04.2015			438249	0.73	Purchase	60617136	58.74		
07.04.2015			538978	0.89	Purchase	61156114	59.26		
08.04.2015			302175	0.49	Purchase	61458289	59.55		
09.04.2015			282300	0.46	Purchase	61740589	59.83		
10.04.2015			498576	0.81	Purchase	62239165	60.31		
13.04.2015			200000	0.32	Purchase	62439165	60.50		
15.04.2015			247210	0.40	Purchase	62686375	60.74		
16.04.2015			238671	0.38	Purchase	62925046	60.97		
17.04.2015			198530	0.32	Purchase	63123576	61.17		
20.04.2015			5638	0.01	Purchase	63129214	61.17		
21.04.2015			2497	0.00	Purchase	63131711	61.17		
24.04.2015			419	0.00	Purchase	63132130	61.17		
27.04.2015			32400	0.05	Purchase	63164530	61.21		
28.04.2015			501300	0.79	Purchase	63665830	61.69		
29.04.2015			480000	0.75	Purchase	64145830	62.16		
30.04.2015			700000	1.09	Purchase	64845830	62.84		
26.05.2015			5150757	7.94	Inter-se transfer	69996587	67.83		
31.03.2016								69996587	67.83



(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) as on 31st March, 2016

Sr. No.	Name of Shareholders	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	<b>Tejpal Ambalal Shah</b>				
	At the beginning of the year	1,911,346	1.85	1,911,346	1.85
	Bought during the year	429,073	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	2,340,419	2.27	2,340,419	2.27
2	<b>Rajiv K Dhirwani</b>				
	At the beginning of the year	2,224,826	2.16	2,224,826	2.16
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	2,224,826	2.16	2,224,826	2.16
3	<b>Pashupati Capital Services Pvt. Ltd.</b>				
	At the beginning of the year	1,922,000	1.86	1,922,000	1.86
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	1,922,000	1.86	1,922,000	1.86
4	<b>Ajay D. Acharya</b>				
	At the beginning of the year	2,400,000	2.33	2,400,000	2.33
	Bought during the year	-	-	-	-
	Sold during the year	500,000	-	1,900,000	-
	At the end of the year	1,900,000	1.84	1,900,000	1.84
5	<b>Anuj Nagpal</b>				
	At the beginning of the year	1,844,722	1.79	1,844,722	1.79
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	1,844,722	1.79	1,844,722	1.79
6	<b>Y T Entertainment Limited</b>				
	At the beginning of the year	1,674,184	1.62	1,674,184	1.62
	Bought during the year	160,600	-	1,834,784	-
	Sold during the year	-	-	-	-
	At the end of the year	1,834,784	1.78	1,834,784	1.78
7	<b>Devidas Jotumal Thawani</b>				
	At the beginning of the year	1,734,170	1.68	1,734,170	1.68
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	1,734,170	1.68	1,734,170	1.68
8	<b>Y T Securities Private Limited</b>				
	At the beginning of the year	1,430,246	1.39	1,430,246	1.39
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	1,430,246	1.39	1,430,246	1.39
9	<b>Karishma Const Investments Pvt. Ltd.</b>				
	At the beginning of the year	1,271,334	1.23	1,271,334	1.23
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	1,271,334	1.23	1,271,334	1.23
10	<b>Y T Capital Private Limited</b>				
	At the beginning of the year	860,102	0.83	860,102	0.83
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	860,102	0.83	860,102	0.83

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### (v) Shareholding of the Directors and Key Managerial Personnel

Sr. No.	Name of the Directors and Key Managerial Personnel	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	<b>Shri Gordhan P. Tanwani</b> Designation: Managing Director				
	At the beginning of the year	60,178,887	58.31	60,178,887	58.31
	Bought during the year	9,817,700	9.52	69,996,587	67.83
	Sold during the year	-	-	-	-
	At the end of the year	69,996,587	67.83	69,996,587	67.83
2	<b>Shri Sanjiv L. Hinduja</b> Designation : Director				
	At the beginning of the year	7,600	0.01	7,600	0.01
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	7,600	0.01	7,600	0.01
3	<b>Smt Malavika A. Acharya</b> Designation : Director				
	At the beginning of the year	2,400,000	2.33	2,400,000	2.33
	Bought during the year	-	-	-	-
	Sold during the year	500,000	-	1,900,000	-
	At the end of the year	1,900,000	1.84	1,900,000	1.84
4	<b>Shri Santosh A. Shah</b> Designation : Director				
	At the beginning of the year	-	-	-	-
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	-	-	-	-
5	<b>Shri Liladhar M. Sawant(Ceased on 21.03.2016)</b> Designation : Chief Financial Officer(CFO)				
	At the beginning of the year	3,000	0.003	3,000	0.003
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	3,000	0.003	3,000	0.003
6	<b>Shi Naishadh H. Mankad</b> Designation : Company Secretary				
	At the beginning of the year	61,600	0.06	61,600	0.06
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	61,600	0.06	61,600	0.06



## V. INDEBTNESS

The Company had no indebtedness with respect to Secured or Unsecured Loans or Deposits during the financial year 2015-16.

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-Time Directors and/or Manager :

(Amt. in Rs.)

SI.NO.	Particulars of remuneration	Name of MD/WTD/manager	Total
		<b>Gordhan P. Tanwani-Managing Director</b>	
1.	Gross salary	NIL	NIL
(a)	Salary as per provisions contained in section 17(1) of the income-tax act,1961		
(b)	Value of perquisites u/s 17(2) Income-Tax Act,1961		
(c)	Profits in lieu of salary under section 17(3) Income Tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission		
	- As % profit		
	- Others (specify)		
5.	<b>Total (A)</b>		<b>NIL</b>
	Ceiling as per the Act		42,00,000

### B. Remuneration to other Directors

(Amt. in Rs.)

SI.NO.	Particulars to remuneration	Names of Directors			Total
		Shri Santosh A. Shah	Shri Sanjiv L. Hinduja	Smt. Malavika A. Acharya	
3.	Independent directors				
	Fee for attending board committee meetings	1,20,000	1,20,000	—	2,40,000
	Commission	—	—	—	—
	Others, please specify	—	—	—	—
	<b>Total (1)</b>	<b>1,20,000</b>	<b>1,20,000</b>	<b>—</b>	<b>2,40,000</b>
4.	Other Non-Executive Directors				
	Fee for attending board committee meetings	—	—	90,000	90,000
	Commission	—	—	—	—
	Others, please specify	—	—	—	—
	<b>Total (2)</b>	<b>—</b>	<b>—</b>	<b>90,000</b>	<b>90,000</b>
	<b>Total (B)=(1+2)</b>	<b>1,20,000</b>	<b>1,20,000</b>	<b>90,000</b>	<b>3,30,000</b>
	<b>Total Managerial Remuneration</b>				<b>3,30,000</b>
	<b>Overall ceiling as per the Act</b>				<b>42,00,000</b>



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### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amt. in Rs.)

Sl.NO.	Particulars of Remuneration	Key managerial personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross Salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	N.A.	6,60,000	13,77,882	20,37,882
(b)	Value of perquisites u/s 17(2) Income Tax Act, 1961	N.A.	NIL	NIL	NIL
(c)	Profits in lieu of salary under section 17(3) Income Tax Act, 1961	N.A.	NIL	NIL	NIL
2.	Stock Option	N.A.	NIL	NIL	NIL
3.	Sweat Equity	N.A.	NIL	NIL	NIL
4.	Commission as % of profit others specify	N.A.	NIL	NIL	NIL
5.	Others, please specify	N.A.	NIL	NIL	NIL
	<b>Total</b>	<b>NIL</b>	<b>6,60,000</b>	<b>13,77,882</b>	<b>20,37,882</b>

### VII. PENALTIES/PUNISHMENT/COMPUNDING OF OFFENCES

There were no penalties/punishment/compounding of offences for breach of any Section of Companies Act against the Company or its Directors or Other officers in default, if any, during the year.



**ANNEXURE II**  
**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016**

[Issued in pursuance to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with modifications as deemed necessary, without changing the substance of format given in MR-3]

To,  
**The Members,**  
**Baba Arts Limited**  
3A Valecha Chambers,  
New Link Road,  
Andheri (West),  
Mumbai - 400 053

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Baba Arts Limited (CIN: L72200MH1999PLC119177)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

- A. In expressing our opinion it must be noted that-
- i. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
  - ii. We have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis of our opinion.
  - iii. We have not verified correctness and appropriateness of financial records and books of accounts of the Company.
  - iv. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
  - v. The compliance and provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
  - vi. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
- B. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes (duly evolved) and compliance-mechanism in place to the extent and as applicable to the Company in the manner and subject to the reporting made hereinafter:
- C. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:
- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
  - II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment only. There is no Overseas Direct Investment and External Commercial Borrowings made by the Company;

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- VA. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto 14th May, 2015) and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective 15th May, 2015);
  - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- VB The Company has not undertaken any of the activities during the audit period as envisaged in the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and hence are not relevant for the purpose of audit:-
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008;
  - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- VI. And the Company being in the business of Films and TV Serial Production and trading in Intellectual Property Rights of Films, provisions of Cinematograph Act, 1952 are applicable to the Company as envisaged in the format of Audit Report under the Act and the same have been complied with during the period under Audit.
- D. We have also examined compliance with the applicable clauses of the following:
- Secretarial Standards in respect of Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India effective July 1. 2015.
  - Compliance with the applicable clauses of Listing Agreement entered into by Company with BSE Limited up to 30th November, 2015 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) effective 1st December, 2015.
- During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.
- E. We further report that—
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.
  - Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
  - Majority decision is carried through and there was no instance of any director expressing any dissenting views;
- F. We further report that there are adequate systems and processes in the Company commensurate with its size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- G. We further report that during the audit period none of the following events has taken place-
- Public/Rights/Preferential Issue of Shares/Debentures/Sweat equity etc.
  - Redemption/buy back of securities
  - Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013.
  - Merger/Amalgamation/Reconstruction, etc.
  - Foreign Technical Collaborations.

Place: Mumbai  
Date: 10th August, 2016

**For DHOLAKIA & ASSOCIATES LLP**  
(Company Secretaries)

**CS Bhumitra V. Dholakia**  
Designated Partner  
FCS-977 CP No. 507



**ANNEXURE TO DIRECTORS' REPORT**

**ANNEXURE – III(a)**

**DETAILS OF RATIO OF REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEES' REMUNERATION AND OTHER DETAILS AS PER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	The Company has not paid remuneration to any Director except sitting fees.
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	There is no increase in remuneration of CFO, CEO, Company Secretary or Manager during the year
(iii) the percentage increase in the median remuneration of employees in the financial year;	3%
(iv) the number of permanent employees on the rolls of Company;	Three(3) as on 31/03/2016
(v) the explanation on the relationship between average increase in remuneration and Company performance;	Average increase in remuneration of employees was 1.27% which was in line with the performance of the Company.
(vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;	The Managing Director did not draw any remuneration during the year. The aggregate remuneration of other Key Managerial Personnel was 2.04% of the Operating Income and 366.11% of the Net Profit after tax during the financial year.
(vii) variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year;	<p>The Market Capitalization of the Company as on 31st March, 2016 was Rs. 21.36 Crore as compared to Rs. 50.98 Crores as on 31st March, 2015 reflecting a change of (-) 58.10%.</p> <p>The Price Earning Ratio as on 31st March, 2016 was 0.004 and was (-) 0.25 as on 31st March, 2015. The closing share price of the Company as on 31.03.2016 was Rs. 2.07 per equity share of face value of Rs.1/- each has grown 0.95 times since the last public offer made in the year 2000</p> <p>(offer price was Rs.10/- per Equity share of face value of Rs.10/- each), The value is adjusted for conversion of optionally fully convertible warrants in 2007/ 2008, sub division of equity shares of Rs. 4/- each into 4 equity shares of Re. 1/- each in 2009, and 1:1 bonus issue in 2010.</p>
(viii) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average percentage increase in remuneration of employees other than managerial personnel during the last financial year was 3.5%. There was no increase in remuneration of managerial personnel during the last financial year.
(ix) comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	The Remuneration of Key Managerial Personnel reflect the market practice and is line with remuneration being paid by the peer group of Companies.
(x) the key parameters for any variable component of remuneration availed by the directors;	The Company has not paid any remuneration to its Directors other than sitting fees for attending Board / Committee meetings.
(xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	1:17.04(considering sitting fees as remuneration paid to Directors)
(xii) affirmation that the remuneration is as per the remuneration policy of the Company.	It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

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### ANNEXURE TO DIRECTORS' REPORT

#### ANNEXURE – III(b)

**STATEMENT SHOWING DETAILS OF EMPLOYEES OF THE COMPANY PURSUANT TO SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANGERIAL PERSONNEL) RULES, 2014**

Employees employed throughout the year and in receipt of remuneration aggregating Rs.60 lacs or more per annum.	NIL
Employed for part of the year and in receipt of remuneration aggregating Rs.5 lacs or more per month	NIL
<b>Employed throughout the Financial Year or part thereof in receipt of remuneration in that year which, in a aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole Time Director or Manager and holds by himself or alongwith his spouse and dependent children, not less than two percent of the equity shares of the Company.</b>	
NOT APPLICABLE	

**For and On behalf of the Board of Directors**

**Gordhan P. Tanwani**  
*Chairman & Managing Director*  
(DIN 00040942)



## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. Industry Structure and Development

Indian Media & Entertainment Industry has earned an estimated revenue of INR 1157 Billion in the year 2015 with a growth of 12.8% over the previous year. The industry is expected to log in a CAGR of over 14% during the next 5 years and its total revenue is set to be INR 2260 Billion by the year 2020. Indian Film Industry registered growth of 9.3% during the year 2015 with total revenue INR 138 Billion as compared to INR 126 Billion in the previous year.

### 2. Outlook for Company

Your Company's current source of income is from Post Production Services and sale of some of the rights of films which it is holding. However, the Company does not see much of activity happening in both these business segments.

### 3. Opportunities, Threats and Challenges

Your directors are exploring various new business opportunities in areas outside the Media and Entertainment Industry.

### 4. Internal Control System

The Company has adequate internal control system to ensure operational efficiency and compliance of laws and regulations. The internal control system is reviewed by the Audit Committee from time to time and its suggestions, if any, are implemented. The Company has appointed a qualified Chartered Accountant as Internal Auditor, who submits his report on a quarterly basis. Observations of Internal Auditor are noted and wherever necessary corrective steps are taken.

### 5. Financial Performance with respect to Operational Performance

#### (i) Sales

Income from post production activity declined from Rs. 22.21 Lac in the previous year to Rs. 21.69 Lac in the current year.

The Company earned Income from Trading in IPR of commercial films of Rs. 393.37 Lac (Previous Year NIL).

Income from Film Production and TV Serials was at Rs. 370.00 Lac as compared to Rs. 8573.18 Lac in the previous year.

#### (ii) Operating Profit, Finance Charges, Depreciation and Net Profit

The Company earned an operating profit of Rs. 22.31 Lac against operating loss of Rs. 239.18 Lac in the previous year. Finance charges during the year were lower at Rs. 0.38 Lac (Previous Year Rs. 3.16 Lac). After providing for Depreciation of Rs. 14.31 Lac (Previous Year Rs. 20.41 Lac), and after providing for current taxation of Rs. Nil, Deferred Tax of Rs. Nil and Prior Period Tax of Rs. 3.24 Lac there was a Net Profit of Rs. 4.38 Lac as against Net Loss of Rs. 262.75 Lac in the previous year.

#### (iii) Capital Investment

During the year ended on 31st March, 2016 the Company has not made any capital investment.

#### (iv) Working Capital

The Company is not enjoying any working capital finance from bank. The Company is managing its activities with its own funds.

### 6. Human Resources

The Company has maintained peaceful and cordial relationship with the employees.

### Cautionary Statement

Statements in this report on Management Discussion and Analysis describing the Company's objectives, estimates and expectations are "forward looking" statements. These statements are based on certain assumptions and expectations of future events. The actual results may differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting the Entertainment Industry, changes in government regulations, tax regimes, economic developments within India and outside the country and other factors such as litigations and industrial relations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

**CORPORATE GOVERNANCE REPORT**

**1. Company's Philosophy on Code of Governance**

The Company is complying with all the mandatory procedures and practices prescribed by SEBI under its Code of Corporate Governance.

The Board of Directors of your Company constantly makes efforts to follow business ethics and conduct the business in a transparent manner with a view to achieve the highest levels of governance for enhancing the shareholders' and others stakeholders' value.

**2. Board of Directors**

**(a) Composition and Category of Directors**

The Board comprises such number of Non-Executive, Executive and Independent Directors as required under applicable legislation. As on date of this Report, the board consists of Four (4) members who include One (1) Executive Chairman & Managing Director, One (1) Non Independent & Non Executive Woman Director, and Two (2) Independent Directors. The Company did not have any pecuniary relationship or transactions with Non-Executive Directors.

**(b), (c) & (f) The Details of Directors**

The details of each member of the Board along with the number of Directorship(s)/Committee Membership(s)/ Chairmanship(s) are provided herein below

Sr. No.	Name, Category & Designation of Director	No. of Shares Held in the Company As on 31st March, 2016	No. of board meetings during the year 2015-16		Attendance at the last AGM	Directorship in other Companies
			Held	Attended		
1.	<b>Shri Gordhan P. Tanwani</b> Promoter-Executive Director Chairman & Mg. Director	69,996,587	4	4	Yes	1
2.	<b>Shri Santosh A. Shah</b> Independent-Non Executive Director	NIL	4	4	Yes	6
3.	<b>Shri Sanjiv L. Hinduja</b> Independent-Non Executive Director	7600	4	4	Yes	—
4.	<b>Smt. Malavika A. Acharya</b> Non Independent-Non Executive Director	19,00,000 Joint Holder with Shri Ajay D Acharya	4	3	Yes	—

None of the Directors is Committee Member in any other Company.

**(d) Number of Meetings of the Board of Directors held and dates on which held**

The board meets at least once a quarter to review the quarterly performance and the financial results. The notice of the meeting is sent well in advance and detailed agenda along with other board papers are also sent to all the directors before the board meeting. The board meetings are generally held at the Registered Office of the Company at Mumbai.

During the year Four Board Meetings were held on 13th May, 2015, 5th August, 2015, 4th November, 2015 and 8th February, 2016. The maximum interval between any two meetings was well within the maximum allowed gap of 120 days.

The necessary quorum was present for all the meetings.

During the year 2015-16, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration.



- (e) There is no inter-se relationships between any of the Directors.
- (g) The details of the familiarisation programme of the Independent Directors are available on the website of the Company ([www.babaartslimited.com](http://www.babaartslimited.com)).

#### **Separate Independent Director's Meeting**

During the Financial Year, a separate meeting of Independent Directors was held on 8th February, 2016. The Independent Directors inter alia-

- (i) review the performance of non-independent directors and the board of directors as a whole;
- (ii) review the performance of the chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- (iii) assess the quality, quantity and timelines of flow of information between the management of the Company and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

### **3. Audit Committee**

The Audit committee of the Company is constituted in line with provisions of Regulation 18 of SEBI ( LODR) Regulations, 2015 read with Section 178 of the Act.

#### **(a) Terms of Reference**

- (1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - (b) Changes, if any, in accounting policies and practices and reasons for the same.
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management
  - (d) Significant adjustments made in the financial statements arising out of audit findings
  - (e) Compliance with listing and other legal requirements relating to financial statements
  - (f) Disclosure of any related party transactions
  - (g) Qualifications in the draft audit report
- (5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (7) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (8) Approval or any subsequent modification of transactions of the company with related parties;
- (9) Scrutiny of inter-corporate loans and investments;
- (10) Valuation of undertakings or assets of the Company, wherever it is necessary;



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- (11) Evaluation of internal financial controls and risk management systems;
- (12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) Discussion with internal auditors of any significant findings and follow up there on;
- (15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) To review the functioning of the Whistle Blower mechanism;
- (19) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

### (b) Composition, name of Members and Chairperson

The Audit Committee consisted of Shri Santosh A. Shah - Independent Director as Chairman of the Committee, Shri Sanjiv L. Hinduja - Independent Director, Smt. Malavika A Acharya–Non Independent & Non Executive Director as its members. All the members of the Committee have relevant experience in financial matters.

#### (i) Meetings & Attendance during the year

The Audit Committee met Four (4) times during the year. The dates of the Audit Committee Meetings and attendance of the Committee Members at the said meetings are given in table below:

Name of the Member	Category	Meeting Held On			
		13.05.2015	05.08.2015	04.11.2015	08.02.2016
Shri Santosh A. Shah	Chairman	Yes	Yes	Yes	Yes
Shri Sanjiv L. Hinduja	Member	Yes	Yes	Yes	Yes
Smt. Malavika A. Acharya	Member	Yes	Yes	No	Yes

The Managing Director, Shri Gordhan P. Tanwani is permanent invitee to the meetings of the Audit Committee. The meetings of the Audit Committee were also attended by the Statutory Auditors, Internal Auditors, Chief Financial Officer (CFO) and senior management staff of the Company whenever required to provide information and answer queries raised by the committee members. The Company Secretary acts as Secretary of the Audit Committee.

## 4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company is constituted in line with provisions of Regulation 19 of SEBI ( LODR) Regulations, 2015 read with Section 178 of the Act.

### (a) Term of Reference

- (1) To identify persons who are qualified to become Directors, Key Managerial Personnel and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and to carry out evaluation of every director's performance.



- (2) To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- (3) The Nomination and Remuneration Committee shall, while formulating the policy under (2) above ensure that:
- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
  - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals:

**(b) Composition, name of members and Chairperson**

The Nomination and Remuneration Committee comprises Shri Sanjiv L. Hinduja as Chairman and Shri Santosh A. Shah and Smt. Malavika A. Acharya as members of the Committee.

The Nomination and Remuneration Committee met Two (2) times during the Financial Year ended 31st March, 2016 on 4th November, 2015 and 8th February, 2016.

**(c) Meeting and attendance during the year**

Name of the Member	Category	Meetings Held on	
		04.11.2015	08.02.2016
Shri Sanjiv L. Hinduja	Chairman	Yes	Yes
Shri Santosh A. Shah	Member	Yes	Yes
Smt. Malavika A. Acharya	Member	No	Yes

**(d) Performance evaluation criteria for Independent Directors.**

The performance evaluation criteria for Independent Directors is determined by the Nomination and Remuneration Committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behaviour and judgement.

**5. Remuneration of Directors**

- (a) & (b) The Company did not have any pecuniary relationship or transactions with Non-Executive Directors.

**(c) Remuneration Policy & Details of Remuneration**

The decisions regarding remuneration of executive and non-executive directors is taken by the entire Board based on recommendation of the Nomination and Remuneration Committee and subject to statutory and regulatory compliances as may be necessary. The Company does not pay any remuneration to non-executive directors except sitting fees for attending Board / Committee meetings.

**(i) Managing Director**

Shri Gordhan P. Tanwani the present Managing Director of the Company did not draw any remuneration during the year 2015-16

**(ii) Non Executive Directors**

The Non Executive Directors are not entitled to any remuneration except sitting fees for attending the meetings of the Board of Directors and Committees thereof. Total amount of sitting fees paid to the Non Executive Directors during the year was Rs. 3,30,000 /- as per details given hereunder:

Shri Santosh A. Shah	Rs.1,20,000/-
Shri Sanjiv L. Hinduja	Rs.1,20,000/-
Smt. Malavika A. Acharya	Rs. 90,000/-

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### 6. Stakeholders' Grievance Committee

#### (a) Name of non-executive director heading the committee

The Stakeholder's Relationship Committee is comprised of Shri Sanjiv L. Hinduja as the Chairman and Shri Gordhan P. Tanwani and Shri Santosh A. Shah, as members of the Company

All the investor complaints that are not settled by the Registrar and Transfer Agents and / or the Compliance Officer are required to be forwarded to this committee for final settlement. However, no complaint was referred to this committee during the year.

#### Meeting and attendance during the year

Name of the Member	Category	Meeting Held on	
		04.11.2015	08.02.2016
Shri Sanjiv L. Hinduja	Chairman	Yes	Yes
Shri Gordhan P. Tanwani	Member	Yes	Yes
Shri Santosh A. Shah	Member	Yes	Yes

#### (b) Name and Designation of Compliance Officer

Shri N.H. Mankad, Company Secretary has been designated as the Compliance Officer.

#### (c) to (e) Details of complaints

Details of Investors' complaints received and resolved during the year is as under:

No. of complaints pending at the beginning of the year	NIL
No. of complaints received during the year	7
No. of complaints resolved to the satisfaction of the shareholders	7
No. of complaints pending at the end of the year	NIL
No. of Share Transfers pending at the end of the year	NIL

The number of pending requests for share transfers and pending requests for dematerialization as on 31st March, 2016 were Nil.

### 7. Risk Management Committee

The Risk Management Committee of the Company is constituted in line with provisions of Regulation 21 of SEBI ( LODR) Regulations, 2015.

#### (a) Terms of Reference:

- (1) To Frame, Implement and Monitor the Risk Management Plan of the Company.
- (2) To review the Risk Management Framework and Policy of the Company from time to time.
- (3) Such other functions as it may deem fit.

#### (b) Composition, name of members and Chairperson

The Risk Management Committee is comprised of Shri Santosh A. Shah as the Chairman and Shri Sanjiv L. Hinduja and Smt. Malavika A. Acharya as the members of the Committee.

#### (c) Meeting and attendance during the year

Name of the Members	Category	Meeting held on 08.02.2016
Shri Santosh A. Shah	Chairman	Yes
Shri Sanjiv L. Hinduja	Member	Yes
Smt. Malavika A. Acharya	Member	Yes



## 8. General Body Meetings:

### (a) & (b) Location and time and special resolutions passed in the previous three Annual General Meetings held

	Date	Time	Location	Special Resolution Passed
14th AGM	Friday 27th September, 2013	11.30 a.m.	Juhu Vile Parle Gymkhana Club, OYSTER HALL, Ground Floor, Juhu, Mumbai 400049	No special resolutions were passed in this meeting
15th AGM	Monday 22nd September, 2014	11.30 a.m.	Juhu Vile Parle Gymkhana Club, ORCHID HALL, Second Floor, Juhu, Mumbai 400049	a) Authorising Board of Directors to borrow in accordance with Section 180(1)(c) of the Companies Act, 2013 b) Authorising Board of Directors to invite and accept Deposits in accordance with Section 73(2) of the Companies Act, 2013.
16th AGM	Friday 11th September, 2015	11.30 a.m.	Juhu Vile Parle Gymkhana Club, ORCHID HALL, Second Floor, Juhu, Mumbai 400049	a) Adoption of new Article of Association

### (c) Details of Voting Pattern in respect of Special Resolutions passed in the 16th Annual General Meeting through Postal Ballot/E-Voting procedure:

Sr. No.	Description of Resolution	No. of total valid Postal Ballot Forms/E-votes received/votes cast on poll at the venue	Votes Cast( No. of shares)	
			For	Against
1.	Adoption of New Article of Association	29	7,26,55,897	NIL

### (d) Shri B. V. Dholakia, Company Secretary in Whole Time Practice was appointed as Scrutinizer to conduct the Postal Ballot/ E-voting procedure.

### (e) & (f) At the present 17th Annual General Meeting no special resolution is proposed to be passed through postal ballot.

## 9. Means of communication

### (a) to (d) Quarterly results

The quarterly and annual results along with the Segmental Report are generally published in The Free Press Journal and Navshakti. The quarterly/half-yearly and annual results of the Company are published in the newspapers and posted on the website of the Company at [www.babaartslimited.com](http://www.babaartslimited.com). The Company's financial results are sent in time to Stock Exchange so that they may be posted on the website of the Stock Exchange.

The meetings of Board of Directors for approval of quarterly financial results during the financial year ended on 31st March, 2016 were held on the following dates:

First Quarter Results	5th August, 2015
Second Quarter and Half yearly Results	4th November, 2015
Third Quarter Results	8th February, 2016
Fourth Quarter and Annual Results	24th May, 2016

### (e) Presentation to Institutional Investors or to analysts

There is no official news release displayed on the website. The Company has not made any presentation to institutional investors or equity analyst.

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### 10. General Shareholder Information

<b>(a) Annual General Meeting- Date, Time &amp; Venue</b>		
<b>Annual General Meeting</b>	<b>Day, Date &amp; Time</b>	<b>Venue</b>
Seventeenth Annual General Meeting	Tuesday, 20th September,2016 at 11.30 a.m.	Juhu Vile Parle Gymkhana Club, Activity Hall, Opp: Juhu Bus Depot, Juhu, Mumbai 400049
<b>(b) Financial Year :</b>	<b>1st April, 2015 to 31st March, 2016</b>	
<b>(c) Dividend Payment Date :</b>	The Board of Directors have not recommended any dividend for the year ended on 31st March, 2016.	
<b>(d) &amp; (e) Listing on Stock Exchanges &amp; Stock Code</b>		
Listing on Stock Exchange	BSE LTD Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001	
Stock Code	532380	
Payment of Listing Fees	Listing fee for the year 2016-17 has been paid to the BSE Ltd, Mumbai	
Date of Book Closure	Wednesday the 14th September, 2016 to Tuesday the 20th September, 2016 (Both days inclusive)	
Demat ISIN for NSDL & CDSL	INE893A01036	

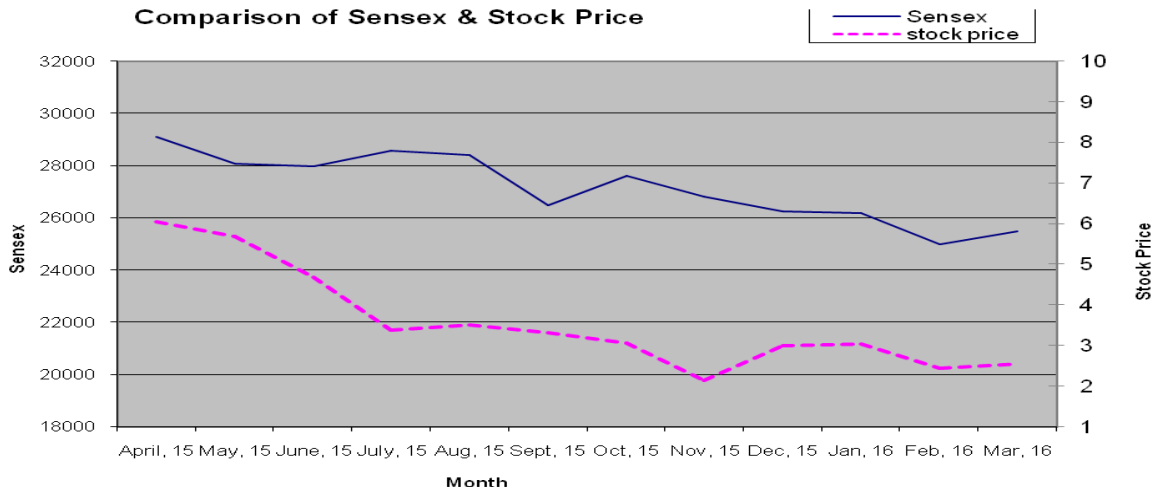
### (f) Market Price Information

Monthly high and low quotations of Company's equity shares traded on BSE Ltd. during the year 2015-16 are as follows:

Month	Share Price (Rs.)		BSE Sensex		
	High	Low	High	Low	Close
<b>2015</b>					
April	6.04	4.70	29094.61	26897.54	27011.31
May	5.69	4.00	28071.16	26423.99	27828.44
June	4.69	2.68	27968.75	26307.07	27780.83
July	3.38	2.60	28578.33	27416.39	28114.56
August	3.50	2.95	28417.59	25298.42	26283.09
September	3.32	2.51	26471.82	24833.54	26154.83
October	3.06	2.00	27618.14	26168.71	26656.83
November	2.14	1.83	26824.30	25451.42	26145.67
December	3.00	2.08	26256.42	24867.73	26117.54
<b>2016</b>					
January	3.03	2.10	26197.27	23839.76	24870.69
February	2.44	1.79	25002.32	22494.61	23002.00
March	2.54	1.85	25479.62	23133.18	25341.86



**(g) Performance of Company's Share Price in comparison with BSE Sensex**



**(h) Name & Address of the Registrar and Share Transfer Agent**

**UNIVERSAL CAPITAL SECURITIES PRIVATE LIMITED**

21, Shakil Niwas,,  
Mahakali Caves Road, Andheri (East)  
Mumbai 400093  
Tel: (022) 2836 6620 Fax: (022) 28211996  
E-mail: [baba@unisec.in](mailto:baba@unisec.in)

**(i) Share Transfer System**

Share transfer is normally effected within a maximum period of 15 Days from the date of receipt, if all the documents are complete in all respect. The Board of Directors have delegated the powers for approving share transfers to the Company Secretary up to 2500 Equity Share per transfer and to the Managing Director for approving share transfers of more than 2500 Equity Shares per transfer. Share Transfers are approved by the Company Secretary / the Managing Director on receipt of the report of the Registrar & Share Transfer Agent.

**(j) Distribution of Shareholding as on 31st March, 2016**

Range of Holding	No. of Share Holders	% to Total Share Holders	Shareholdings	Share Amount (Rs.)	% to Total Share Capital
1 – 500	744	36.92	117323	117323	0.11
501 – 1000	325	16.13	270688	270688	0.26
1001 – 2000	376	18.66	596471	596471	0.58
2001 – 3000	141	7.00	345334	345334	0.34
3001 – 4000	93	4.62	343912	343912	0.33
4001 – 5000	72	3.57	341663	341663	0.33
5001 – 10000	96	4.76	753244	753244	0.73
10001 and above	168	8.34	100431365	100431365	97.32
<b>TOTAL</b>	<b>2015</b>	<b>100.00</b>	<b>103200000</b>	<b>103200000</b>	<b>100.00</b>

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Categories of Shareholders as on 31st March, 2016

Sr. No.	Category of Members	No. of Shares Held	% to Total Capital
1.	Promoters	70004587	67.83
2.	Independent Directors & Relatives	85250	0.08
3.	Indian Public	24363202	23.61
4.	Private Corporate Bodies	8349234	8.09
5.	NRIs/OCBs/FIIs	367813	0.36
6.	Others (Clearing Members)	29914	0.03
	<b>TOTAL</b>	<b>103200000</b>	<b>100.00</b>

\*\* For the purpose of SEBI (Substantial Acquisition of Shares & Takeover) Regulation 2011, the following persons are to be considered as Promoters/ Persons Acting in Concert (PAC) with promoters.

Sr. No.	Name of the Person	Category	Relationship with Promoter	Shareholding as on 31.03.2016
1.	Shri Gordhan P. Tanwani	Promoter	Self	69996587
2.	Shri Pravin J. Karia	PAC	Person Acting in Concern	8000

### (k) Dematerialisation of Shares and Liquidity

The trading in Company's Shares is compulsorily in Demat Segment only through two Depositories namely NSDL and CDSL. The status of dematerialisation as on 31st March, 2016 was as under:

Particulars	No. of Shares	% to Capital	No. of Accounts / Folios
NSDL	64188387	62.20	1142
CDSL	38635005	37.44	713
<b>Total Shares Under Demat</b>	<b>102823392</b>	<b>99.64</b>	<b>1855</b>
Physical	376608	0.36	161
<b>Total Capital</b>	<b>103200000</b>	<b>100.00</b>	<b>2016</b>

All the demat requests have been approved within 21 Days.

### (l) Outstanding GDRs/ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity.

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on March 31, 2016, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

### (m) Commodity price risk or foreign exchange risk and hedging activities:

The Company is not exposed to any commodity price risk or foreign exchange risk and hedging activities.

### (n) Plant Locations

The Company's Post Production Studio is located at:

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



**(o) Address for Correspondence**

Investors may address correspondence to:

**Shri. N.H.Mankad**  
**Company Secretary & Compliance Officer**  
Baba Arts Limited  
3A, Valecha Chambers,  
New Link Road  
Andheri(West),  
Mumbai 400053  
Phone: 022 2673 3131  
Fax: 022 2673 3375  
E-mail: [investors@babaartslimited.com](mailto:investors@babaartslimited.com)  
[babaartslimited@yahoo.com](mailto:babaartslimited@yahoo.com)

**Shri. Ravi Utekar**  
**General Manager**  
Universal Capital Securities Pvt. Ltd.  
21, Shakil Niwas,  
Mahakali Caves Road,  
Andheri (East)  
Mumbai 400093  
Phone: 2836 6620  
Fax: 28211996  
E-mail: [baba@unisec.in](mailto:baba@unisec.in)

**11. Other Disclosures**

**(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large:**

There are no transactions with directors or the senior management personnel or their subsidiaries and relatives that have potential conflict with the interest of the Company. In compliance with the requirements of Regulation 23 of the Listing Obligations, the Audit Committee of the Company has approved a Related Party Transaction Policy, to facilitate management to report and seek approval for any Related Party Transaction proposed to be entered into by the Company. A copy of the policy has been posted on the Company's website [www.babaartslimited.com](http://www.babaartslimited.com).

**(b) Details of non- compliance by Company, penalties, strictures imposed on the Company by stock exchange or the board or any statutory authority on any matter related to capital markets during the last three years:**

During the last three years, there were no strictures or penalties imposed by SEBI or the stock exchanges or any statutory authority for non- compliance of any matter related to the capital markets.

**(c) Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee.**

The Company has formulated and adopted a comprehensive Whistle Blower Policy applicable to all the permanent employees and directors of the Company. The Whistle Blower Policy has been circulated to all the board members and senior management personnel of the Company. A copy of the policy has been posted on the Company's website [www.babaartslimited.com](http://www.babaartslimited.com). The Board of Directors hereby confirms that no employee of the Company is denied direct access to the Audit Committee.

**(d) Compliance with Mandatory Requirements and adoption of Non-Mandatory requirements**

The Company has complied with all the requirements of the Listing Regulations including the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulations (2) of Regulation 46. The status of compliance with non mandatory requirement is as under:

- a) **Maintenance of the Chairman's Office:** The Company has an Executive Chairman and the office provided to him is also used by him in his capacity as Chairman of the Board. No separate office is maintained for the Non - Executive Chairman of the Audit Committee but secretarial and other assistance is provided to him, whenever needed, in performance of his duties.
- b) **Shareholders rights:** Unaudited quarterly financial results were published in Free Press Journal & Navshakti, Mumbai. All the results were posted on website of the Company [www.babaartslimited.com](http://www.babaartslimited.com).
- c) **Audit Qualification:** So far there have been no qualifications by the Auditors in their report on the Accounts of the Company. The Company shall endeavor to continue to have unqualified financial statements.
- d) **Separate posts of Chairman and CEO:** The position of Chairman & CEO is at present common.
- e) **Reporting of Internal Auditor:** The Internal Auditors directly report to the Audit Committee.



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### Shareholding of the Non – Executive Directors in the Company

Sr.No.	Name of the Non – Executive Director	No. of Shares Held as on 31st March 2016
1.	Shri Sanjiv L. Hinduja	7600
2.	Smt. Malavika A. Acharya Joint Holder with Shri Ajay D. Acharya	1900000

(e) **Web link where policy for determining ‘material’ subsidiaries is disclosed**

The Company does not have any subsidiary.

(f) **Web link where policy on dealing with related party transactions**

The policy on Related Party Transactions has been posted on the Company’s website [www.babaartslimited.com](http://www.babaartslimited.com).

(g) **Disclosures of commodity price risks and commodity hedging activities**

The Company is not exposed to any commodity price risk or foreign exchange risk and hedging activities.

### 12. Disclosure of Non Compliance of Requirements of Corporate Governance:

The Company has complied with all the requirements of Corporate Governance.

### 13. Unclaimed Dividends

The following table gives information relating due date of transfer of unclaimed dividend amounts declared by the Company to be transferred to Investor Education & Protection Fund(IEPF);

Financial Year	Date of Declaration	Date on which dividend will be transferred to IEPF
31.03.2009	29.09.2009	04.11.2016
31.03.2010	21.09.2010	27.10.2017

#### Transfer to Investor Education and Protection Fund

Pursuant to Section 205C/125 of the Companies Act, 1956/2013 to the extent notified, dividends that are unclaimed for a period of seven years are to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government and no claim shall lie against IEPF.

#### Details of Shares to Suspense Account

Sr. No.	Particulars	Status
1	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year as 1st April, 2015.	Nil
2	Number of shareholders who approached issuer for transfer of shares from suspense account during the year 2015-16.	Nil
3	Number of shareholders to whom shares were transferred from suspense during the year 2015-16.	Nil
4	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year 31st March, 2016.	Nil



**Declaration by the Managing Director under Regulation 34(3) read with Para D of Schedule V of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015**

To,  
**The Members of Baba Arts Limited**

I, Gordhan P. Tanwani, Chairman & Managing Director of **Baba Arts Limited**, hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with Code of Conduct of Board of Directors and Senior Management, for the year ended 31st March ,2016.

Date: 10th August, 2016  
Place: Mumbai

**Gordhan P. Tanwani**  
Chairman & Managing Director

**CHIEF EXECUTIVE OFFICER (CEO) CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**

To,  
The Board of Directors  
**Baba Arts Limited**

I, the undersigned, in my capacities as Chief Executive Officer (CEO) of **BABA ARTS LIMITED** ("The Company"), to the best of my knowledge and belief certify that:

- A. I have reviewed the financial statements and cash flow statement of the Company for the year ended on 31st March, 2016 and that to the best of my knowledge and belief:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. These statements together present true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief there are no transactions entered in to by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have not observed any deficiencies in the design or operation of such internal controls.
- D. We have indicated to the auditors and the Audit Committee:
1. Significant changes, if any, in internal control over financial reporting during the year;
  2. Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, and
  3. We have not observed any significant instances of fraud.

**For BABA ARTS LIMITED**

**Gordhan P. Tanwani**  
Chairman & Managing Director

Place: Mumbai  
Date: 24th May, 2016

**Note:**

The Company's CFO met with an unfortunate accidental death on 21st March, 2016. The Company is in process of appointing CFO and as such the above certificate is signed only by CEO.

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### AUDITOR'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,  
The Members of  
**BABA ARTS LIMITED**,  
Mumbai.

We have examined the compliance of the conditions of Corporate Governance by **BABA ARTS LIMITED** (the Company) for the financial year ended 31st March, 2016, as stipulated in Regulations 17 to 27, Clauses (b) to (i) of Sub Regulation (2) of Regulation 46 and paragraph C, D, and E of Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations) with BSE Ltd.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination has been limited to review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Regulations.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that the Registrars and Share Transfer Agents of the Company have maintained records to show the Investors' Grievances against the Company and have certified that as on 31st March, 2016 there were no investor grievances remaining unattended / pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Prakash Muni & Associates**  
Chartered Accountants  
Firm Registration No. 111792W

**Prakash R Muni**  
Partner  
Membership No. 030544

Place: Mumbai  
Date: 10th August, 2016



## **Independent Auditors Report**

To the Members of Baba Arts Limited

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Baba Arts Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2016 and its profit and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the annexure a statement of the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

## ANNUAL REPORT 2015-2016

2. As required by section 143(3) of the Act, we report that:
- a. we have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from the examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. in our opinion the aforesaid standalone financial statements comply with the accounting standards notified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ;
  - e. on the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of section 164(2) of the Act.
  - f. with respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the companies (Audit and Auditor) Rule 2014, in our opinion to the best of our information and according to the explanations given to us:
    - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 22.
    - ii) The Company does not foresee any material loss on long term contracts including derivative contracts.
    - iii) There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Prakash Muni & Associates**  
Chartered Accountants  
Firm Registration No.: 111792W

**Prakash R Muni**  
Partner  
Membership No. 030544

Place: Mumbai  
Date: 24th May, 2016

### **Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date**

- I.
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
  - c) According to the information and explanation given to us, the title deeds of immovable properties are held in the name of the company.
- II. Since, the Company is having only intellectual property rights as its inventory therefore the para 3(ii) of the Order relating to physical verification of inventories is not applicable.
- III. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act. Hence, the requirements of sub clause (a) (b) & (c) to clause (iii) of paragraph 3 of the said Order are not applicable to the Company.



- IV. According to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the companies Act, 2013 in respect of loans and investments made, and guarantees, and security provided by it.
- V. The Company has not accepted any deposits from the public under the provisions of Sections 73 to 76 or any relevant provisions of the Companies Act and the rules framed there under.
- VI. Pursuant to the rules made by the Central Government of India, the Company is not required to maintain cost records under sub-section (1) of section 148 of the Companies Act in respect of its products.
- VII. (a) According to the information and explanation given to us and the records of the Company examined by us in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of investor education and protection fund, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues as applicable with the appropriate authorities in India.
- (b) According to the information and explanations given to us, and the records of the Company examined by us, there are no dues in respect of income-tax, sales tax, wealth tax, service tax, excise duty, custom duty and cess as at March 31, 2016 which have not been deposited on account of any dispute. The particulars of dues of value added tax as at March 31, 2016 which has not been deposited on account of a dispute is as follows:

Sr. no.	Name of Statute	Nature of Dues	Amount in Rs.	Period to Which the amount relates	From where the dispute is pending
1)	Maharashtra Value Added Tax	MVAT	19,17,532	2011-12	Joint Commissioner sales tax

- VIII. The Company does not have any loans or borrowings from any financial institutions, banks, government or debenture holders during the year. Accordingly, Paragraph 3 (viii) of the Order is not applicable.
- IX. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- X. According to the information and explanations given to us, we have neither come across any instance of fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year, nor have been informed of such case by the management.
- XI. The Company has not paid/provided any managerial remuneration under the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- XII. In our opinion, and according to the information and explanation given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- XIII. According to the information and explanations given to us, and the records of the Company examined by us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the Accounting Standard (AS) 18 – Related Party Transaction.
- XIV. According to the information and explanations given to us, and the records of the Company examined by us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- XV. According to the information and explanations given to us, and the records of the Company examined by us, the company has not entered into any non-cash transactions with directors or persons connected with him.
- XVI. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Prakkash Muni & Associates**  
Chartered Accountants  
Firm Registration No.:111792W

**Prakkash R Muni**  
Partner  
Membership No. 030544

Place: Mumbai  
Date: 24th May, 2016

## ANNUAL REPORT 2015-2016

### Annexure B to the Auditors' Report

#### Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Baba Arts Limited ('the Company') as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Prakash Muni & Associates**  
Chartered Accountants  
Firm Registration No.:111792W

**Prakash Muni**  
Partner  
Membership No. 30544

Place: Mumbai  
Date: 24th May, 2016



## BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No.	As at 31 March, 2016	As at 31 March, 2015
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	1	10,32,00,000	10,32,00,000
(b) Reserves and Surplus	2	21,06,28,926	21,01,90,484
		<u>31,38,28,926</u>	<u>31,33,90,484</u>
<b>2 Non Current Liabilities</b>			
(a) Deferred Tax Liabilities	3	10,17,321	10,17,321
(b) Long Term Provisions	4	1,66,125	7,51,307
		<u>11,83,446</u>	<u>17,68,628</u>
<b>3 Current Liabilities</b>			
(a) Short Term Borrowings	5	-	-
(b) Trade Payables	6	33,86,144	84,56,128
(c) Other Current Liabilities	7	10,37,032	8,71,076
(d) Short term Provisions	8	4,45,500	-
		<u>48,68,676</u>	<u>93,27,204</u>
<b>TOTAL</b>		<b><u>31,98,81,048</u></b>	<b><u>32,44,86,316</u></b>
<b>B ASSETS</b>			
<b>1 Non Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	9	1,79,28,901	1,93,60,085
		<u>1,79,28,901</u>	<u>1,93,60,085</u>
(b) Non Current Investments	10	2,500	2,500
(c) Long Term Loans and Advances	11	3,00,68,978	3,03,99,610
		<u>4,80,00,379</u>	<u>4,97,62,195</u>
<b>2 Current Assets</b>			
(a) Inventories	12	2,39,06,461	10,40,89,707
(b) Trade Receivables	13	1,30,28,465	3,08,59,071
(c) Cash and Cash equivalents	14	18,88,11,778	12,83,91,461
(d) Short Term Loans and Advances	15	4,61,33,965	1,13,83,882
		<u>27,18,80,669</u>	<u>27,47,24,121</u>
<b>TOTAL</b>		<b><u>31,98,81,048</u></b>	<b><u>32,44,86,316</u></b>

### Significant Accounting Policies & Notes on Financial Statements 1 to 33

As per our Report of even date  
**For Prakash Muni & Associates**  
 Chartered Accountants  
 Firm Registration No 111792W

For and on behalf of the Board of Directors

**Prakash R. Muni**  
 Partner  
 Membership No 30544

**Gordhan P. Tanwani**  
 Chairman & Managing Director

**Sanjiv L. Hinduja**  
 Director

**Malavika A. Acharya**  
 Director

**Santosh A. Shah**  
 Director

Place :Mumbai  
 Date :24th May, 2016

**N.H.Mankad**  
 Company Secretary



## ANNUAL REPORT 2015-2016

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Note No.	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
<b>CONTINUING OPERATIONS</b>			
Revenue from Operations (Gross)	16	7,85,05,680	85,95,39,334
Other Income	17	1,24,17,903	32,31,886
<b>Revenue from Operations (Net)</b>		<b>9,09,23,584</b>	<b>86,27,71,220</b>
<b>Expenses</b>			
(a) Cost of Production/Distribution/IPR	18	8,01,83,246	87,97,35,718
(b) Employee Benefits Expense	19	26,70,854	18,92,082
(c) Finance Cost	20	37,566	3,15,709
(d) Depreciation	9	14,31,184	20,41,133
(e) Other Expenses	21	58,38,732	50,61,280
<b>Total</b>		<b>9,01,61,582</b>	<b>88,90,45,922</b>
<b>Profit Before Prior Period Adjustments and Tax</b>		7,62,002	(2,62,74,702)
Prior Period Adjustments		-	-
<b>Profit Before Tax (PBT)</b>		7,62,002	(2,62,74,702)
<b>Tax Expense:</b>			
Current Tax		-	-
Prior Period Taxes		3,23,560	-
Deferred Tax		-	-
<b>Total</b>		<b>3,23,560</b>	<b>-</b>
<b>Profit for the Year</b>		<b>4,38,442</b>	<b>(2,62,74,702)</b>
Earnings Per Share (EPS)		0.004	(0.255)
Basic & Diluted			
<b>Significant Accounting Policies &amp; Notes on Financial Statements</b>		1 to 33	

As per our Report of even date  
**For Prakash Muni & Associates**  
Chartered Accountants  
Firm Registration No 111792W

For and on behalf of the Board of Directors

**Prakash R. Muni**  
Partner  
Membership No 30544

**Gordhan P. Tanwani**  
Chairman & Managing Director

**Sanjiv L. Hinduja**  
Director

**Malavika A. Acharya**  
Director

**Santosh A. Shah**  
Director

Place : Mumbai  
Date : 24th May, 2016

**N.H.Mankad**  
Company Secretary



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

PARTICULARS	2015-16 Amount Rs.	2014-15 Amount Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit / (Loss) before Tax and Extraordinary items	7,62,002	(2,62,74,702)
Adjustment for :		
Depreciation	14,31,184	20,41,133
Interest Income	(1,23,23,487)	(23,77,096)
Dividend Income	(300)	(300)
Provision for Doubtful Debts	1,87,816	-
Interest Paid	37,566	3,15,709
	<u>(1,06,67,221)</u>	<u>(20,554)</u>
<b>Operating profit before working capital changes</b>	<b>(99,05,219)</b>	<b>(2,62,95,256)</b>
Adjustment for :		
Sundry Debtors	1,78,30,606	44,07,437
Inventories	8,01,83,246	41,63,59,713
Other loans & Advances	(3,45,93,819)	24,87,308
Current Liabilities & Provisions	(50,43,710)	(23,73,27,557)
	<u>5,83,76,322</u>	<u>18,59,26,901</u>
<b>Cash generated from operations</b>	<b>4,84,71,103</b>	<b>15,96,31,645</b>
Taxes paid (Net of refund)	(3,14,986)	(1,70,07,728)
<b>NET CASH FLOW OPERATING ACTIVITIES</b>	<b>4,81,56,116</b>	<b>14,26,23,917</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-	(2,07,763)
Interest Received	1,23,23,487	23,77,096
Dividend Received	300	300
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>1,23,23,787</b>	<b>21,69,633</b>

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PARTICULARS	2015-16 Amount Rs.	2014-15 Amount Rs.
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Repayment of Project Term and Short Term Borrowings from banks	-	(10,25,18,229)
Proceeds from Project Term and Short Term Borrowings from banks	-	8,93,59,839
Interest Paid	(37,566)	(64,32,509)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(37,566)</b>	<b>(1,95,90,899)</b>
<b>Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)</b>	<b>6,04,42,337</b>	<b>12,52,02,651</b>
Cash and Cash equivalents at beginning of the year	12,83,91,461	31,88,810
Cash and Cash equivalents at end of the year	18,88,11,778	12,83,91,461
<b>Net Increase/ (Decrease)</b>	<b>6,04,20,317</b>	<b>12,52,02,651</b>

**Note:**

- 1 The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard - 3 issued by the Institute of Chartered Accountants of India.
- 2 Cash and cash equivalents consists of Cash on hand and Balance with banks including Fixed Deposits with Bank.
- 3 Previous year's figures have been regrouped/rearranged wherever necessary.

As per our Report of even date  
**For Prakash Muni & Associates**  
Chartered Accountants  
Firm Registration No.: 111792W

For and on behalf of the Board of Directors

**Gordhan P. Tanwani**  
Chairman & Managing Director

**Prakash Muni**  
Partner  
Membership No.: 30544

**Sanjiv L.Hinduja**  
Director

**Malavika A.Acharya**  
Director

**Santosh A. Shah**  
Director

Place : Mumbai  
Date: 24th May,2016

**N.H.Mankad**  
Company Secretary



## Note 1 Share Capital

Particulars	As at 31 March, 2016	As at 31 March, 2015
<b>(a) Authorised Share Capital</b>		
30,00,00,000 (P.Y. 30,00,00,000) Equity Shares of Re.1/- Each	30,00,00,000	30,00,00,000
<b>(b) Issued, Subscribed and Paid up Share Capital</b>		
10,32,00,000 (P.Y.10,32,00,000) Equity Shares of Re. 1/- each	10,32,00,000	10,32,00,000
<b>Notes:</b>		
1) 5,16,00,000 equity shares of Re. 1/- each fully paid issued by way of Bonus Shares by utilisation of Securities Premium and Reserves.		
2) 1,29,00,000 equity shares of Rs. 4/- each were subdivided into 5,16,00,000 equity shares of Re. 1/- each pursuant to the special resolution passed at the AGM held on 29th September, 2009.		
3) 28,49,530 equity shares issued on conversion of Optionally Fully Convertible Warrants.		
<b>Total Equity Share Capital</b>	<b>10,32,00,000</b>	<b>10,32,00,000</b>

## Rights, preferences and restrictions attached to shares

**Equity Shares:** The Company has one class of equity shares having a par value of Re.1 per share.

Each shareholder is eligible for one vote per share held.

## Reconciliation of Number of shares

Particulars	As at 31 March, 2016	As at 31 March, 2015
Equity Shares outstanding at the beginning of the year	10,32,00,000	10,32,00,000
Equity Shares issued during the year	-	-
Equity Shares bought back during the year	-	-
Equity Shares outstanding at the end of the year	10,32,00,000	10,32,00,000

## Details of Shareholder holding more than 5% Shares:

Name of Shareholder	As at 31 March, 2016		As at 31 March, 2015	
	Number of shares held	% holding	Number of shares held	% holding
Equity Shares with Voting Rights				
Shri Gordhan P. Tanwani	6,99,96,587	67.83	6,01,78,887	58.31

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### Note 2 Reserves and Surplus

Particulars	As at 31 March, 2016	As at 31 March, 2015
<b>(a) Securities Premium Account</b>		
As per Last Balance Sheet	7,18,43,268	7,18,43,268
Additions During the Year	-	-
Closing Balance	<u>7,18,43,268</u>	<u>7,18,43,268</u>
<b>(b) General Reserve</b>		
As per last Balance Sheet	1,10,00,000	1,10,00,000
<b>(c) Profit and Loss Account</b>		
As per Last Balance Sheet	12,73,47,216	15,55,31,381
Add: Profit for the year	4,38,442	(2,62,74,702)
Less: Transitional Depreciation	-	19,09,463
Closing Balance	<u>12,77,85,658</u>	<u>12,73,47,216</u>
<b>Total Reserves and Surplus</b>	<u><u>21,06,28,926</u></u>	<u><u>21,01,90,484</u></u>

### Note 3 Deferred Tax Liability (Net)

Particulars	As at 31 March, 2016	As at 31 March, 2015
<b>Deferred Tax Liability:</b>		
Deferred Tax Liabilities Relating to Fixed Assets		
As per Last Balance Sheet	10,17,321	18,71,191
Less : Transitional Depreciation	-	8,53,870
<b>Total Deferred Tax Liability</b>	<u><u>10,17,321</u></u>	<u><u>10,17,321</u></u>

### Note 4 Long Term Provisions

Particulars	As at 31 March, 2016	As at 31 March, 2015
<b>(a) Provision for Employee Benefits:</b>		
(i) Provision for Gratuity (Non Current)	1,66,125	7,51,307
<b>Total Long Term Provisions</b>	<u><u>1,66,125</u></u>	<u><u>7,51,307</u></u>

### Note 5 Short Term Borrowings

Particulars	As at 31 March, 2016	As at 31 March, 2015
Secured Project Term Loan	-	-
Working Capital Loan from Banks	-	-
Unsecured Loan:	-	-
- Others	-	-
<b>Total Short Term Borrowings</b>	<u><u>-</u></u>	<u><u>-</u></u>

During the previous year the Company was enjoying Cash Credit Facility of Rs. 300 lac from Bank of India, which was secured by hypothecation of Book Debts and receivables, satellite rights/IPR of various films and TV Serials. However there was no outstanding under the said facility as on 31st March, 2015. During the current year the Company has surrendered the said Cash Credit facility.



#### Note 6 Trade Payables

Particulars	As at 31 March, 2016	As at 31 March, 2015
<b>Trade Payables:</b>		
Micro, Small and Medium Enterprises	-	-
Others	33,86,144	84,56,128
<b>Total Trade Payables</b>	<b>33,86,144</b>	<b>84,56,128</b>

Note: Based on information of status of suppliers to the extent received by the company, there are no micro and small enterprises included in trade payables to whom the payments are outstanding for a period of more than 45 days. Further, the Company has not received any Memorandum (as required to be filed by the suppliers with the suppliers with notified authority under Micro, Small and Medium Enterprises Development Act, 2006) claiming their status. Consequently, the amount paid/payable to these during the year is Rs. Nil, (Previous Year Rs. Nil)

#### Note 7 Other Current Liabilities

Particulars	As at 31 March, 2016	As at 31 March, 2015
(a) Other payables		
(i) Statutory Remittances (Contributions to PF and ESIC, Withholding Taxes, TDS, Excise Duty, VAT, Service Tax, etc.)	2,42,726	2,76,630
(ii) Advances from Customers	20,520	-
(iii) Provision for other Expenses	6,44,104	4,34,525
(iv) Un- Claimed Dividend*	1,29,682	1,59,921
* These figured do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.		
<b>Total Other Current Liabilities</b>	<b>10,37,032</b>	<b>8,71,076</b>

#### Note 8 Short Term Provisions

Particulars	As at 31 March, 2016	As at 31 March, 2015
(a) Provision for Employee Benefits:		
(i) Provision for Gratuity (Current)	4,45,500	-
<b>Total Short Term Provisions</b>	<b>4,45,500</b>	<b>-</b>

**Note 9 - FIXED ASSETS DURING THE YEAR**

(Amount Rs.)

Assets	Gross Block				Depreciation				Net Block	
	As at 01.04.15	Additions during the Year	Deductions during the Year	As at 31.03.16	As at 01.04.15	For the Year	Deductions during the Year	As at 31.03.16	As at 31.03.16	As at 31.03.15
<b>OFFICE PREMISES</b>	21,010,971	-	-	21,010,971	4,952,587	329,591	-	5,282,177	15,728,794	16,058,384
<b>PLANT &amp; MACHINERY</b>	75,284,611	-	-	75,284,611	74,543,153	349,469	-	74,892,622	391,989	741,458
<b>FURNITURE &amp; FIXTURES</b>	7,063,582	-	-	7,063,582	6,846,916	93,019	-	6,939,935	123,646	216,666
<b>OFFICE EQUIPMENTS:</b>	3,251,940	-	-	3,251,940	2,871,284	115,766	-	2,987,050	264,891	380,656
<b>MOTOR CAR</b>	3,891,923	-	-	3,891,923	1,929,004	543,339	-	2,472,343	1,419,581	1,962,919
<b>TOTAL</b>	<b>110,503,026</b>	-	-	<b>110,503,026</b>	<b>91,142,943</b>	<b>1,431,184</b>	-	<b>92,574,127</b>	<b>17,928,901</b>	<b>19,360,085</b>



#### Note 10 Non Current Investments

Particulars	As at 31 March, 2016	As at 31 March, 2015
<b>Investments (At cost):</b>		
Unquoted Other Investments (At Cost)		
i) 100 Equity Shares of Rs. 25/ each of Punjab & Maharashtra Co-op Bank Limited	2,500	2,500
<b>Total Non Current Investments</b>	<b>2,500</b>	<b>2,500</b>

#### Note 11 Long Term Loans and Advances

Particulars	As at 31 March, 2016	As at 31 March, 2015
<b>Unsecured, Considered Good</b>		
Security Deposits		
To Others	43,500	42,000
Long Term Advances	-	-
Advance Tax (Net of Provisions)	2,82,62,511	1,31,53,993
Advance Tax current Year	17,62,967	1,72,03,617
<b>Total Long Term Loans and Advances</b>	<b>3,00,68,978</b>	<b>3,03,99,610</b>

#### Note 12 Inventories

Particulars	As at 31 March, 2016	As at 31 March, 2015
Stock of IPR	85,36,461	8,87,19,707
Under Production Film	1,53,70,000	1,53,70,000
<b>Total Inventories</b>	<b>2,39,06,461</b>	<b>10,40,89,707</b>

#### Note 13 Trade Receivables

Particulars	As at 31 March, 2016	As at 31 March, 2015
<b>Unsecured, Considered Good</b>		
Outstanding for a period exceeding six months	1,31,90,413	3,10,30,750
Other receivables	1,10,947	71,024
	1,33,01,360	3,11,01,774
Less: Provision for Bad and Doubtful Debts	2,72,895	2,42,703
<b>Total Trade Receivables</b>	<b>1,30,28,465</b>	<b>3,08,59,071</b>



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### Note 14 Cash and Cash Equivalents

Particulars	As at 31 March, 2016	As at 31 March, 2015
Cash in hand	2,57,661	2,45,873
<b>Balances with banks :</b>		
In Current Accounts	5,08,50,345	63,34,457
In Unclaimed Dividend Account	1,29,682	1,59,921
In Fixed Deposit with Bank	13,75,74,090	12,16,51,210
<b>Total Cash and Cash Equivalents</b>	<b>18,88,11,778</b>	<b>12,83,91,461</b>

### Note 15 Short-term loans and advances

Particulars	As at 31 March, 2016	As at 31 March, 2015
<b>Unsecured, considered good</b>		
Prepaid Expenses	47,253	84,267
Balances with Government Authorities		
(i) VAT Refund Receivable	45,55,840	43,60,641
(ii) Service Tax Credit Receivable	35,680	36,183
Advances to Suppliers	4,636	1,59,349
Advances recoverable in cash or in kind or for value to be received	4,14,90,556	67,41,942
Deposits	-	1,500
	<u>4,61,33,965</u>	<u>1,13,83,882</u>
<b>Unsecured, considered Doubtful</b>		
Advances to Suppliers	1,57,624	-
Less: Provision for doubtful advances	(1,57,624)	-
	<u>-</u>	<u>-</u>
<b>Total Short Term Loans and Advances</b>	<b>4,61,33,965</b>	<b>1,13,83,882</b>

### Note 16 Revenue from operations

Particulars	2015-16	2014-15
Income from Post Production Activity	21,68,860	22,21,334
Income from Sale of IPR of Films	7,63,36,820	85,00,00,000
Income from Film Distribution/TV Serial Production	-	73,18,000
<b>Total Revenue from Operations</b>	<b>7,85,05,680</b>	<b>85,95,39,334</b>

### Note 17 Other Income

Particulars	2015-16	2014-15
<b>Interest income</b>	1,23,23,487	23,77,096
Miscellaneous Income	94,116	8,54,490
Dividend on Long Term Investment	300	300
<b>Total Other Income</b>	<b>1,24,17,903</b>	<b>32,31,886</b>
Interest income		
i) Interest Received on FD [(TDS Rs. 9,26,582 (P.Y.Rs. 2,11,471)]	92,61,709	23,30,494
ii) Interest Received on IT Refund	6,08,355	-
iii) Interest on Loans and Advances	24,53,423	46,602
<b>Total</b>	<b>1,23,23,487</b>	<b>23,77,096</b>



#### Note 18.a Cost of IPR of Films

Particulars	2015-16	2014-15
Opening Stock	5,13,45,720	5,13,45,720
Less; Purchase Return	-	-
	5,13,45,720	5,13,45,720
Add: Purchases	-	-
	5,13,45,720	5,13,45,720
Less: Closing Stock (as taken, valued and certified by management)	72,00,000	5,13,45,720
<b>Total Cost of IPR of Films</b>	<b>4,41,45,720</b>	<b>-</b>

#### Note 18.b Cost of Production and Distribution

Particulars	2015-16	2014-15
<b>Opening Stock of Under Production Film/TV SERIAL</b>	1,53,70,000	46,29,86,901
Artists Cost	-	15,81,02,500
Technician Cost	-	7,99,70,200
Production & Post Production Expenses	-	22,77,38,370
TV Serial Project	-	36,81,734
	-	46,94,92,804
Less: Stock of Under Production Film/TV SERIAL/Films	1,53,70,000	5,27,43,987
<b>Total Cost of Production and Distribution</b>	<b>-</b>	<b>87,97,35,718</b>

#### Note 18.c (Increase)/Decrease in IPR Stock

Particulars	2015-16	2014-15
Opening Stock of Own film IPR	3,73,73,987	-
Less: Closing Stock of Own IPR	13,36,461	3,73,73,987
(Increase)/Decrease in Stock	3,60,37,526	(3,73,73,987)
<b>Total : a + b + c</b>	<b>8,01,83,246</b>	<b>84,23,61,731</b>

#### Note 19 Employee benefits expense

Particulars	2015-16	2014-15
Salaries and Wages	22,48,439	31,16,636
Contribution to ESIC & Provision for Gratuity	3,33,344	45,936
Staff Welfare Expenses	89,071	27,607
	26,70,854	31,90,179
Less: Transferred to Cost of Production of film	-	12,98,097
<b>Total Employee Benefit Expenses</b>	<b>26,70,854</b>	<b>18,92,082</b>

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Liability for employee benefits has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the accounting standard 15 (Revised) the details of which are as follows:

<b>Amount to be recognised in Balance Sheet As at 31st March, 2016</b>	<b>31.03.16</b>	<b>31.03.15</b>
<b>Gratuity</b>	<b>Rs.</b>	<b>Rs.</b>
Present Value of Funded Obligations	-	-
Present Value of Unfunded Obligations	6,11,625	7,51,307
Fair Value of Plan Assets (managed by insurer)	-	-
<b>Net Liability</b>	<b>6,11,625</b>	<b>7,51,307</b>
Amounts in Balance Sheet		
Liability	6,11,625	7,51,307
Assets	-	-
<b>Net Liability</b>	<b>6,11,625</b>	<b>7,51,307</b>
<b>Expenses to be recognised in the Statement of P&amp;L</b>		
Current Service Cost	77,121	1,65,743
Interest on Defined Benefit Obligation	65,860	87,615
Expected Return on Plan Assets	-	-
Net Actuarial Losses/(Gains) Recognised in Year	(2,82,663)	(2,73,364)
<b>Total, included in "Employee Benefit Expense"</b>	<b>(1,39,682)</b>	<b>(20,006)</b>
Actual Return on Plan Assets	-	-
<b>Reconciliation of Benefit Obligations &amp; Plan Assets For the Period</b>		
<b>Change in Defined Benefit Obligation</b>		
<b>Opening Defined Benefit Obligation</b>	7,51,307	7,71,313
Current Service Cost	77,121	1,65,743
Interest Cost	65,860	87,615
Actuarial Losses/ (Gains)	(2,82,663)	(2,73,364)
Benefits Paid	-	-
<b>Closing Defined Benefit Obligation</b>	<b>6,11,625</b>	<b>7,51,307</b>
<b>Change in Fair Value of Assets</b>		
<b>Opening in Fair Value of Plan Assets</b>	-	-
Expected Return on Plan Assets	-	-
Actuarial Gains / (Losses)	-	-
Contributions by Employer	-	-
Benefits Paid	-	-
<b>Closing Fair Value of Plan Assets</b>	<b>-</b>	<b>-</b>
<b>Principal Actuarial Assumptions (Expressed as Weighted Averages)</b>		
Discount Rate (p.a.)	8.00%	7.95%
Expected Rate of Return on Assets (p.a.)	-	-
Salary Escalation Rate (p.a.)	8.00%	8.00%



## Note 20 Finance costs

Particulars	2015-16	2014-15
<b>Interest Expense on:</b>		
(i) Borrowings - Short Term	-	56,35,153
Other Interest	24,784	7,97,356
Stamp Duty	-	-
Bank Charges	12,782	2,97,865
	<u>37,566</u>	<u>67,30,374</u>
Less: Transferred to Cost of Production of film	-	64,14,665
<b>Total Finance Expenses</b>	<b><u>37,566</u></b>	<b><u>3,15,709</u></b>

## Note 21 Other Expenses

Particulars	2015-16	2014-15
<b>Operating Expenses</b>		
Annual Maintenance Contract	20,650	29,950
Electricity Expenses	4,66,834	7,66,979
Professional & Technical Fees	6,11,825	19,59,188
Studio Charges	30,350	73,650
Consumables and Transfer Charges	44,100	3,619
<b>Total</b>	<b><u>11,73,759</u></b>	<b><u>28,33,386</u></b>
<b>Selling and Distribution Expenses</b>		
Advertisement Expenses	1,23,922	1,41,580
Provision for Doubtful Debts/Advances	1,87,816	-
Bad Debts Written Off /Sundry bal w/off	-	36,853
Other Expenses	4,317	3,446
Business Promotion Expenses	-	1,46,510
<b>Total</b>	<b><u>3,16,055</u></b>	<b><u>3,28,389</u></b>
<b>Administrative Expenses</b>		
Communication Expenses	1,89,024	2,63,820
Directors' Sitting Fee	3,75,474	5,05,620
Food & Refreshment Expenses	3,16,302	1,29,548
Insurance Charges	51,224	30,398
Legal , Professional & Consultancy Charges	8,12,510	3,91,198
Membership & Subscription Expenses	91,595	1,26,724
Office Expenses	3,05,928	1,62,997
Postage & Telegram Expenses	59,763	92,875
Printing & Stationery	1,18,726	2,16,729
Rates & Taxes	78,981	57,255
Repairs & Maintenance to Building	10,81,846	3,33,025
Repairs & Maintenance to others	1,39,933	3,18,578
Listing Fee	2,24,720	2,02,248
Other Expenses	1,70,649	45,837
Travelling & Conveyance Expenses	1,03,244	59,583
Payment to Auditors - Audit Fees	1,75,000	1,75,000
- Tax Audit Fees	25,000	25,000
- Service Tax	28,999	24,722
<b>Total</b>	<b><u>4,348,918</u></b>	<b><u>3,161,157</u></b>
Less: Transferred to Cost of Production of film	-	1,261,652
<b>Total Other Expenses</b>	<b><u>5,838,732</u></b>	<b><u>5,061,280</u></b>

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### SIGNIFICANT ACCOUNTING POLICIES

#### (i) Background

The Company is promoted by Shri Gordhan P. Tanwani and is in the business of Film Production, Distribution, TV Serial Production, trading of Intellectual Property Rights and Post Production Activities.

The Registered Office of the Company is at 3A, Valecha Chambers, New Link Road, Andheri (West), Mumbai -400053

#### (ii) (a) Basis of preparation

The Financial Statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. The Financial statements are prepared under historical cost convention on an accrual basis of accounting in accordance except where impairment is made. The Accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

#### (b) Use of estimates

The preparation of financial statements in conformity with GAAP (Generally Accepted Accounting Policies) requires that the Management of the Company makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

#### (iii) Revenue Recognition

- a. Revenue from Post Production activities is based on machine hours spent and is net of service tax.
- b. Revenue from trading in satellite rights is recognized on its sales or on exploitation contract.
- c. Revenue is recognized to the extent it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.
- d. The Company deals in Intellectual Property Rights (IPR) of films, in case of sale of IPR of films, receipts/ income (including interest on advance payments made) to the Company are subject to certain conditions, eventualities and uncertainties.
- e. The receipts/ income (including interest on advance payments made) are deemed to accrue as and when events take place or conditions are fulfilled or uncertainties are removed. Accordingly such income (including interest on advance payment made) is accounted only after the events take place or conditions are fulfilled or uncertainties are removed. This is in accordance with Accounting Standard in respect of recognition of revenue and prudential norms.
- f. In respect of cinematic & Television content produced / acquired, income is recognized on the following basis :
  - i. In respect of cinematic & Television content, which is not complete i.e. under production, no income is recognized.
  - ii. In respect of cinematic & Television content, which is complete but not released, income is recognized as – so much of the estimated income on release as bears to the whole of the estimated income in the same proportion as the actual recoveries / realizations / confirmed contracts bears to the total expected realization.
  - iii. In respect of cinematic content completed and released during the year, income is recognized on release / delivery of release prints except income, if any, already recognized as per clause f (ii).
  - iv. In respect of cinematic content, which is complete but not released, income from streams other than theatrical release is recognized on the basis of contracts / deal memo and delivery of Digi Betas.

#### (iv) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation/ amortization and impairment losses if any. Cost comprises of purchase price, allocated pre – operative costs and any attributable cost of bringing the asset to its working condition for its intended use.



**(v) Depreciation**

- a. Depreciation on fixed assets is provided on Straight Line Method at the rate prescribed in Schedule II to the Companies Act, 2013 over the estimated useful life as estimated by the Management.
- b. Depreciation is charged on a pro – rata basis for assets purchased/ sold during the year (from the date on which it is 'Put to Use').
- c. Depreciation on impaired assets is provided by adjusting the depreciation charge in the remaining periods so as to allocate the revised carrying amount of the asset over its remaining useful life. The recoverable amount is measured at the higher of the net selling price and value in use; determined by present value of estimated cash flows.

**(vi) Impairment**

The carrying amount of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value at the weighted average cost of capital. Previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

**(vii) Inventories**

**a. Consumables**

Consumables are valued at lower of cost and market value.

**b. Intellectual Property Rights (Copy Rights)**

IPR of films are valued at lower of cost or net realizable value as certified by the Management.

**c. Under Production Films / Television Serials**

Cost of films are valued at actual cost incurred/ accrued which includes amount paid, bills settled and advance paid for which the bills are awaited.

In case of films which are released during the year, the realization from the sale of rights are reduced from the cost of production and the balance cost if any, is carried forward till the time the negative rights of the films are not exploited. The excess or deficit of the cost of production after exploitation of "negative" rights will be treated as profit or loss in the profit & loss a/c as the case may be.

Inventory of Television Serials is valued at actual cost. The cost of content is amortised in the ratio of current revenue to expected total revenue. At the end of each accounting period, balance unamortized cost is compared with the net expected revenue. If net expected revenue is less than the unamortized cost, the same is written down to net expected revenue.

The Company is engaged in business of production of films wherein the expected Operating Cycle for production is in the range of 18 to 24 months. Accordingly Inventory (under production films) / Advances / Assets / Liabilities relating to film production are classified as Current Assets / Liabilities.

**(viii) Taxation**

- a. **Current tax:** Provision for current tax( Income Tax and Wealth Tax) for the year has been made after considering deduction / allowances / claims admissible to the company under the Income Tax Act, 1961.
- b. **Deferred Tax:**
  - (i) Deferred tax is recognized on timing differences; being difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
  - (ii) It is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance sheet date.
  - (iii) Deferred tax assets arising from temporary timing differences are recognized to the extent there is reasonable certainty that the assets can be realized in future.

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(iv) Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized if there is virtual certainty that there will be sufficient future taxable income available to realize such losses.

### (ix) Borrowing Cost:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets or production of films are capitalized as a part of cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

### (x) Foreign Currency Transactions

- a. Transactions in Foreign Currency are recorded at the rate prevailing on the date when the amount is received or remitted.
- b. Foreign currency assets and liabilities are converted into rupee at the exchange rate prevailing on the balance sheet date; gains/ losses are reflected in the profit and loss account.
- c. Exchange difference on account of acquisition of fixed assets is adjusted to carrying cost of fixed assets.

### (xi) Investments

Investments are considered as Long Term and are accordingly stated at cost less provision, if any, for permanent diminution in value of such investments.

### (xii) Employee Benefits

- a. **Defined Contribution Plan:** Contributions to Provident Fund and ESIC are recognized / provided as expense in the Profit and Loss Account, on accrual basis.
- b. **Defined Benefit Plan and Other Long Term Benefits:** Retirement benefits in form of gratuity is determined on the basis of actuarial valuation. Actuarial gains / losses are recognized immediately in the Profit and Loss Account. The Benefit plans are not funded.
- c. Short term compensated absences are provided based on past experience of leave availed.

### (xiii) Cash and Cash equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash at bank including Fixed Deposits, cash in hand and cash at film sets.

### (xiv) Contingencies / Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.

### (xv) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

### (xvi) Service Tax

Service Tax liability is accounted on accrual basis. The Company is accounting liability for service tax arising under reverse charge mechanism for various services availed by the company, at the time of booking of relevant expenditure. Credit for input service tax is claimed as per appropriate laws, rules and regulations.



## OTHER NOTES TO ACCOUNTS

### 22 Contingent Liability –

#### A. Maharashtra Value Added Tax:

- i) Demand of Rs. 18,84,486/— towards MVAT for the year 2010-11 raised by Jt.. Commissioner of Sales Tax, Mumbai towards alleged excess Set Off Claimed by the Company.

The Company has filed an appeal against the said order before the Sales Tax Appellate Tribunal, Mumbai and is confident that the said demand will be withdrawn as such the Company does not expect any liability on this account. In the meantime the Company has deposited full amount of Rs.1,884,486/- Sales Tax Department.

- ii) Demand of Rs. 22,57,532/- towards MVAT for the year 2011-12 raised by Dy.. Commissioner of Sales Tax, Mumbai towards alleged excess Set Off Claimed by the Company.

The Company has filed an appeal against the said order before the Jt. Commissioner of Sales Tax, Mumbai and is confident that the said demand will be withdrawn as such the Company does not expect any liability on this account. In the meantime the Company has deposited amount of Rs.3,40,000/- with the Sales Tax Department.

### 23. Remuneration to Directors:

Remuneration paid during the year ended 31st March, 2016 to Chairman & Managing Director Rs. Nil (P.Y. Nil).

Sitting Fees paid to Non- Executive/ Independent Directors –

Remuneration	2015-16 Rs.	2014-15 Rs.
Sitting Fees	3,30,000	4,50,000

### 24. Earnings and Expenditure in Foreign Currency

	2015-16	2014-15
Earning in Foreign Currency		
- For Services	Nil	Nil
- For IPR of Films	Nil	Nil
Expenditure in Foreign Currency :		
Forex Bank Charges	Nil	Nil
Co-ordination Fees	Nil	19,48,750
Outdoor Allowance	Nil	Nil
Location Hunting Charges	Nil	2,37,959
Shooting Expenses	Nil	1,97,63,906
Visa Application & Insurance Charges	Nil	3,77,554
Training Fees	Nil	22,42,556
Stunt & Action Charges	Nil	15,31,000

25. In the opinion of the Board and to the best of their knowledge and belief, the value on realization of the Current Assets, Loans & Advances in the ordinary course of the business will not be less than the value stated in the Balance Sheet and provision for all known liabilities are adequate and not in excess of the amount reasonably required to be provided.

### 26. Earning Per Share

Earning Per Share		2015-16	2014-15
<b>Basic &amp; Diluted EPS :</b>			
Net Profit (Loss) after Tax for the year (Rs.)	A	4,38,442	(2,62,74,702)
Weighted Average No. of Shares	B	10,32,00,000	10,32,00,000
Basic & Diluted Earnings Per Share of Face Value of Re 1 Per Share.(after prior period tax adjustments)	C (A/B)	0.004	(0.25)
Prior Year Tax Adjustments	D	3,23,560	-
Net Profit (Loss) after Tax for the year (Rs.) (before prior period tax adjustments)		7,62,002	(2,62,74,702)
Basic & Diluted Earnings Per Share of Face Value of Re 1 Per Share.(before prior period tax adjustments)	E ((A+D)/B)	0.007	(0.25)



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### 27. Related Party Disclosure as per Accounting Standard (AS) 18

#### A. List of related parties.

##### a. Key Management Personnel

- (i) Shri Gordhan P. Tanwani – Chairman & Managing Director.

##### b. Relatives of Key Management Personnel:

- (i) Smt. Jyoti Tanwani – Wife  
 (ii) Shri Nikhil Tanwani – Son  
 (iii) Shri Rahul Tanwani – Son  
 (iv) Gordhan P Tanwani (HUF)  
 (v) Shri Raju Tanwani - Brother

##### c. Other related parties (companies in which director or their relatives have significant influence)

- (i) Bhagwati Media Pvt. Ltd.  
 (ii) Larry's Electronics Pvt Ltd.  
 (iii) Bhagwati Holdings Pvt. Ltd.  
 (iv) M/s. Baba Developers  
 (v) M/s. Super Plast  
 (vi) M/s. Baba Digital  
 (vii) M/s. Om Enterprises

#### B. Details of transaction with related parties

There were no transactions with related parties during the current year and corresponding previous year.

#### C. Closing Balances.

There are no closing balances outstanding with related parties during the current year and corresponding previous year

### 28. Disclosure as per Regulation 34 (3) and 53 (f) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

- a) Loans and Advances to Subsidiary Companies: Rs Nil  
 b) Loans and Advances to Associate Companies: Rs Nil  
 c) Loans and Advances to Associate Companies/ firms in which directors are interested (excluding Subsidiary and Associate companies): Rs Nil.

### 29. Details of Loan given, Investments made, Guarantees given and Securities provided during the year covered under Section 186 (4) of the Companies Act, 2013.

- (i) Loan given Rs. 4,00,00,000/- (Previous Year Rs. 35,00,000/-)

#### Loan, Guarantee and Investments made during the Financial Year 2015-16

Name of Entity	Relation	Amount in Rs.	Particulars of Loan Guarantee and Investments	Purpose for which the loans, guarantee and Investments are proposed to be utilized
Platinum Realty	—	3,50,00,000	Loan Given	Business Purpose
Surja Plastics	—	50,00,000	Loan Given	Business Purpose

- (ii) Investments made Rs. NIL (Previous Year Rs. NIL)

- (iii) Guarantees given and Securities provided by the Companies in respect of Loan Rs. NIL (Previous Year Rs. NIL)

### 30. Income Tax

Income Tax Assessments of the Company have been completed up to Assessment Year 2013-14. There is no disputed demand outstanding up to the said Assessment Year.

During the Current Year the Company has no Income Tax Liability (including MAT Liability) under The Income Tax Act, 1961 on account of accumulated losses of prior years.

Deferred Tax Asset has not been recognized during the current year as there is no reasonable certainty regarding future profitability.



### 31. Segment Information

The Company is at present engaged in main business segments of Trading in IPR of Films & Film and TV Serial Production.

These Business Segments have been identified in line with Accounting Standard (AS) – 17 “Segment Reporting”

Segment revenue results include amounts identifiable to each segment. Other unallocable expenditure includes revenues and expenditure, which are not directly identifiable to the individual segment as well as expenses, which relate to the Company as a whole.

(Rs. In Lacs)

Sr.No.	Particulars	2015-16	2014-15
1.	Segment Revenue (Net Sales)		
	a) IPR of Films	393.37	-
	b) Production of Films & TV Serial	370.00	8573.18
	c) Others	21.69	22.21
	<b>Total Net Income From Operations</b>	<b>785.06</b>	<b>8595.39</b>
2.	Segment Results – Profit before tax & Interest		
	a) IPR of Films	(59.26)	3.40
	b) Production of Films & TV Serial	(30.65)	(254.25)
	c) Others	(26.27)	(8.75)
	<b>Total</b>	<b>(116.18)</b>	<b>(259.59)</b>
	Interest Expenses	(0.38)	(3.16)
	Other (Unallocable Income – Unallocable Exp)	124.18	-
	<b>Total Profit Before Tax</b>	<b>7.62</b>	<b>(262.75)</b>
3.	Capital Employed (Segmental Assets – Segmental Liabilities)		
	a) IPR of Films	685.27	632.81
	b) Production of Films & TV Serial	1568.31	2211.94
	Add : Unallocated Net Assets	884.71	289.16
	<b>Total Capital Employed</b>	<b>3138.29</b>	<b>3133.91</b>

32. Previous year's figures have been regrouped/ rearranged wherever considered necessary.

33. The Notes referred to above form an integral part of Balance Sheet and Profit & Loss Account.

As per our Report on even date  
**For Prakash Muni & Associates**  
 Chartered Accountants  
 Firm Registration No 111792 W

For and on behalf of the Board

**Prakash R. Muni**  
 Partner  
 Membership No.30544

**Gordhan P. Tanwani**  
 Chairman & Managing Director

**Sanjiv L. Hinduja**  
 Director

**Malavika A. Acharya**  
 Director

**Santosh A. Shah**  
 Director

Place: Mumbai  
 Date: 24th May, 2016

**N.H.Mankad**  
 Company Secretary

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**FORM -MGT-11  
PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L72200MH1999PLC119177  
 Name of the Company : BABAARTS LIMITED  
 Registered Company : 3A, Valecha Chambers, New Link Road, Andheri (W), Mumbai-400053  
 Name of the member(s) :  
 Registered address :  
 Email Id :  
 Folio No./Client Id :  
 DPID :

I/We, being the member(s) holding \_\_\_\_\_ equity shares of the above named company hereby appoint

1. Name :  
 Address :  
 Email Id :  
 Signature : or failing him
2. Name :  
 Address :  
 Email Id :  
 Signature : or failing him
3. Name :  
 Address :  
 Email Id :  
 Signature :

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 17th Annual General Meeting of the Company, to be held on Tuesday, 20th September, 2016 at 11.30 a.m at Juhu Vile Parle Gymkhana Club, Activity Hall, Ground Floor, Opp: Juhu Bus Depot, Juhu, Mumbai 400049 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolution	For	Against
1	Adoption of audited Financial Statement of the Company for the financial year ended 31st March, 2016.		
2	Reappointment of Smt. Malavika A. Acharya as Director of the Company.		
3	Ratification of the appointment of M/s. Prakkash Muni & Associates, Statutory Auditors and fix their remuneration for the financial year ending 31st March, 2017		

Signed this \_\_\_\_ day of \_\_\_\_\_, 2016

Signature of Shareholder

Signature of Proxy holder(s)



Affix Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting..

**BABA ARTS LIMITED**

(CIN : L72200MH1999PLC119177)

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

Tel No.022 2673 3131 Fax : 022 2673 3375, Email : babaartslimited@yahoo.com, investors@babaartslimited.com, Website : www.babaartslimited.com

**ATTENDANCE SLIP**

(To be handed over at the entrance of the Meeting Hall)

**Seventeenth Annual General Meeting - 20th September, 2016**

I hereby record my presence at the SEVENTEENTH ANNUAL GENERAL MEETING of the company held at Juhu Vileparle Gymkhana Club, Activity Hall, Ground Floor, Opp. Juhu Bus Depot, Juhu, Mumbai – 400 049 on Tuesday 20th September, 2016, at 11.30 a.m.

Full name of Member (IN BLOCK LETTERS).....

Reg. Folio No./ Demat ID.....

No. of shares held.....

Full name of Proxy (IN BLOCK LETTERS)  
 .....

Member's / Proxy Signature

**To**

*If undelivered, please return to :*

**BABA ARTS LIMITED**

(CIN : L72200MH1999PLC119177)

3A, Valecha Chambers,

New Link Road, Andheri (West),

Mumbai - 400 053.

Tel No. : (022) 2673 3131 Fax : (022) 2673 3375

Email : [babaartslimited@yahoo.com](mailto:babaartslimited@yahoo.com), [investors@babaartslimited.com](mailto:investors@babaartslimited.com)

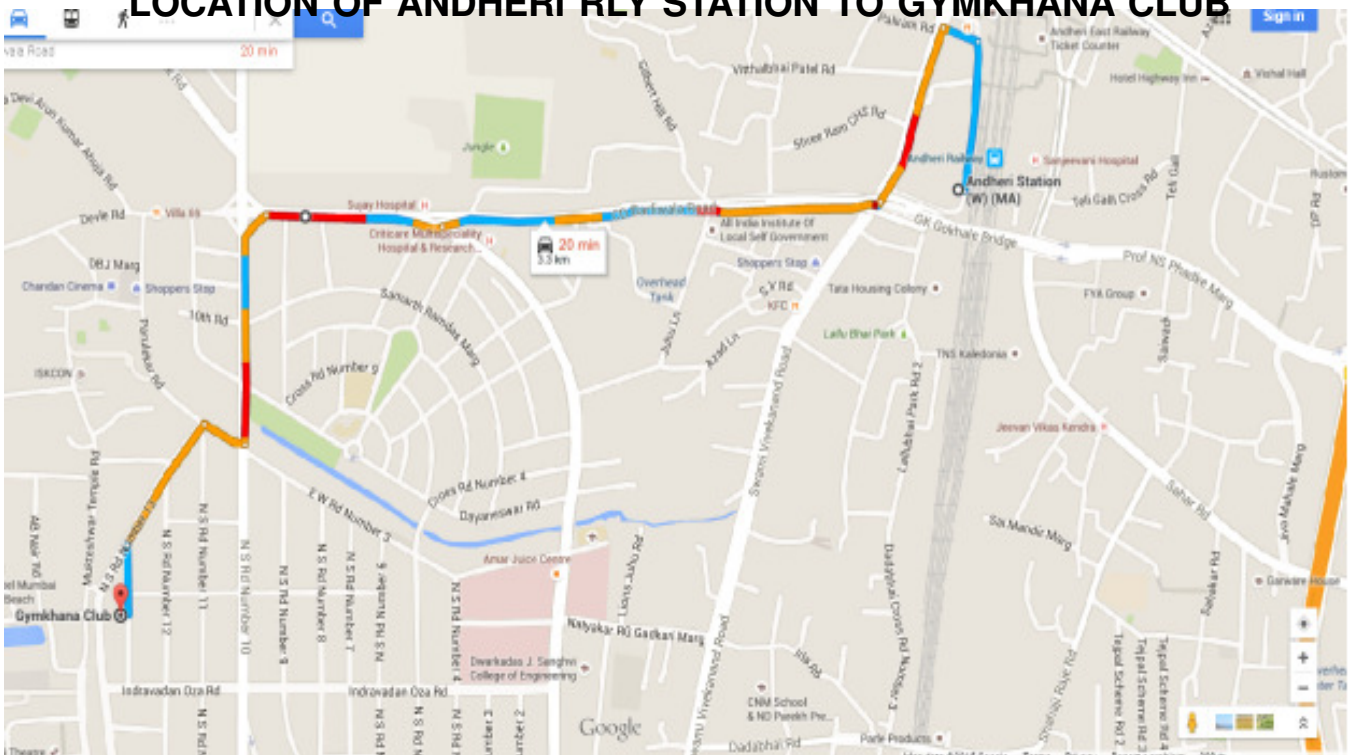
Website : [www.babaartslimited.com](http://www.babaartslimited.com)

**17th Annual Report 2015-2016**

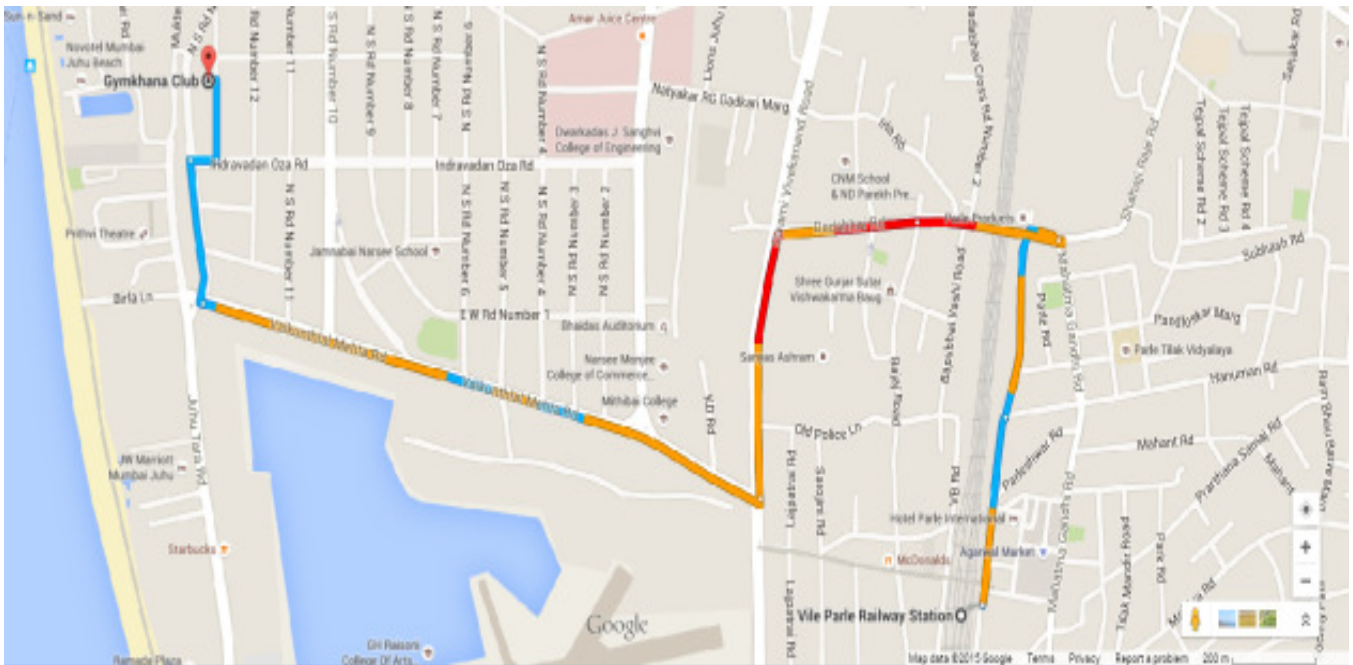
# **BABA ARTS LIMITED**

(CIN : L72200MH1999PLC119177)

## LOCATION OF ANDHERI RLY STATION TO GYMKHANA CLUB



## LOCATION OF JUHU VILE PARLE GYMKHANA CLUB



### BEST Route:

1. Bus No. 339 from Vile Parle Station (East)
2. Bus No. 253 from Andheri Station (West)
3. Bus No. 231 from Santacruz Station (West)