

ANNUAL REPORT 2018-2019

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

Shri Sanjiv L. Hinduja

Independent Director

Chairman-Nomination & Remuneration Committee

Chairman-Stakeholders' Relationship Committee

Smt. Malavika A. Acharya

Director

Chief Financial Officer (CFO)

Shri Ajay D. Acharya

Company Secretary (CS) & Compliance Officer

Shri Naishadh H. Mankad

Statutory Auditors

Arunkumar K. Shah & Co.

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

investors@babaartslimited.com

Website: www.babaartslimited.com

ISIN : INE893A01036

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@unisec.in

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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 TWENTIETH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twentieth Annual General Meeting of **Baba Arts Limited** will be held on Wednesday, the 18th September, 2019 at 11.30 a.m. at Juhu Vile Parle Gymkhana Club, Jasmine Hall, Second Floor, Opp: Juhu Bus Depot, Juhu, Mumbai 400049 to transact the following business:

ORDINARY BUSINESS

1. **To receive, consider and adopt the financial statements and the reports of the Board of Directors and Auditors thereon for the financial year ended on 31st March, 2019 and in this connection to pass the following resolution as an Ordinary Resolution:**

“**RESOLVED THAT** the audited financial statements of the Company and the reports of the Board of Directors and Auditors thereon for the financial year ended on 31st March, 2019 laid before this meeting be and are hereby considered and adopted.”

2. **To appoint Director in place of Shri Gordhan P. Tanwani (DIN 00040942) who retires by rotation and being eligible offers himself for reappointment and in this connection to pass the following resolution as an Ordinary Resolution:**

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

By Order of the Board
For **Baba Arts Limited**

N. H. Mankad
Company Secretary & Compliance Officer

Regd. Office:

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

Date: 9th May, 2019

Place: Mumbai

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING (AGM) 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.**
2. 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.
3. 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.
4. A Corporate Member intending to send its authorized representative to attend this AGM in terms of Section 113 of the Companies Act, 2013 is requested to send to the Company a certified copy of the Board Resolution authorizing such representative to attend and vote on its behalf at the AGM.

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5. 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.
6. As per Section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as amended, 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 Sunday, the 15th September, 2019 at 9.00 a.m. and ends on Tuesday, the 17th September, 2019 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 Wednesday, the 11th September, 2019 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
- ii. Click on "Shareholders" tab.
- iii. Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- iv. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number which is mentioned in address label as Sr. No. affixed on Annual Report, in the PAN field.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <p>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).</p>

- 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. 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 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.
- 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 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, under help section or write an email to helpdesk.evoting@cdslindia.com.

The Company has appointed Shri Bhumitra V. Dholakia or in his absence Shri Nrupang B. Dholakia, Designated Partners 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 and on the website of CDSL viz: www.cdslindia.com. The results shall simultaneously be communicated to BSE Limited.

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.

7. Details as required in Sub-regulation (3) of Regulation 36 of the Listing Regulations in respect of the Directors seeking appointment / reappointment at the Annual General Meeting forms integral part of this notice. Requisite declarations have been received from the directors seeking appointment/reappointment.
8. 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.**
9. 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.
10. 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.
11. 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 2018-19 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 2018-19 is being sent in the permitted mode.
12. With the aim of curbing fraud and manipulation risk in physical transfer of securities, SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 on 8th June, 2018 to permit transfer of listed securities only in the dematerialized form with a Depository. In view of the above and inherent benefits of holding shares in electronic form, we urge the shareholders holding shares in physical form to opt for dematerialization.
13. To avail of services through electronic mode, members are requested to register their E-mail address with the Registrar & Share Transfer Agent of the Company, **Universal Capital Securities Pvt. Ltd** to receive all communication by the Company including Annual Report and notice(s) of meetings by E-mail, by sending appropriate communication on baba@unisec.in and also register/update their e-mail ID with the Depository Participant where their Demat account is maintained, for shares held in the electronic form.
14. Pursuant to the Rule 5(8) of Investor Education and Protection Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded details of unpaid and unclaimed amounts lying with the Company as on 25th September, 2018 (Date of Last Annual General Meeting) on its website at www.babaartslimited.com and also on the website of the Ministry of Corporate Affairs.
15. The Members whose Unclaimed Dividend amount for the financial year from 2005-06 to 2009-10 have been transferred to IEPF may apply for refund by making an application to IEPF authority in form IEPF -5 (available on www.iepf.gov.in) along with requisite fee.
16. 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.
17. 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.



- 18 The Annual Report duly circulated to the Members of the Company, is available on the Company's Website at www.babaartslimited.com.
19. Details of Directors seeking Re-appointment at the Twentieth Annual General Meeting [Pursuant Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]:

Name of the Director	Gordhan P. Tanwani
Date of Birth (Age)	21st January, 1958 (61 Years)
Date of Appointment on the Board	28th August, 2003
Qualification	Undergraduate
Nature of Expertise in specific functional areas	Film Production, and Distribution as also Construction
Relationship with other Directors and Key Managerial Personnel	None
Terms & Conditions of Re-appointment	As per the Resolution item no.2 of the Notice convening this meeting, Shri Gordhan P. Tanwani is proposed to be re-appointed as a Director of the Company liable to retire by rotation.
Remuneration last drawn (including sitting fees, if any)	Nil
Number of meetings of the Board attended during the year	6 out of 6
Names of listed entities in which he/she also holds Directorship and membership of committees of the Board.	Nil
Chairman / Member of Committee(s) of the Board of Directors of the Company	Member- Stakeholders Relationship Committee
Chairman / Member of Committee (s) of Directors of other Companies in which he is a Director	None
No. of Shares held in the Company (as on 31st March, 2019)	3,92,00,000
Director Identification No.	00040942

By Order of the Board
For Baba Arts Limited

N. H. Mankad
Company Secretary & Compliance Officer

Regd. Office:

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

Place: Mumbai

Date: 9th May, 2019

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DIRECTORS' REPORT

To,
The Members,

Your directors have pleasure in presenting their Twentieth Annual Report together with the Audited Accounts for the year ended on 31st March, 2019.

1. FINANCIAL RESULTS

(Rs. in Thousands)

Particulars	March 31, 2019	March 31, 2018
	As per IND AS	
Revenue from Operations	8725.01	14107.62
Other Income	14975.63	11650.97
Total Income	23700.64	25758.59
Total Expenditure	7952.82	16274.01
Profit before Tax	15747.82	9484.58
Less : Tax Expenses		
Current Tax	2830.22	893.85
MAT Credit Entitlement	(2437.80)	(867.82)
Prior Year Short Provision of Tax	0.32	66.67
Deferred Tax Liability/(Assets)	1429.43	(913.13)
Net Profit /(Loss) for the Year	13925.65	10305.00

2. DIVIDEND

In order to strengthen the reserves of the Company, your directors consider it prudent to plough back the profits and not to recommend any dividend for the financial year 2018-19.

3. REVIEW OF OPERATIONS

During the year under review, income from Post Production activity decreased to Rs. 11.59 Lac from Rs. 16.07 Lac in the previous year. Your Company did not earn any income from trading of IPR during the year as against Rs. 125.00 Lacs in the previous year. The Company earned commission income from trading of IPR of Rs. Rs.75.66 Lac in the current year. Your Company earned Net Profit of Rs.139.26 Lac vis-à-vis Net Profit of Rs.103.05 Lac in the previous year, after providing for Depreciation of Rs. 5.45 Lac (Previous Year Rs. 10.05 Lac).

During the year expenses amounting to Rs. 18.84 Lac incurred by the Company towards buy back of equity shares have been debited to the retained earnings and not charged to the Profit and Loss Account in compliance with IND AS 32. Correspondingly the Profit and Loss Account and Balance Sheet of the previous year has also been recast and buy back expenses amounting to Rs. 21.09 Lac incurred in the previous year which were charged to Profit and Loss Account under the head of "Exceptional Item" have now been transferred to Retained Earnings and to that extent the figures of Profit Before Tax and Profit after Tax of previous year have undergone a change.

4. TRANSFER TO RESERVES

During the year under review, pursuant to buy back of 75,18,300 equity shares of the face value of Re. 1/- each at a price of Rs. 4.50/- per share, your directors have transferred an amount of Rs. 75,18,300/- from profit and loss account to Capital Redemption Reserves. Total sum of Rs. 3,38,32,350/- has been utilized from Retained Earnings on Buy back of Shares.

5. CHANGES IN NATURE OF BUSINESS, IF ANY

There is no change in the nature of business during the year under review

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

There have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of signing of this report.



7. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

● DIRECTORS

In terms of Section 152 of the Companies Act, 2013, Shri Gordhan P. Tanwani (DIN 00040942), Managing Director, retires by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment. Shri Gordhan P. Tanwani has confirmed that he is not disqualified for appointment as Director under Section 164 of the Act and has offered himself for re-appointment.

Shri Santosh A. Shah and Shri Sanjiv L. Hinduja have been reappointed as Independent Directors of the Company w.e.f. 1st April, 2019 for a second term of Five Years up to 31st March, 2024.

● KEY MANAGERIAL PERSONNEL

Shri Ajay D. Acharya, Chief Financial Officer and Shri Naishadh H. Mankad, Company Secretary continue to be Key Managerial Personnel (KMP) of the Company in compliance with the requirements of Section 203 of the Companies Act, 2013.

● DECLARATIONS BY INDEPENDENT DIRECTOR(S)

The Company has complied with Regulation 25 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations) and provisions of Section 149(6) of the Companies Act, 2013. The Company has also obtained declarations from all the Independent Directors pursuant to Section 149(7) of the Companies Act, 2013.

● FAMILIARISATION PROGRAMME

The Company has put in place an induction and familiarization programme for all its directors including independent directors so as to associate themselves with the nature of the industry in which the Company operates. The Directors are periodically advised about the changes effected in the Corporate Laws, Listing Regulations with regard to their roles, rights and responsibilities as Director of the Company. The familiarization programme for independent directors in terms of the provisions of Regulation 46(2) (i) of Listing Regulations is uploaded on the web site of the Company.

● ANNUAL EVALUATION OF BOARD

Pursuant to regulation 17 of the Listing Regulations read with Section 134 (3)(p) of the Companies Act, 2013 and The Companies (Accounts) Rules, 2014, annual evaluation of the performance of the Board, its Committees and of individual directors has been made during the year under review. To facilitate the evaluation process, 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.

8. BOARD AND COMMITTEES

● INDEPENDENT DIRECTORS

The Company's Board comprises of 50% Independent Directors in line with requirement of the Listing Regulations. Shri Santosh A. Shah and Shri Sanjiv L. Hinduja are Independent Directors.

● BOARD MEETINGS

Six (6) Board Meetings were convened and held during the year. The intervening gap between two meetings was less than the period prescribed under the Companies Act, 2013, Secretarial Standard-1 on Board Meetings and Listing Regulations.

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● AUDIT COMMITTEE

The Board has constituted an Audit Committee with Shri Santosh A. Shah as Chairman and Shri Sanjiv L. Hinduja and Smt. Malavika A. Acharya as members. There have been no instances during the year when recommendations of the Audit Committee were not accepted by the Board. The terms of reference of the Audit Committee are set out in the Corporate Governance Report.

● NOMINATION AND REMUNERATION COMMITTEE

The Board has constituted Nomination & Remuneration Committee comprising of Shri Sanjiv L. Hinduja as Chairman, Shri Santosh A. Shah and Smt. Malavika A. Acharya as members. The terms of reference of the Nomination & Remuneration Committee are set out in the Corporate Governance Report.

● STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Board has constituted Stakeholders' Relationship Committee comprising of Shri Sanjiv L. Hinduja as Chairman, Shri Santosh A. Shah and Shri Gordhan P. Tanwani as members. The terms of reference of the Stakeholders' Relationship Committee are set out in the Corporate Governance Report.

9. POLICY ON DIRECTORS APPOINTMENT & REMUNERATION

The Board has in accordance with the provisions of Sub-Section (3) of Section 178 of the Companies Act, 2013, formulated a policy setting out the criteria for determining qualifications, positive attributes, independence of a director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees. The text of the policy is available on the website of the Company www.babaartslimited.com.

10. RISK MANAGEMENT POLICY

The Board of Directors of your Company periodically assesses the risk in the internal and external business environment and takes necessary steps to mitigate the said risks. The Company has an adequate risk management plan in place which is reviewed at regular intervals by the Board.

11. VIGIL MECHANISM /WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy, to provide a formal vigil mechanism to the directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairperson of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE

EARNINGS AND OUTGO:

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

A) Conservation of energy:

Sr. No.	Particulars	Details
i.	the steps taken or impact on 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.
ii.	the steps taken by the company for utilizing alternate sources of energy.	Not applicable, in view of comments in clause (i)
iii.	the capital investment on energy conservation equipments	Not applicable, in view of comments in clause (i)



(B) Technology absorption:

Sr. No.	Particulars	Details
i	the effort made towards technology absorption	Nil
ii	the benefits derived like product improvement, cost reduction, product development or import substitution	Nil
iii	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	Nil
	a) the details of technology imported	
	b) the year of import;	
	c) whether the technology has been fully absorbed	
	d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
iv	the expenditure incurred on Research and Development	Nil

(C) Foreign exchange earnings and outgo:

There were no Foreign Exchange Earnings and Outgo during the Financial Year.

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 activity 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.

13. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There were no orders passed by regulators or courts or tribunals impacting the going concern status and Company's operations in future.

14. DIRECTORS' RESPONSIBILITY STATEMENT

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial instruments, which are measured at fair values, the provisions of the Companies Act, 2013 (to the extent notified) and guidelines issued by SEBI. The IND AS are prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Accounting Policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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 read with requirements set out under Schedule III to the Companies Act, 2013 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, 2019 and the state of affairs of the Company as at 31st March, 2019 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 provisions of all applicable laws and such systems are adequate and operating effectively.

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15. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

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.

16. MAINTENANCE OF COST RECORDS

Maintenance of Cost Records as specified by the Central Government under Section 148(1) of the Companies Act, 2013 is not applicable to the Company.

17. AUDITORS

Statutory Auditor

M/s. Arunkumar K Shah & Co. are the Statutory Auditors of the Company who were appointed for a period of five years in the 18th Annual General Meeting (AGM) held on 19th September, 2017 and hold office up to the conclusion of the 23rd Annual General Meeting of the Company.

Vide notification dated May 7, 2018 issued by Ministry of Corporate Affairs, the requirement of seeking ratification of appointment of statutory auditors by members at each AGM has been done away with. Accordingly, no such item has been proposed in the notice of the 20th AGM.

Auditors have confirmed their eligibility and submitted the certificate in writing that they are not disqualified to hold the office of the Statutory Auditor.

There are no qualifications, reservations or adverse remarks made by M/s. Arunkumar K. Shah & Co., Statutory Auditors, in their report for the Financial Year ended 31st March, 2019.

Pursuant to provisions of Section 143(12) of the Companies Act, 2013, the Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company during the year under review.

Internal Auditor

Pursuant to Section 138 of the Companies Act, 2013 M/s. SCA & Associates were appointed as the internal auditors of the Company for the financial year 2018-19.

18. EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Sections 134(3)(a) and 92(3) of the Companies Act, 2013 read with Rules 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as on 31st March, 2019, in prescribed Form No. MGT 9 is attached in **Annexure I** to this Report. The Annual Return of the Company will be placed on the Company's Website www.babaartslimited.com.

19. 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 2018-19. The detailed report on Secretarial Audit is appended as an **Annexure II** to this report. There is no qualification, reservation or adverse remarks given by Secretarial Auditors of the Company.

20. PARTICULARS OF LOAN, GUARANTEE AND INVESTMENTS

The particulars of loans/advances given, guarantees/securities provided and investments made during the year under review, under Section 186 of the Companies Act, 2013 are given in Note No. 34 of the notes forming part of the Financial Statements.



21. CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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 (MD) and Chief Financial Officer (CFO) in terms of Regulation 17(8) as specified in Part B of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, in addition, 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.

The Management Discussion Analysis Report as required under the Listing Regulations is presented in separate section and forms part of the Annual Report

22. SEXUAL HARASSMENT

The provision relating to constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is not applicable to the Company as the Company is having less than 10 workers. The Company did not receive any complaint of sexual harassment at workplace during the year under review.

23. DEPOSITS

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

24. PARTICULARS OF CONTRACTS OR ARRANGMENT WITH RELATED PARTIES

All related party transactions that were entered into during the Financial Year under review were on an arm's length basis and in ordinary course of business and is in compliance with the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All related party transactions are placed before the Audit Committee as also to the Board for approval at every quarterly meeting. Details of transactions with related parties as required Under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure III** in Form AOC -2 and forms part of this report.

Your Company has formulated a policy on related party transactions which is also available on Company's website at www.babaartslimited.com.

25. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The provisions of the Section 135 of the Companies Act, 2013 are not applicable to the Company.

26. PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Companies Act, 2013 read with Rule 5(1), 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in **Annexure IV**.

27. SHARE CAPITAL

The Company has only one class of shares viz. equity shares with a face value of Re. 1/- each.

- **ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS**

The Company has not issued equity shares with differential rights during the year under review.

- **ISSUE OF SWEAT EQUITY SHARES**

The Company has not issued Sweat equity shares during the year under review.

- **ISSUE OF EMPLOYEE STOCK OPTIONS**

The Company has not issued any Employee Stock Options shares during the year under review.

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● BUY BACK OF SHARES

Pursuant to the approval of the Board on 13th November, 2018 and approval of shareholders vide special resolution dated 2nd January, 2019 passed through Postal Ballot/e-voting, your Company completed buyback of 75,18,300 (Seventy Five Lacs Eighteen Thousand Three Hundred) equity shares of the Company of Re.1/- each at price of Rs.4.50/- (Rupees Four and Paise Fifty Only) per equity share aggregating to Rs.3,38,32,350/- (Rupees Three Crore Thirty Eight Lacs Thirty Two Thousand Three Hundred and Fifty Only)

The Buyback of Shares from the shareholders of the Company was on proportionate basis through the tender offer mechanism in accordance with the provisions of Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 and the Companies Act, 2013. Post buy back, the outstanding capital as on 31st March, 2019 is Rs. 5,25,00,000/- (Rupees Five Crore Twenty Five Lac Only) comprising of 5,25,00,000 (Five Crore Twenty Five Lac) equity shares of Re. 1/- each.

SHARE CAPITAL AUDIT

Share Capital audit as per the directives of Securities & Exchange Board of India is being conducted on quarterly basis by M/s. Dholakia & Associates LLP, Company Secretaries and the Audit Reports are duly forwarded to BSE Limited where the shares of the Company are listed.

28. SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES.

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

29. SECRETARIAL STANDARDS

It is hereby confirmed that the Company has complied with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

30. GREEN INITIATIVES

Pursuant to Section 101 and 136 of the Companies Act, 2013 the Company has sent Annual Report through electronic mode (e-mail) to all shareholders who have registered their email addresses with the Company or with Depository to receive the Annual Report through electronic mode and initiated steps to reduce consumption of paper. For members who have not registered their email addresses, physical copies will be sent through permitted mode.

ACKNOWLEDGEMENT

The Board wishes to thank all the Company's customers, vendors 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
DIN: 00040942

Place : Mumbai
Date :9th May, 2019



ANNEXURE TO DIRECTORS' REPORT

ANNEXURE I

Form no. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2019

[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: babaartslimited@yahoo.com , investors@babaartslimited.com
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	100

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					

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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	
A. Promoters									
(1) Indian									
a) Individual/HUF	44364875	—	44364875	73.92	39208000	—	39208000	74.68	0.76
b) Central Govt.	—	—	—	—	—	—	—	—	—
c) State Govt(s).	—	—	—	—	—	—	—	—	—
d) Bodies Corp.	—	—	—	—	—	—	—	—	—
e) Banks/ FI	—	—	—	—	—	—	—	—	—
f) Any Other	—	—	—	—	—	—	—	—	—
Sub- total (A) (1) :-	44364875	—	44364875	73.92	39208000	—	39208000	74.68	0.76
(2) Foreign									
a) NRI's individuals	—	—	—	—	—	—	—	—	—
b) other individuals	—	—	—	—	—	—	—	—	—
c) Bodies corp.	—	—	—	—	—	—	—	—	—
d) Banks / FI	—	—	—	—	—	—	—	—	—
e) Any other	—	—	—	—	—	—	—	—	—
sub total (A) (2) :-	—	—	—	—	—	—	—	—	—
Total share holding of Promoter (A)= (A)(1)+(A)(2)	44364875	—	44364875	73.92	39208000	—	39208000	74.68	0.76
B. Public Shareholding									
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	10000	—	10000	0.02	10000	—	10000	0.02	—
h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
i) others (specify)	—	—	—	—	—	—	—	—	—
Sub-total (B)(1) :-	—	—	—	—	—	—	—	—	—
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	3072295	65600	3137895	5.23	2080759	65600	2146359	4.09	(1.14)
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals	—	—	—	—	—	—	—	—	—
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	6684590	292208	6976798	11.62	5200816	273408	5474224	10.43	(1.19)
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	5242592	—	5242592	8.73	4820156	—	4820156	9.18	0.45
c) Others(specify)	—	—	—	—	—	—	—	—	—
(i) Clearing Members	65104	—	65104	0.11	69645	—	69645	0.13	0.02
(ii) Directors & Relatives	85250	—	85250	0.14	85250	—	85250	0.16	0.02
(iii) NRI/OCBs	135786	—	135786	0.23	686366	—	686366	1.31	1.08
Sub-total (B)(2):-	15285617	357808	15643425	26.06	12942992	339008	13282000	25.30	(0.76)
Total Public Shareholding (B)=(B)(1)+(B)(2)	15295617	357808	15653525	26.08	12952992	339008	13292000	25.32	(0.76)
C. Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
Grand Total (A+B+C)	59660492	357808	60018300	100	52160992	339008	52500000	100	—



ii) Share holding of promoters

Sl 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	44356875	73.91	—	39200000	74.67	—	0.76
2	Pravin J. Karia	8000	0.01	—	8000	0.01	—	—
	Total	44364875	73.92	—	39208000	74.68	—	0.76

(iii) Change in Promoter's Shareholding

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

Gordhan P. Tanwani	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
01.04.2018	44356875	73.91							
11.03.2019			(5156875)	(8.59)	Buy back through Tender Offer	39200000	74.67		
31.03.2019								39200000	74.67

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(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) as on 31st March, 2019

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	Karishma Const Investments Pvt. Ltd.				
	At the beginning of the year	12,71,334	2.12	12,71,334	2.12
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	12,71,334	2.42	12,71,334	2.42
2	Ajay Devgan				
	At the beginning of the year	8,00,000	1.33	8,00,000	1.33
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	8,00,000	1.52	8,00,000	1.52
3	Kumar Mangat				
	At the beginning of the year	8,00,000	1.33	8,00,000	1.33
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	8,00,000	1.52	8,00,000	1.52
4	Susan Khambhatta				
	At the beginning of the year	5,49,825	0.92	5,49,825	0.92
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	5,49,825	1.05	5,49,825	1.05
5	Rajnish Khanuja				
	At the beginning of the year	3,76,000	0.63	3,76,000	0.63
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	3,76,000	0.72	3,76,000	0.72
6	Mohanlal Kanayalal Pahuja				
	At the beginning of the year	3,66,000	0.61	3,66,000	0.61
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	3,66,000	0.70	3,66,000	0.70
7	Deepak Bathija				
	At the beginning of the year	3,56,960	0.59	3,56,960	0.59
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	3,56,960	0.68	3,56,960	0.68
8	Pace Stocks and Shares Pvt. Ltd				
	At the beginning of the year	3,50,000	0.58	3,50,000	0.58
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	3,50,000	0.67	3,50,000	0.67
9	Tejpal Ambalal Shah				
	At the beginning of the year	-	-	-	-
	Bought during the year	12,88,823	2.15	12,88,823	2.15
	Sold during the year	9,80,400	1.63	3,08,423	0.51
	At the end of the year	3,08,423	0.59	3,08,423	0.59
10	Select Media Holdings Pvt. Ltd.				
	At the beginning of the year	2,84,000	0.47	2,84,000	0.47
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	2,84,000	0.54	2,84,000	0.54



(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	Shri Gordhan P. Tanwani Designation: Managing Director				
	At the beginning of the year	4,43,56,875	73.91	4,43,56,875	73.91
	Bought during the year	-	-	-	-
	Sold during the year (Buy back through Tender Offer)	51,56,875	8.59	3,92,00,000	65.31
	At the end of the year	3,92,00,000	74.67	3,92,00,000	74.67
2	Shri Sanjiv L. Hinduja 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	Shri Santosh A. Shah Designation : Director				
	At the beginning of the year	-	-	-	-
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	-	-	-	-
4	Shri Ajay D. Acharya Designation : Chief Financial Officer(CFO) Jointly with Smt. Malavika A. Acharya Designation : Director				
	At the beginning of the year	2,35,400	0.39	2,35,400	0.39
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	2,35,400	0.45	2,35,400	0.45
5	Shi Naishadh H. Mankad Designation : Company Secretary				
	At the beginning of the year	61,600	0.10	61,600	0.10
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	61,600	0.12	61,600	0.12

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V. INDEBTNESS

The Company had no indebtedness with respect to Secured or Unsecured Loans or Deposits during the financial year 2018-19.

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
		Gordhan P. Tanwani-Managing Director	
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.	Total (A)		NIL
	Ceiling as per the Act		84,00,000

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	120,000	1,60,000	—	2,80,000
	Commission	—	—	—	—
	Others, please specify	—	—	—	—
	Total (1)	1,20,000	1,60,000	—	2,80,000
4.	Other Non-Executive Directors				
	Fee for attending board committee meetings	—	—	1,60,000	1,60,000
	Commission	—	—	—	—
	Others, please specify	—	—	—	—
	Total (2)	—	—	1,60,000	1,60,000
	Total (B)=(1+2)	1,20,000	1,60,000	1,60,000	4,40,000
	Total Managerial Remuneration				4,40,000
	Overall ceiling as per the Act 1% of Net Profits excluding Sitting Fees.				



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

(Amt. in Rs.)

SI.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	12,00,000	18,60,000
(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
	Total	NIL	6,60,000	12,00,000	18,60,000

VII. PENALTIES/PUNISHMENT/COMPUNDING OF OFFENCES

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

For and On behalf of the Board of Directors

GordhanP.Tanwani
Chairman & Managing Director
DIN: 00040942

Place: Mumbai
Date: 9th May, 2019

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE II
FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[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') for the financial year ended 31st March, 2019. 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, 2019 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, 2019 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;
- VA. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) 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;
 - (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (up to 10th September,2018) and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (with effect from 11th September,2018).
- 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:-
- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (up to 9th November,2018) and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2018 (with effect from 10th November,2018).
 - (b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation,2008;
 - (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
- 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 and the same has been complied with during the period under Audit.
- D. We have also examined compliance with the applicable clauses of the following:
- i) Secretarial Standards in respect of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
 - ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).
- 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—
- I. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board during the period under review.
 - II. 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.
 - III. 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.

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- G. We further report that during the audit period the Company has undertaken, the following Corporate Action having the major bearing on the Company's affairs in pursuance of the aforesaid rules and regulations, guidelines, standards, etc.
- (a) The Company has undertaken and completed Buy-back of 75,18,300 (Seventy-Five Lakhs Eighteen Thousand Three Hundred) Equity Shares of Re. 1/- (Rupee One only) per share at a price of Rs. 4.50/- (Rupees Four and Fifty Paise Only) per share for an aggregate amount of Rs. 3,38,32,350/- (Rupees Three Crores Thirty Eight Lakhs Thirty Two Thousand Three Hundred and Fifty Only) from existing shareholders of the Company through Tender Offer Route.
- (b) Except the above, none of the following events has taken place-
- i. Public/Rights/Preferential Issue of Shares/Debentures/Sweat equity etc.
 - ii. Redemption of securities.
 - iii. Major decision taken by the members in pursuance to Section 180 of the Companies Act, 2013.
 - iv. Merger/Amalgamation/Reconstruction, etc.
 - v. Foreign Technical Collaborations

Place: Mumbai
Date: 9th May, 2019

For DHOLAKIA & ASSOCIATES LLP
(Company Secretaries)

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



ANNEXURE TO DIRECTORS' REPORT

**ANNEXURE III
FORM No. AOC-2**

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the companies (accounts) Rules, 2014]

1. Details of material contracts or arrangement or transactions Not at arm's length basis

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any:	Amount paid as advances, if any
NOT APPLICABLE					

2. Details of material contracts or arrangement or transactions at arm's length basis

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any:	Amount paid as advances, if any
Larry's Impex LLP Shri Gordhan P. Tanwani- Managing Director and his brother are Designated Partners and his son is a Partner in the LLP	RENT RECEIVED Rs. 12,00,000/-	17th October, 2017 to 16th October, 2022	1. Monthly rent of Rs. 1,00,000/- for first 24 months, Rs. 1,10,000/- 25th to 36th Month, Rs. 1,15,000 from 37th to 60th Month and interest free security deposit of Rs. 6,00,000/-. 2. Lock in Period of 12 Months.	4th September, 2017. Also approved by the shareholders in their AGM held on 25th September, 2018.	Nil

For and On behalf of the Board of Directors

**Gordhan P. Tanwani
Chairman & Managing Director
DIN: 00040942**

**Place: Mumbai
Date: 9th May, 2019**

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ANNEXURE TO DIRECTORS' REPORT

ANNEXURE IV

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Management 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 Directors are paid fees for attending the meetings of the Board of Directors and of the Committees of which they are members. This Remuneration by way of fees is not related to the performance of the Company. In view of this, the ratio of remuneration of each director to the median employees' remuneration is not computed.
(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 any Director, Chief Financial Officer (CFO), Chief Executive Officer (CEO), Company Secretary or Manager during the year.
(iii) the percentage increase in the median remuneration of employees in the financial year;	8.62%
(iv) the number of permanent employees on the rolls of Company;	Five (5) As on 31/03/2019.
(v) 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 8.43%. There was no increase in remuneration of managerial personnel during the last financial year.
(vi) 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.

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Management Personnel) Rules, 2014:

Particulars of Top 10 employees in terms of remuneration drawn:

Name	Age	Designation	Total Remuneration (in Rs.)	Qualification	Exp. in Years	Date of Joining	Last Employment
Ajay D. Acharya	60	Chief Financial Officer (CFO)	12,00,000	B.Com	26	16.09.2016	Bhagwati Media Pvt. Ltd.
Naishadh Mankad	66	Company Secretary (CS)	6,60,000	ACS	46	23.08.2003	Gandhi Special Tubes Limited
Ankush Shigwan	28	Accountant	3,48,000	M.Com	6	23.06.2016	M/s Dalvadi & Co.
Prabhakar Bandre	50	Office Assistant	2,28,600	Non Matric	31	23.08.2003	M/s Baba Films
Rakesh Singh	37	Office Assistant	2,16,500	S.S.C.	19	01.04.2006	M/s A P Sales Corporation

Notes:

- All appointments are contractual and terminable by notice on either side
- Shri Ajay D. Acharya is related to Smt. Malavika A. Acharya Director of the Company. None of the other employees is related to any Director or Manager of the Company.
- None of the Employees himself or along with his spouse or dependent children hold 2% or more of the Equity Shares of the Company.

Employees employed throughout the year and in receipt of remuneration aggregating Rs.1.02 Crores or more per annum.	NIL
Employed for part of the year and in receipt of remuneration aggregating Rs.8.5 lacs or more per month	NIL
Employed throughout the Financial Year or part thereof in receipt of remuneration in that year which, in 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 along with his spouse and dependent children, not less than two percent of the equity shares of the Company.	NIL

For and On behalf of the Board of Directors

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

Place: Mumbai
Date: 9th May, 2019



MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry Structure and Development

Indian Media & Entertainment Industry has earned an estimated revenue of INR 1.67 trillion in the year 2018 with a growth of almost 13% over the previous year. The industry is expected to log in a CAGR of about 11.6% during the next 3 years and its total revenue is set to be INR 2.35 trillion by the year 2021. The industry is one of the few industries that is growing at a rate faster than the GDP reflecting increased disposable income and economic growth. Technological disruptions and new age digital media are creating new opportunities for the sector. Indian Film Industry is expected to log in a CAGR of almost 13% during the year period 2018 to 2021 with total revenue of INR 199 Billion in the year 2021.

2. Outlook for Company

While discussions are going on to start a film production project, till date your Company has not finalized any project. In the meantime the main source of income continues to be interest income on surplus funds lying with the Company.

3. Opportunities, Threats and Challenges

Due to overall weak economic scenario, your directors have thought it fit to adopt a cautious approach and as such have decided not to venture in to any new business activity for the time being.

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 firm of Chartered Accountants as Internal Auditor, which submits its 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. 16.07 Lac in the previous year to Rs. 11.59 Lac in the current year.

Your Company did not earn any income from trading in films rights and production and distribution of films as against Rs.125.00 Lac in previous year. The Company earned Commission Income of Rs. 75.66 Lac on trading in film rights during the current year.

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

The Company earned an operating profit of Rs. 157.84 Lac against operating profit of Rs. 95.93 Lac in the previous year. Finance charges during the year were at Rs. 0.36 Lac (Previous Year Rs. 1.08 Lac). After providing for Depreciation of Rs. 5.45 Lac (Previous Year Rs. 10.05 Lac), and after providing for current taxation (net of MAT Credit entitlement) of Rs. 3.92 Lac (Previous Year Rs. 0.26 Lac), Prior year short provision of Tax of Rs. 0.003 Lac (Previous Year Rs. 0.67 Lac) and providing for Deferred Tax Liability of Rs. 14.29 Lac (Previous Year Deferred Tax Asset Rs. 9.13 Lac), the Net Profit of the Company during the current year was Rs. 139.26 Lac (Previous Year Rs. 103.05 Lac).

(iii) Capital Investment

During the year ended on 31st March, 2019 the Company has made capital investment of Rs. 0.39 Lac out of its own sources.

(iv) Working Capital

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

(v) Buy Back of Shares

During the year the Company bought back 75,18,300 equity shares of the face value of Re. 1/- each at a price of Rs. 4.50/- (Rupees Four and Paise Fifty Only) per share aggregating to Rs. 3,38,32,350 (Rupees Three Crore Thirty Eight Lac Thirty Two Thousand Three Hundred Fifty Only). The funds for buy back were utilized out of the surplus cash balance available with the Company. Buy Back expenses amounting to Rs. 18.84 Lac have been routed through the retained earnings and not charged to Profit and Loss Account.

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6. Human Resources

The Company maintains healthy, cordial and harmonious relations with all personnel and thereby enhancing the contributory value of the Human Resources.

7. Return on Net Worth

The Company's return on net worth for the year ended on 31st March, 2019 was higher at 8.63% as compared to 5.63% in the previous year. There was improvement in return on net worth on account of higher profit after tax during the year which was on account of increase in other income from Rs. 116.51 Lac to Rs. 149.76 Lac. Other expenses also declined from Rs. 88.01 Lac to Rs. 62.31 Lac mainly on account of lower incidence of write off of bad debts.

8. Changes in Key Financial Ratios

Sr. No.	Particulars	2018-19	2017-18	Reason for Change, if any
1	Return on Networth (%)	8.63	5.63	The ratio has improved due to increase in Other Income and decrease in Other Expenses.
2.	Debtors Turnover	2.85	4.60	In previous year major amount of outstanding Debtors were in respect of sales of the last quarter.
3	Debtors Collection Period	13 Days	150 Days	In previous year major amount of outstanding Debtors were in respect of sales of the last quarter.
4	Inventory Turnover	Not Applicable as the Company is not holding any inventory.	Not Applicable as the Company is not holding any inventory.	
5	Interest Coverage Ratio	Not Applicable as the Company does not have any borrowings.	Not Applicable as the Company does not have any borrowings.	
6	Current Ratio	34.18	26.63	Current Ratio has improved on account of Profits retained in business and payment of outstanding liabilities on due date.
7	Debt Equity Ratio	Not Applicable as the Company has no Debts.	Not Applicable as the Company has no Debts.	
8	Operating Profit Margin (%)	66.60	37.24	Not comparable as in previous year income from Trading in IPR was contributing major share whereas in current year commission on IPR sales was major contributor towards total income.
9	Net Profit Margin (%)	58.76	36.82	As above.

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 Board of Directors of your Company constantly makes efforts to follow highest standards of business ethics and financial accountability. The Company's business policies are based on accountability, transparency and fairness to all our stakeholders including the investors, customers, vendors, employees, regulators and others.

Your Company is in compliance with the requirements of Corporate Governance Stipulated under Regulation 17 to 27 read with Schedule V and Clauses (b) to (i) of Sub Regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, hereinafter called "the Listing Regulations", as applicable, with regard to Corporate Governance and also Guidance note on Board Evaluation as prescribed by SEBI.

2. Board of Directors

(a) Composition and Category of Directors

The Board comprises of 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 Director, and Two (2) Independent Directors. The Company did not have any pecuniary relationship or transaction 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 31.03.2019	No. of board meetings during the year 2018-19		Attendance at the last AGM	Directorship in other Companies/
			Held	Attended		
1.	Shri Gordhan P. Tanwani Promoter-Executive Director Chairman & Mg. Director	3,92,00,000	6	6	Yes	2
2.	Shri Santosh A. Shah Independent-Non Executive Director	NIL	6	4	Yes	2
3.	Shri Sanjiv L. Hinduja Independent-Non Executive Director	7600	6	6	Yes	—
4.	Smt. Malavika A. Acharya Non Independent-Non Executive Director	2,35,400 Jointly as Second Shareholder with Shri Ajay D Acharya	6	6	Yes	—

None of the Directors on the Board is a member of more than ten Committees or Chairman of five Committees (Committees being Audit Committee and Stakeholders' Relationship Committee) across all the public companies in which he/she is a Director. Necessary disclosures regarding their committee positions have been made by all Directors.

None of Directors holds office in more than ten Public Companies. None of the Independent Directors of the Company serve as an Independent Directors in more than seven listed companies. All Directors are also in compliance of limit on Independent Directorship of listed companies as prescribed under Regulation 25(1) of the Listing Regulations.

(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.

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During the year Six Board Meetings were held on 26th April, 2018, 9th August, 2018, 13th November, 2018, 3rd January, 2019, 12th February, 2019 and 27th March, 2019. 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 2018-19, information as mentioned in Schedule II Part A of the Listing Regulations has been placed before the Board for its consideration.

- (e) There is no inter-se relationship between any of the Directors.
- (g) The terms and conditions of appointment of independent directors and details of the familiarisation programme of the Independent Directors are available on the website of the Company (www.babaartslimited.com).
- (h) **Board Skill Matrix**

The Board Skills matrix represents some of the key skills that our Board has identified as particularly valuable to the effective oversight of the Company and the execution of our strategy. This matrix highlights the depth and breadth of skills on the Board.

Experience / Expertise / Competence	Gordhan P. Tanwani	Santosh A. Shah	Sanjiv L. Hinduja	Malavika A. Acharya
Business Operations	✓	✓	✓	✓
Industry Knowledge	✓			✓
Financial Management		✓	✓	
Accounting		✓	✓	
Commercial Experience	✓	✓	✓	✓
Risk Management	✓	✓	✓	
Strategy	✓			✓
Legal or Regulatory		✓	✓	
Corporate Governance	✓	✓	✓	✓

- (i) The Board of Directors is of the opinion that the Independent Directors fulfill the conditions of independence as specified in the Listing Regulations and are independent of the management.
- (j) **No Independent Director has resigned during the year.**

Directors', Tenure, Appointment/Re-appointment and Remuneration

In terms of Section 152 read with Section 149(13) of the Companies Act, 2013 Shri Gordhan P. Tanwani is liable retire by rotation. The said Director has offered himself for reappointment and resolution for his appointment is incorporated in the Notice of the ensuing Annual General Meeting.

Appointment of Shri Gordhan P. Tanwani as the Managing Director is valid up to 31st October, 2023.

Shri Santosh A. Shah and Shri Sanjiv L Hinduja were reappointed as Independent Directors for a second term of Five Years w.e.f. 1st April, 2019 up to 31st March, 2024 by the members of the Company in their 19th Annual General Meeting held on 25th September, 2018.

The Brief profile and other information as required under Regulation 36(3) of the Listing Regulations, relating to director being reappointed, forms part of the Notice of ensuing Annual General Meeting.

Separate Independent Director's Meeting

During the Financial Year, a separate meeting of Independent Directors was held on 5th February, 2019. The Independent Directors inter alia-

- (i) reviewed the performance of non-independent directors and the board of directors as a whole;
- (ii) reviewed the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;



- (iii) assessed 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.

All Independent Directors of the Company attended the meeting of Independent Directors held on 5th February, 2019. The Independent Directors expressed their entire satisfaction to the desired level on the governance of the Board.

Independent Directors of the Company are in compliance with the provision of Regulation 16(2) of the Listing Regulations. Further, disclosures have been made by the Directors regarding their chairmanships/membership of the mandatory committees of the Board and that the same are within the maximum permissible limit as stipulated under Regulation 16(2) of the Listing Regulations.

3. Audit Committee

The terms of reference of the Audit Committee are in accordance with Regulation 18 read with Part C of Schedule II of the Listing Regulations and Section 177 of the Companies Act, 2013. The Committee act as a link between the Management, Auditors and Board of Director of the Company and has full access to financial information.

(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;
- (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;

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- (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.
- (21) Reviewing the utilization of loans and / or advances from / investment by the holding company in the subsidiary exceeding Rs. 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

(b) Composition, Names of Members and Chairperson

The Audit Committee consists of Shri Santosh A. Shah - Independent Director as Chairman of the Committee, Shri Sanjiv L. Hinduja - Independent Director and 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			
		26/04/2018	25/07/2018	13/11/2018	05/02/2019
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	Yes	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. All the recommendations of the Audit Committee have been accepted by the Board of Directors. 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 the Listing Regulations read with Section 178 of the Companies Act, 2013.

(a) Terms 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 shall specify the manner for effective evaluation of performance of Board, its Committee and individual directors to be carried out either by the Board, Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- (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:
- (4) Devising a policy on diversity of Board of Directors.
 - (5) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of Independent Director.
 - (6) Recommend to the Board all Remuneration, in whatever form payable to Senior Management.

The policy relating to the remuneration to the Directors, Key Managerial Personnel and other employees and the policy on evaluation of performance of the Board is available on the Company's Website viz: www.babaartslimited.com

(b) Composition, Names 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 on 25th July, 2018 and 5th February, 2019 during the Financial Year ended 31st March, 2019.

(c) Meeting and attendance during the year

Name of the Member	Category	Meeting Held on	
		25/07/2018	05/02/2019
Shri Sanjiv L. Hinduja	Chairman	Yes	Yes
Shri Santosh A. Shah	Member	Yes	Yes
Smt. Malavika A. Acharya	Member	Yes	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 2018-19.

(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. 4,40,000 /- as per details given hereunder:

Shri Santosh A. Shah	Rs.1,20,000/-
Shri Sanjiv L. Hinduja	Rs.1,60,000/-
Smt. Malavika A. Acharya	Rs.1,60,000/-

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6. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee of the Company is constituted in line with provisions of Regulation 20 of the Listing Regulations read with Section 178 of the Companies Act, 2013.

● Terms of Reference

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the Company.

(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			
		26/04/2018	09/08/2018	13/11/2018	05/02/2019
Shri Sanjiv L. Hinduja	Chairman	Yes	Yes	Yes	Yes
Shri Gordhan P. Tanwani	Member	Yes	Yes	Yes	Yes
Shri Santosh A. Shah	Member	Yes	No	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	1
No. of complaints resolved to the satisfaction of the shareholders	1
No. of complaints pending at the end of the year	Nil
No. of Share Transfers pending at the end of the year	Nil

The "SCORES" website of SEBI for redressing of Grievances of the investors is being visited at regular intervals by the Company Secretary and there are no pending complaints registered with SCORES for the Financial Year 2018-19.

As per Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the exclusive email id of the investor Grievance Department of the Company is investors@babaartslimited.com.

The number of pending requests for share transfers and pending requests for dematerialization as on 31st March, 2019 were Nil.

7. Risk Management Committee

The provisions of Regulation 21 of the Listing Regulations are not applicable to the Company.



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
17th AGM	Tuesday, 20th September, 2016	11.30 a.m.	Juhu Vile Parle Gymkhana Club, Activity Hall, Opp: Juhu Bus Depot, Juhu, Mumbai 400049	None
18th AGM	Tuesday, 19th September, 2017	11.30 a.m.	Juhu Vile Parle Gymkhana Club, Orchid Hall, Second Floor, Opp. Juhu Bus Depot, Juhu, Mumbai-400049	None
19th AGM	Tuesday, 25th September, 2018	11.30 a.m.	Juhu Vile Parle Gymkhana Club, Jasmine Hall, Second Floor, Opp. Juhu Bus Depot, Juhu, Mumbai-400049	a) Re-appointment of Shri Santosh A. Shah as an Independent Director. b) Re-appointment of Shri Sanjiv L. Hinduja as an Independent Director. c) Approval of Related Party Transactions

(c) Postal Ballot Details:

During the year the Company had conducted Postal Ballot to pass One Special Resolution as per following details:

- Scrutinizer: Shri Bhumitra V. Dholakia (Membership No. FCS 977), Designated Partner of M/s Dholakia & Associates LLP, Company Secretaries in Practice.
- Procedure for Postal Ballot : The Postal Ballot was conducted in accordance with provisions contained in Section 110 of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014
- Voting Results announced on 2nd January, 2019
- Details of Voting Pattern:

1. Purpose: Approval for Buyback of Equity Shares through Tender Offer Route

Resolution	No. of votes polled	No. of Votes cast in favour	No. of Votes Cast Against	% of Votes Cast in Favour on Votes Polled	% of Votes Cast against on votes polled
Approval for Buyback of Equity Shares through Tender Offer Route	30,34,467	30,34,467	Nil	100.00	Nil

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

(e) & (f) No special resolution is proposed to be conducted through Postal Ballot as on the date of this report.

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. 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.

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The meetings of Board of Directors for approval of quarterly financial results during the financial year ended on 31st March, 2019 were held on the following dates:

First Quarter Results	9th August, 2018
Second Quarter and Half yearly Results	13th November, 2018
Third Quarter Results	12th February, 2019
Fourth Quarter and Annual Results	9th May, 2019

(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.

10. General Shareholder Information

(a) Annual General Meeting- Date, Time & Venue

Annual General Meeting	Day, Date & Time	Venue
Twentieth Annual General Meeting	Wednesday, 18th September, 2019 at 11.30 a.m.	Juhu Vile Parle Gymkhana Club, Jasmine Hall, Second Floor Opp: Juhu Bus Depot, Juhu, Mumbai 400049

(b) Financial Year : 1st April, 2019 to 31st March, 2020

(c) Dividend Payment Date : The Board of Directors have not recommended any dividend for the year ended on 31st March, 2019.

(d) & (e) Listing on Stock Exchanges & Stock Code

Listing on Stock Exchange	BSE LIMITED Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001
Stock Code	532380
Payment of Listing Fees	Listing fee for the year 2019-20 has been paid to the BSE Limited, Mumbai
Date of Book Closure	Not Applicable
Demat ISIN for NSDL & CDSL	INE893A01036
Tentative Calendar for F.Y. 2019-20	
Result for the Quarter Ending 30th June, 2019	2nd Week of August, 2019
Result for the Quarter Ending 30th September, 2019	2nd Week of November, 2019
Result for the Quarter Ending 31st December, 2019	2nd Week of February, 2020
Result for the Quarter Ending 31st March, 2020	4th Week of May, 2020

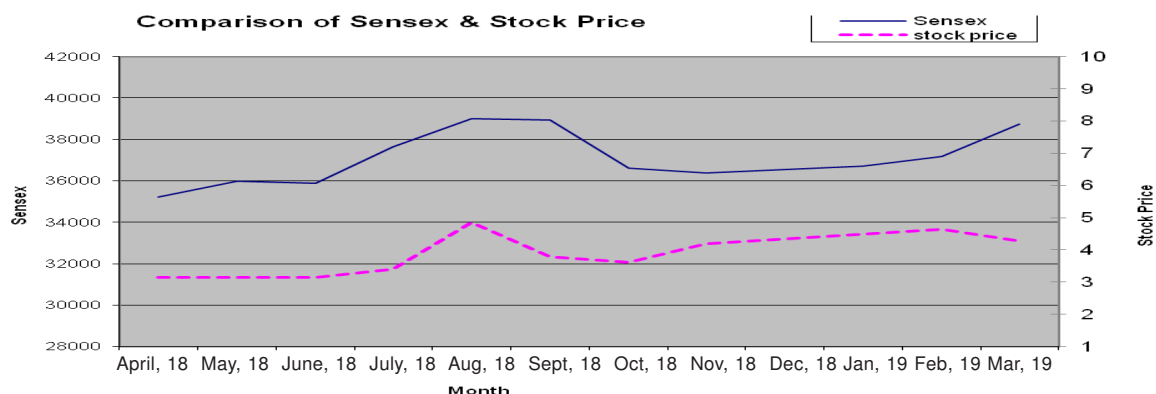


(f) Market Price Information

Monthly high and low quotations of Company's equity shares traded on BSE Ltd. during the year 2018-19 are as follows:

Month	Share Price (Rs.)		BSE Sensex		
	High	Low	High	Low	Close
2018					
April	3.15	2.15	35213.30	32972.56	35160.36
May	3.15	2.85	35993.53	34302.89	35322.38
June	3.15	2.85	35877.41	34784.68	35423.48
July	3.40	2.62	37644.59	35106.57	37606.58
August	4.86	2.80	38989.65	37128.99	38645.07
September	3.79	2.55	38934.35	35985.63	36227.14
October	3.61	2.67	36616.64	33291.58	34442.05
November	4.18	2.76	36389.22	34303.38	36194.30
December	4.35	3.58	36554.99	34426.29	36068.33
2019					
January	4.49	3.41	36701.03	35375.51	36256.69
February	4.64	3.00	37172.18	35287.16	35867.44
March	4.27	3.20	38748.54	35926.94	38672.91

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



(h) The securities of the Company are not suspended from trading by the Stock Exchange on which the said securities are listed.

(i) 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@uniseq.in

(j) Share Transfer System

Subject to documentation being in order, transfer requests of Equity Shares in the physical form lodged with the share Department of the Company/Registrar and Share Transfer Agent were processed no later than fifteen days from the date of receipt. Individual share transfer requests in physical form were dealt with and approved at the level of Company Executives. SEBI on 28th March, 2018, decided that except in case of transmission or Transposition of securities, requests for effecting transfer of securities shall not be processed unless the Securities are held in the dematerialized form with a Depository. This measure was to come into effect from 5th December, 2018 but the deadline was extended and the aforesaid requirement of transfer of securities only in demat form has come into from 1st April, 2019.

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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.

(k) Distribution of Shareholding as on 31st March, 2019

Range of Holding	No. of Share Holders	% to Total Share Holders	Shareholdings	Share Amount (Rs.)	% to Total Share Capital
1 – 500	960	44.76	129118	129118	0.24
501 – 1000	305	14.22	258118	258118	0.49
1001 – 2000	363	16.92	575849	575849	1.10
2001 – 3000	139	6.48	338900	338900	0.65
3001 – 4000	78	3.64	289762	289762	0.55
4001 – 5000	67	3.12	321671	321671	0.61
5001 – 10000	89	4.15	686225	686225	1.31
10001 and above	144	6.71	49900357	49900357	95.05
TOTAL	2145	100.00	52500000	52500000	100.00

Categories of Shareholders as on 31st March, 2019

Sr. No.	Category of Members	No. of Shares Held	% to Total Capital
1.	Promoters	3,92,08,000	74.68
2.	Independent Directors & Relatives	85,250	0.16
3.	Indian Public	1,02,94,380	19.61
4.	Corporate Bodies	21,46,359	4.09
5.	NRIs/OCBs/FIIs	6,96,366	1.33
6.	Others (Clearing Members)	69,645	0.13
	TOTAL	5,25,00,000	100.00

** 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 31.03.2019
1.	Shri Gordhan P. Tanwani	Promoter	Self	3,92,00,000
2.	Shri Pravin J. Karia	PAC	Person Acting in Concern	8,000

(l) 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, 2019 was as under:

Particulars	No. of Shares	% to Capital	No. of Accounts / Folios
NSDL	2,96,99,060	56.57	1140
CDSL	2,24,61,932	42.78	856
Total Shares Under Demat	5,21,60,992	99.35	
Physical	3,39,008	0.65	149
Total Capital	5,25,00,000	100.00	2145

All the demat requests have been approved within 21 Days.



(m) 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 31st March, 2019, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

(n) 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.

(o) Plant Locations

The Company's Post Production Studio is located at:

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

(p) Address for Correspondence

Investors may address correspondence to:

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

Shri. Ravi Utekar
General Manager
Universal Capital Securities Pvt. Ltd.
21, Shakil Niwas,
Mahakali Caves Road,
Andheri (East)
Mumbai 400093
Phone: 022 2836 6620
Fax: 022 28211996
E-mail: baba@unisec.in

- (q) The Company has not issued any debt instrument and the Company does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds and as such the Company has not obtained Credit Rating from any Credit Rating Agency.

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 Regulations, 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.

(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:

SEBI vide its Adjudication Order dated 7th August, 2017 levied a penalty of Rs.3,00,000/- (Rupees Three Lacs Only) on the Company for violation of the provisions of clause 36(7) of the Listing Agreement r/w Section 21 of SC(R) Act, 1956 and clause 1.1 r/w clause 2.1 of the 'Code of Corporate Disclosure Practices for Prevention of Insider Trading' contained in Schedule II to Regulation 12(2) of the PIT Regulations, 1992. The Company has already paid the said Penalty on 16th August, 2017.

(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

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website 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.
- 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.

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, 2019
1.	Shri Santosh A Shah	Nil
2.	Shri Sanjiv L. Hinduja	7,600
3.	Smt. Malavika A. Acharya Jointly as second holder with Shri Ajay D. Acharya	2,35,400

(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 is disclosed:

The policy on Related Party Transactions has been posted on the Company's website 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.

(h) Details of utilisation of funds raised through preferential allotment or qualified institutional placement as specified under regulation 32(7A).

During the year the Company has not raised funds through preferential allotment or qualified institutional placement.

(i) A Certificate has been received from Dholakia & Associates LLP, Practicing Company Secretary, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

To
The Members
Baba Arts Limited
(CIN: L72200MH1999PLC119177)
3A, Valecha Chambers,
New Link Road,
Andheri (West)
Mumbai 400053

1. We have been asked to issue certificate on the compliance of following condition as stipulated under Para 10(i) of Part C under the Heading of Corporate Governance Report of Schedule V –Annual Report read with Regulations 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).



2. Pursuant to the aforesaid Listing Regulations we have examined the following records:
 - a. The declaration pursuant to Section 184 of the Companies Act, 2013 ("the Act") given by each of the Directors of the Company with respect to his/her interest in other entities as Director or otherwise along with his/her relatives in Form MBP-1 and taken on record by the Company,
 - b. The declaration pursuant to Section 164 of the Act, given by the each of the Directors of the Company confirming that he/she is not disqualified to hold the Office of Director as on 31st March,2019 in Form No DIR-8 and taken on record by the Company,
 - c. The particulars of Directors of the Company as displayed on the web portal of the Ministry of Corporate Affairs,
 - d. General Search on the website of the Securities and Exchange Board of India ("SEBI").
3. Based on the above, and to the best of our information and according to the explanations provided to us, we are of the opinion that none of the Directors on the Board of the Company, as listed hereunder, have been debarred or disqualified from being appointed or continuing as Directors of the Company by SEBI/Ministry of Corporate Affairs or any such statutory authority as on 31st March,2019.

Sr No	Name of the Director	Designation/Category	Director Identification Number
1.	Shri Gordhan Prabhudas Tanwani	Chairman & Managing Director/Promoter	00040942
2.	Shri Santosh Anilkumar Shah	Non-Executive/Independent Director	01259840
3.	Shri Sanjiv Laxmichand Hinduja	Non-Executive/Independent Director	00040858
4.	Smt. Malavika Ajay Acharya	Non-Executive /Non Independent Director	07007469

4. It should be noted that our responsibility is to express a reasonable assurance in the form of an opinion as to the qualification/eligibility of each of the Directors of the Company to hold the office as Director in the Company in accordance with the generally accepted procedure and the process of due-diligence followed, based on the available information on best efforts basis as on 31st March,2019 and it is neither an audit nor an expression of opinion on the personal credentials of the Directors of the Company.
5. This certificate is issued to the Company solely for the purpose of complying with the aforesaid Listing Regulations and may not be used for any other purpose.

For Dholakia & Associates LLP
(Company Secretaries)

(CS Bhumitra. V. Dholakia)
Designated Partner
FCS-977; CP No. 507

Date: 9th May, 2019
Place: Mumbai

- (j) The Board of Directors has accepted all the recommendations of the Committees of the Board during the year.
- (k) **Total fees for all services paid by the Company to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part:**

During the year the Company has paid fees to the Statutory Auditor as follows:

a.	Statutory Audit Fee:	Rs.80,000/-
b.	Certification Fee:	Rs.20,000/-
	Total	Rs.1,00,000/-

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

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

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13. Disclosures with respect to demat 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, 2018.	Nil
2	Number of shareholders who approached issuer for transfer of shares from suspense account during the year 2018-19	Nil
3	Number of shareholders to whom shares were transferred from suspense during the year 2018-19.	Nil
4	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year 31st March, 2019.	Nil

Unclaimed Dividends

During under the review, the Company was not required to transfer any unclaimed dividend to Investors Education and Protection Fund (IEPF) Account established by the Central Government in accordance with provisions of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority(Accounting, Audit, Transfer and Refund)Rules, 2016.

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, 2019.

Date: 9th May, 2019

Place: Mumbai

Gordhan P. Tanwani
Chairman & Managing Director

MANAGING DIRECTOR (MD) / CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

To,

The Board of Directors

Baba Arts Limited

- A. We have reviewed the financial statements and cash flow statement of the Company for the year ended on 31st March, 2019 and that to the best of our knowledge and belief, we state that;
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

Place: Mumbai
Date: 9th May, 2019

Gordhan P. Tanwani
Chariman & Managing Director

Ajay D. Acharya
Chief Financial Officer



Independent Auditors' Certificate on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Members
Baba Arts Limited
3A, Valecha Chambers,
New Link Road,
Andheri (W),
Mumbai-400053

1. The Corporate Governance Report prepared by Baba Arts Limited ("the Company"), contains details as stipulated in Regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended March 31, 2019. This Certificate is required by the Company for annual submission to the stock exchange and to be sent to the shareholders of the Company.

Management's Responsibility

2. The Preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This Responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Our responsibility is to provide a reasonable assurance that the Company has complied with the conditions of Corporate Governance, as stipulated in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC)1, Quality Control for firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditors' judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures includes, but not limited to, verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.
8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as whole.

Opinion

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2019 referred to in paragraph 1 above.

Other matters and Restriction on Use

10. This Certificate 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.
11. This certificate is addressed to and provided to the members of the Company solely for the purpose of enabling the Company to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for events and circumstances occurring after the date of this Certificate.

For Arunkumar K. Shah & Co.
Chartered Accountants
Firm Registration No. 126935W

Place: Mumbai
Date: 9th May, 2019

Arunkumar K. Shah
Proprietor
Membership No. 034606
UDIN: 19034606AAAAAD3380

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BABA ARTS LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **BABA ARTS LIMITED** ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters as follows :-

The Key Audit Matters	How the matter was addressed in our Audit
<p>a. Adoption of Ind AS 115 – Revenue From Contracts with Customer</p>	
<p>As described in Note No. 2 (ii) To the standalone financial statements, The company adopted Ind AS 115 - Revenue from Contracts with Customers which is a new revenue accounting standard. The application and transition to this accounting standard is complex and is an area of focus in the audit.</p>	<p>We Assessed the company's process to identify the impact of adoption of the new accounting standard.</p> <p>Our Audit Approach consisted testing of design and operating effectiveness of the internal controls and substantive testing as follows :</p> <ul style="list-style-type: none"> ● Selected a sample of contracts and performed a retrospective review of efforts incurred with estimated efforts to identify significant variances and verify whether those variations have been considered in estimating the remaining efforts to complete the contract. ● Performed analytical procedures and test of details for reasonableness of incurred and estimated efforts.
<p>b. Evaluation of Uncertain Tax Positions</p>	
<p>The company has material uncertain tax positions including matters under disputes which involves significant judgement to determine the possible outcome of these disputes,</p> <p>Refer Note No. (27) of the financial statements</p>	<ul style="list-style-type: none"> ● We obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. ● We discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions and; ● Assessed management's estimate to the possible outcome of the disputed cases.



Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone 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 of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient

and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonable ness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

1. As required by the Companies (Auditor's Report) Order, 2016 ("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", a statement of the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 purposes of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
 - e) on the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 and to our best of our information and according to the explanations given to us:-
 - a. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 27 to the financial statements.
 - b. The Company does not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2019.

FOR Arunkumar .K.Shah & Co
Chartered Accountants
Firm Reg. No: 126935W
(Arunkumar.K.Shah)
Proprietor
Membership No: 034606

Mumbai
Dated: 9th May, 2019



Annexure “A” to the Independent Auditor’s Report

Re: Baba Arts Limited

The Annexure referred to in our Independent Auditor’s Report to the members of the company on the standalone Ind AS financial statements for the year ended 31st March 2019, we report that :-

1. (a) The Company has maintained proper records to show full particulars including quantitative details and situation of its 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. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. 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.
3. 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.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of loans given. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 of the Act.
5. The company has not accepted the deposits from public as per the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
6. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act for any activities of the Company.
7. (a) In our opinion and according to explanation given to us the company is regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income-tax, goods and service tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.
- (b) There is no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (c) 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, gst, excise duty, custom duty, and cess as at March 31, 2019 which have not been deposited on account of any dispute. The particulars of dues of value added tax and service tax as at March 31, 2019 which has not been deposited on account of dispute is as follows :-

Name of Statute	Nature of Dues	Amount in Rs.	Period to which amount relates	From where the dispute is pending
Maharashtra Value Added Tax	Sales Tax	18,84,486	2010-11	Sales Tax Appellate Tribunal
Maharashtra Value Added Tax	Sales Tax	22,57,532	2011-12	Jt. Commissioner of Sales Tax
Maharashtra Value Added Tax	Sales Tax	2,853	2013-14	Commissioner of Sales Tax
Service Tax Act	Service Tax	7,64,70,058	2011-15	Appeal before CESTAT

8. As per the Information & explanation given to us, the company has not borrowed money from banks/financial institutions nor issued any debentures and hence the question of default in repayment of dues does not arise. Accordingly, clause (viii) of paragraph 3 of the Order is not applicable.
9. 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, clause (ix) of paragraph 3 of the Order is not applicable.

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10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not paid/provided for managerial remuneration.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, clause (xii) of paragraph 3 of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of paragraph 3 of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

FOR Arunkumar .K.Shah & Co
Chartered Accountants
Firm Reg. No: 126935W

(Arunkumar.K.Shah)
Proprietor
Membership No: 034606

Mumbai
Dated: 9th May, 2019



Annexure “B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of BABA ARTS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

I have audited the internal financial controls over financial reporting of **BABA ARTS LIMITED** (“the Company”) as of March 31, 2019 in conjunction with my audit of the 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”. 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 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

My responsibility is to express an opinion on the Company’s internal financial controls over

Financial reporting based on my audit. I 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, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

My 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 auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 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.

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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 my 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 March 31, 2019 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 Accountant of India.

FOR Arunkumak.K.Shah & Co

Chartered Accountants
Firm Reg. No: 126935W

(Arunkumar. K.Shah)

Proprietor

Membership No: 034606

Mumbai

Dated: 9th May, 2019



BALANCE SHEET AS AT 31ST MARCH, 2019

(Rs. In Thousands)

Particulars	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	3	15,027.59	15,649.30
(b) Financial Assets			
(i) Investment	4	2.50	2.50
(ii) Other Financial Assets	5	35.16	35.16
(c) Income Taxes (Net)	6	5,135.24	21,508.35
(d) Deferred Tax Assets	17	3,599.58	1,096.58
Total Non Current Assets		23,800.07	38,291.89
Current Assets			
(a) Inventories		-	-
(b) Financial Assets			
(i) Trade Receivables	7	321.56	5,799.62
(ii) Cash and Cash Equivalent	8	6,412.02	8,384.65
(iii) Other Bank Balances with Banks	9	42,803.78	72,833.71
(iv) Loans	10	70,500.00	46,000.00
(v) Other Financial Assets	11	1,553.83	1,547.27
(c) Other Current Assets	12	22,936.64	17,129.70
Total Current Assets		144,527.83	151,694.95
TOTAL ASSETS		168,327.90	189,986.84
EQUITY AND LIABILITIES			
Equity			
(a) Share Capital	13	52,500.00	60,018.30
(b) Other Equity	14	108,842.07	123,158.60
		161,342.07	183,176.90
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
i) Other Financial Liabilities	15	561.97	565.16
ii) Employee Benefit Obligation	16	582.17	403.90
iii) Deferred Tax Liabilities	17	1,613.62	145.01
Total Non Current Liabilities		2,757.76	1,114.07
Current Liabilities			
(a) Financial Liabilities			
(i) Trade and Other Payables	18	3,382.35	3,151.19
(ii) Other Financial Liabilities	19	32.82	32.82
(b) Employee Benefit Obligation	16	507.69	475.96
(c) Other Current Liabilities	20	305.21	2,035.90
Total Current Liabilities		4,228.07	5,695.87
TOTAL EQUITY AND LIABILITIES		168,327.90	189,986.84

Significant accounting policies and notes on financial statements

1 To 40

As per our Report of even date
For Arunkumar K Shah & Co
Chartered Accountants
Firm Registration No 126935W

Arunkumar K. Shah
Proprietor
Membership No 34606

Place : Mumbai
Date : 9th May, 2019

For and on behalf of the Board of Directors

Gordhan P. Tanwani
Chairman & Managing Director
[DIN : 00040942]

Sanjiv L. Hinduja
Director
[DIN : 00040858]

N.H.Mankad
Company Secretary
ACS : 2996

Place : Mumbai
Date : 9th May, 2019

Malavika A. Acharya
Director
[DIN : 07007469]

Ajay D Acharya
Chief Financial Officer

Santosh A. Shah
Director
[DIN : 01259840]

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STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2019

(Rs. In Thousands)

Particulars	Note	Year Ended March 31,2019	Year Ended March 31,2018
I Revenue from Operations	21	8,725.01	14,107.62
I Other Income	22	14,975.64	11,650.97
III TOTAL INCOME		23,700.65	25,758.59
IV Expenses			
(a) Cost of Materials Consumed		-	-
(b) Purchase of Stock in Trade		-	-
(c) Changes in Inventories of Finished Goods, WIP and Stock-in-Trade	23	-	5,400.00
(d) Employee Benefit Expenses	24	3,025.24	3,069.23
(e) Other Expenses	25	4,346.75	6,692.22
(f) Finance Costs	26	35.73	107.69
(g) Depreciation and Amortisation Expenses	3	545.11	1,004.87
TOTAL EXPENSES		7,952.83	16,274.01
V PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX(III-IV)		15,747.82	9,484.58
VI Exceptional items		-	-
VII PROFIT BEFORE TAX(V-VI)		15,747.82	9,484.58
VIII Tax Expense			
Current Tax		2,830.22	893.85
Mat Credit Entitlement		(2,437.80)	(867.82)
Prior Year Short Provision of Tax		0.32	66.67
Deferred Tax Liability/(Asset)		1,429.43	(913.13)
TOTAL TAX EXPENSE		1,822.17	(820.42)
IX PROFIT FOR THE YEAR AFTER TAX (VII-VIII)		13,925.65	10,305.00
X OTHER COMPREHENSIVE INCOME			
(A) (i) Items that will not be reclassified subsequently to the statement of profit and loss			
(a) Remeasurement of defined employee benefit plans		(59.33)	57.28
(b) Income tax on items that will not be reclassified subsequently to the statement of profit and loss		15.43	(14.89)
TOTAL OTHER COMPREHENSIVE INCOME/(LOSSES)		(43.90)	42.39
XI TOTAL COMPREHENSIVE INCOME OF THE YEAR		13,881.75	10,347.39
XII Earning Per Equity Share:-Basic		0.234	0.146
Earning Per Equity Share:-Diluted		0.234	0.146
(Face value of Re. 1/- each)			
XIII Significant accounting policies and notes on financial statements	1 to 40		

As per our Report of even date
For Arunkumar K Shah & Co
 Chartered Accountants
 Firm Registration No 126935W

For and on behalf of the Board of Directors

Gordhan P. Tanwani
 Chairman & Managing Director
 [DIN : 00040942]

Arunkumar K. Shah
 Proprietor
 Membership No 34606

Sanjiv L. Hinduja
 Director
 [DIN : 00040858]

Malavika A. Acharya
 Director
 [DIN : 07007469]

Santosh A. Shah
 Director
 [DIN : 01259840]

N.H.Mankad
 Company Secretary
 ACS : 2996

Ajay D Acharya
 Chief Financial Officer

Place : Mumbai
Date : 9th May, 2019

Place : Mumbai
Date : 9th May, 2019



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs. In Thousands)

PARTICULARS	2018-19 Amount Rs.	2017-18 Amount Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit / (Loss) before Tax and Extraordinary items	15,747.84	9,484.58
Adjustment for :		
Depreciation	545.11	1,004.87
Profit on sale of Fixed Asset	(202.05)	
Interest Income	(13,515.37)	(11,100.33)
Rental Income	(1,200.00)	(550.00)
Dividend Income	(0.28)	(0.28)
Impact of Reclassification of Actuarial Loss on Employee Benefits	(59.33)	57.28
Provision for Doubtful Debts	(56.27)	128.93
Interest Paid	35.73	107.69
	<u>(14,452.46)</u>	<u>(10,351.83)</u>
Operating profit before working capital changes	1,295.38	(867.26)
Changes in Working Capital (Excluding Cash & Cash Equivalent)		
Adjustment for :		
Sundry Debtors	5,534.32	(5,462.71)
Inventories	-	5,400.00
Other loans & Advances	(5,817.54)	1,171.97
Current Liabilities & Provisions	(1,292.72)	2,050.19
	<u>(1,575.94)</u>	<u>3,159.46</u>
Cash used in operations	(280.55)	2,292.20
Taxes paid (Net of refund)	13,542.57	2,168.74
NET CASH FLOW FROM OPERATING ACTIVITIES	<u>13,262.02</u>	<u>4,460.94</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(38.98)	-
Sale of Fixed Assets	317.63	-
Fixed Deposits Matured/(Invested)	30,029.93	(72,833.71)
Loans Given/(Repaid)	(24,500.00)	14,000.00
Interest Received	13,508.80	10,730.68
Rent Received	1,200.00	550.00
Dividend Received	0.28	0.28
NET CASH FLOW FROM INVESTING ACTIVITIES	<u>20,517.65</u>	<u>(47,552.75)</u>

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(Rs. In Thousands)

PARTICULARS	2018-19 Amount Rs.	2017-18 Amount Rs.
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Buyback of Share Capital	(7,518.30)	(17,381.70)
Premium paid on Buyback of Share Capital	(26,314.05)	(34,763.40)
Buyback Expenses	(1,884)	(2,109)
Interest Paid	(35.73)	(107.69)
NET CASH USED IN FINANCING ACTIVITIES	(35,752.30)	(54,361.78)
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	(1,972.63)	(97,453.59)
Cash and Cash equivalents at beginning of the year	8,384.66	105,838.24
Cash and Cash equivalents at end of the year	6,412.03	8,384.66
Net Increase/ (Decrease) in Cash & Cash Equivalent	(1,972.63)	(97,453.59)

Note:

- 1 The above cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard - 7 - Cash Flow Statement
- 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 Arunkumar K Shah & Co
 Chartered Accountants
 Firm Registration No 126935W

For and on behalf of the Board of Directors

Gordhan P. Tanwani
 Chairman & Managing Director
 [DIN : 00040942]

Arunkumar K. Shah
 Proprietor
 Membership No 34606

Sanjiv L. Hinduja
 Director
 [DIN : 00040858]

Malavika A. Acharya
 Director
 [DIN : 07007469]

Santosh A. Shah
 Director
 [DIN : 01259840]

N.H.Mankad
 Company Secretary
 ACS : 2996

Ajay D Acharya
 Chief Financial Officer

Place : Mumbai
Date : 9th May, 2019

Place : Mumbai
Date : 9th May, 2019



STATEMENT OF CHANGES IN EQUITY

Particulars	Equity	Other Equity				Total Other Equity (B)	Total (A+B)
	Share Capital (A)	Securities premium	Capital Redemption Reserve	General Reserve	Retained Earnings		
Balance as at April 1,2017	77,400	20,243	25,800	11,000	92,640	1,49,684	2,27,084
Buyback of shares	(17,382)	(20,243)	-	-	(14,520)	(34,763)	(52,145)
Profit for the year	-	-	-	-	10,305	10,305	10,305
Other comprehensive income	-	-	-	-	42	42	42
Total comprehensive income	60,018	-	25,800	11,000	88,468	1,25,268	1,85,286
Transfer of profits to Capital Redemption Reserve	-	-	17,382	-	(17,382)	-	-
Buyback Expenses	-	-	-	-	(2,109)	(2,109)	(2,109)
Realised loss on equity shares carried at fair value through OCI	-	-	-	-	-	-	-
Balance as at March 31,2018	60,018	-	43,182	11,000	68,977	123,159	1,83,177
Balance as at April 1,2018	60,018	-	43,182	11,000	68,977	123,159	1,83,177
Buyback of shares	(7,518)	-	-	-	-	-	(7,518)
Profit for the year	-	-	-	-	13,926	13,926	13,926
Other comprehensive income	-	-	-	-	(44)	(44)	(44)
Total comprehensive income	52,500	-	43,182	11,000	82,859	137,040	1,89,540
Transfer of profits to Capital Redemption Reserve	-	-	7,518	-	(7,518)	-	-
Transfer of profits to Premium on Buy Back	-	-	-	-	(26,314)	(26,314)	(26,314)
Buyback Expenses	-	-	-	-	(1,884)	(1,884)	(1,884)
Realised gain on equity shares carried at fair value through OCI	-	-	-	-	-	-	-
Balance as at March 31 ,2019	52,500	-	50,700	11,000	47,142	1,08,842	1,61,342

Nature and Purpose of Reserves

- Securities Premium** : Securities premium arises on issue of shares at premium. The reserves are utilised in accordance with the provisions of section 52 of the Companies Act, 2013.
- Capital Redemption Reserve:** Reserve is created when company purchases its own shares out of Free Reserves or Securities Premium. A sum equal to the nominal value of the shares so purchased is transferred to this reserve. The reserve is utilized in accordance with the provisions of section 69 of Companies Act, 2013
- General Reserve:** General Reserve is created by a transfer of profits from retained earnings for appropriation purpose. It is a free reserve.

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Note 1: Corporate Information

The Company is promoted by Shri Gordhan P. Tanwani and is in the business of Cinematic and Television Content Production and Distribution, Trading in Intellectual Property Rights of Films and Post Production Activities.

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

The Board of Directors of the Company approved the financial statements for the year ended March 31, 2019 and authorized for issue on May 9, 2019.

Note 2: SIGNIFICANT ACCOUNTING POLICIES

(i) (a) Basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

(b) Use of estimates

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected. Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note no:(ix)

Provisions and contingent liabilities

A provision is recognized when the Company has a present obligation as a result of past event and it is probable than an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) 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 adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

(ii) Revenue Recognition

The Company earns revenue primarily from Cinematic and Television Content Production and Distribution, Trading in Intellectual Property Rights of Films and Post Production activities.

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The comparative information of previous year continues to be reported under Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Company is Nil.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.



Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Rental Income is recognized as and when the right to receive has been established as per contracted terms.

Interest income is recognized using the effective interest method.

Dividend income is recognized when the right to receive payment is established.

(iii) Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

(iv) Foreign Currency Loans/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 denominated monetary assets and liabilities are converted into rupee at the exchange rate prevailing on the balance sheet date; gains/ losses are reflected in the statement of profit and loss. Non-Monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

(v) Employee Benefits

Short Term Employee Benefits

Short term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

Long Term Employee Benefits

The liability towards gratuity and leave encashment is not funded. The present value of these defined benefit obligations are ascertained by an independent actuarial valuation as per the requirement of IND AS 19- Employee Benefits. The liability recognized in the balance sheet is the present value of the defined benefit obligations on the balance sheet date, together with adjustments for unrecognized past service costs. Gains and losses through re-measurements of net defined benefit liability/(asset) are recognized in other comprehensive income. The effects of any plan amendments are recognized in the Statement of Profit & Loss.

(vi) Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment loss, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

Advances paid towards the acquisition of property, plant & equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and cost of assets not put to use before such date are disclosed under Capital work-in-progress. Subsequent expenditure relating to property, plant & equipment is capitalized only when it is probable that future economic benefit associate with this will flow to the company and the cost of item can be measured reliably. Repairs and maintenance cost are recognized in statement of profit & loss when incurred. The cost and related accumulated depreciation are eliminated from financial statement upon sale or retirement of the asset and resultant gains and losses are recognized in the statement of profit & loss. Assets to be disposed off are reported at lower of carrying value or fair value less cost to sell.

Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives based on evaluation. The estimated useful lives of property, plant & equipment is taken as prescribed under Schedule II of the Companies Act, 2013. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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Cost excludes GST Input Tax Credit, Cenvat credit, Sales Tax and Service Tax credit, Custom Duty entitlement and such other levies / taxes. Depreciation on such assets is claimed on 'reduced' cost.

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

(vii) Impairment

a. Financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

b. Non Financial assets

Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit and loss.

(viii) 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 amortized 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.



(ix) Income Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognized in statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

Current Income Taxes

Income tax expense is the aggregate amount of Current tax. Current tax is the amount of Income Tax determined to be payable in respect of the taxable income for an accounting period or computed on the basis of the provisions of Section 115JB of Income Tax Act, 1961 by way of minimum alternate tax (MAT) at the prescribed percentage on the adjusted book profits of a year, when Income Tax liability under the normal method of tax payable basis works out either a lower amount or nil amount compared to the tax liability u/s 115 JB.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction.

Deferred Income Taxes

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

The Company recognizes interest levied and penalties related to income tax assessments in interest expenses.

(x) Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash & Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets. The Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss.

Financial liabilities

Trade Payables & Other Current Liabilities

For trade payables and other payables maturing within one year from the balance sheet date, carrying amounts approximate fair value due to short maturity of these instruments.

Security Deposit

Under the previous GAAP, interest free Security Deposit (that are refundable in cash) are recorded at their transaction value. Under the Ind AS all financial assets are required to be recognized at fair value. Accordingly, the Company has fair valued these Security Deposits under Ind AS. Difference between the fair value and the transaction value of Security Deposit has been recognized as Deferred rent income. Deferred rent is recognized as income over period of deposit with corresponding recognition of interest expenses on the outstanding amount.

(xi) Earnings per Share

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

(xii) Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(xiii) Service Tax / Goods and Services Tax

Service Tax / Goods and Services Tax (GST) liability is accounted on accrual basis. The Company is accounting liability for service tax / GST 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/ GST is claimed as per appropriate laws, rules and regulations.

(xiv) Recent Indian Accounting Standards (IND AS)

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from April 1, 2019:

- a) IND AS-116 Leases – This standard will replace the earlier standard IND AS 17. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognizes right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The Company will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019.



- b) IND AS-12 Income Taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments) – The Company doesn't expect any impact from the pronouncement of dividend. The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax loss es, unused tax credits and tax rates would depend upon the probability.
- c) IND AS 109 Prepayment Features with Negative Compensation - The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.
- d) IND AS 19 Plan Amendment, Curtailment or Settlement - The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re- measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.
- e) IND AS 23 Borrowing Costs - The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company has no borrowing hence expects no impact from this amendment.
- f) IND AS 28 Long-term Interests in Associates and Joint Ventures - The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company has no Long-term interest in Associate/Joint Ventures.
- g) IND AS 103 Business Combinations and IND AS 111 Joint Arrangements - The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. There is no Business Combinations nor Joint arrangements hence the Company expects no Impact from this amendment.

The adoption of these new and revised standards has no material impact on the Company's accounting policies and disclosures.

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NOTE NO 3 : PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment consist of the following: (All amount in Rupees Thousand, unless otherwise stated)

Description	Office Premises	Plant and Machinery	Furniture and Fixtures	Office Equipment	Motor Car	Total
Gross Carrying amount						
Cost/Deemed cost as at April 1,2018	15,728.79	391.99	123.65	276.81	1,419.58	17,940.82
Additions	-	-	-	38.98	-	38.98
Disposals	-	-	-	-	859.27	859.27
Cost/Deemed cost as at Mar 31,2019	15,728.79	391.99	123.65	315.79	560.31	17,120.53
Accumulated depreciation as at April 1,2018	(659.19)	(283.82)	(115.61)	(146.24)	(1,086.66)	(2,291.52)
Depreciation for the period	(329.60)	(13.59)	(1.86)	(61.74)	(138.32)	(545.11)
Disposals	-	-	-	-	(743.68)	(743.68)
Accumulated depreciation as at Mar 31,2019	(988.79)	(297.41)	(117.47)	(207.98)	(481.30)	(2,092.94)
Net carrying amount as at Mar 31,2019	14,751.01	94.58	6.18	107.81	79.01	15,027.59

Description	Office Premises	Plant and machinery	Furniture and fixtures	Office equipment	Motor car	Total
Gross Carrying amount						
Cost/Deemed cost as at April 1,2017	15,728.79	391.99	123.65	276.81	1,419.58	17,940.82
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Cost/Deemed cost as at March 31,2018	15,728.79	391.99	123.65	276.81	1,419.58	17,940.82
Accumulated depreciation as at April 1,2017	(329.60)	(254.48)	(84.35)	(74.90)	(543.33)	(1,286.65)
Depreciation for the year	(329.60)	(29.34)	(31.26)	(71.34)	(543.34)	(1,004.87)
Disposals	-	-	-	-	-	-
Accumulated depreciation as at March 31,2018	(659.19)	(283.82)	(115.61)	(146.24)	(1,086.66)	(2,291.52)
Net carrying amount as at March 31,2018	15,080.60	108.17	8.04	130.57	332.92	15,649.30
Net carrying amount as at April 1,2017	15,399.20	137.51	39.30	201.91	876.25	16,654.17



(All amount in Rupees Thousand, unless otherwise stated)

Particulars	31st March , 2019	31st March , 2018
Note 4 : Investments		
Investments consists of the following		
(I) Investments - Non-Current		
(A) Un Quoted Investments		
Investment carried at fair value through Profit and Loss account		
(a) Equity shares		
Fully paid up Equity Shares (unquoted)		
100 Equity Shares of Rs.25/- each of Punjab & Maharashtra Coop. Bank Ltd.	2.50	2.50
* Fair Value is equal to the carrying value		
Total - Non Current Investments	2.50	2.50
<hr/>		
Particulars	31st March , 2019	31st March , 2018
Note 5 : Other Financial Assets		
Security Deposits		
To Others	35.16	35.16
	35.16	35.16
<hr/>		
Particulars	31st March , 2019	31st March , 2018
Note 6 : Income Tax Assets(Net)		
Advance Income Tax (Net of Provisions)	4,456.65	20,447.45
Advance Income Tax Current Year (Net of Provisions)	678.59	1,060.90
	5,135.24	21,508.35
<hr/>		
The reconciliation of estimated income tax expenses at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:		
Particulars	2019	2018
Profit before income taxes	15,747.82	9,484.58
Indian Statutory Income Tax Rate	26.00%	25.75%
Expected income tax expenses	4,094.43	2,442.28
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Income exempt from tax	(0.07)	(0.07)
Tax on income at different rates	2,830.23	893.85
Brought forward losses	(1,264.13)	(1,548.35)
	2,830.23	893.85

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(All amount in Rupees Thousand, unless otherwise stated)

Particulars	31st March , 2019	31st March , 2018
Note 7 : Trade Receivables		
Unsecured, Considered Good		
Other Receivables	321.56	5,799.62
Unsecured, Considered Doubtful		
Credit Impaired	10,626.90	10,683.17
Less : Provision for doubtful debts	(10,626.90)	(10,683.17)
	<u>321.56</u>	<u>5,799.62</u>

In determining the allowances for doubtful trade receivables the company has used a practical expedient by computing the expected credit loss allowance (ECL) for trade receivables based on a provision matrix. The ECL is based on ageing of the receivables that are due.

Trade Receivables which have significant increase in Credit Risk -	NIL	NIL
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Particulars	31st March , 2019	31st March , 2018
Note 8 : Cash and Cash Equivalent		
Cash on hand	53.56	22.81
Balances with banks :		
In Current Accounts	6,358.46	8,361.84
	<u>6,412.02</u>	<u>8,384.65</u>

Particulars	31st March , 2019	31st March , 2018
Note 9 : Other Balances with Bank		
In Fixed Deposit with Bank (having maturities more than 3 months)	42,803.78	72,833.71
	<u>42,803.78</u>	<u>72,833.71</u>

Particulars	31st March , 2019	31st March , 2018
Note 10 : Loans Receivables		
Unsecured, considered good		
Others	70,500.00	46,000.00
(Loans Receivables which have significant increase in Credit Risk)	Nil	Nil
	<u>70,500.00</u>	<u>46,000.00</u>

Particulars	31st March , 2019	31st March , 2018
Note 11 : Other Financial Assets		
Interest accrued on Fixed Deposit	665.14	972.50
Interest accrued on Loan	741.21	574.77
Interest Receivable on IT Refund	147.48	-
	<u>1,553.83</u>	<u>1,547.27</u>



(All amount in Rupees Thousand, unless otherwise stated)

Particulars	31st March , 2019	31st March , 2018
Note 12 : Other Current Assets		
Unsecured, considered good		
Advances to Suppliers	12,500.00	12,516.17
Indirect Taxes Receivables	10,418.63	4,571.69
		-
Prepaid Expenses	18.01	41.84
Unsecured, considered Doubtful		
Advances to Suppliers	157.62	157.62
Less: Provision for doubtful advances	(157.62)	(157.62)
	22,936.64	17,129.70

Particulars	31st March , 2019	31st March , 2018
Note 13 : Share Capital		
a) Authorised :		
30,00,00,000 equity shares of Re.1/- each (Previous Year 30,00,00,000 equity shares of Re.1/- each)	300,000.00	300,000.00
	300,000.00	300,000.00
b) Issued, Subscribed and Fully Paid up :		
5,25,00,000 equity shares of Re.1/- each (Previous Year 6,00,18,300 equity shares of Re.1/- each)	52,500.00	60,018.30
	52,500.00	60,018.30

Notes:

- 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.
- 4) 2,58,00,000 equity shares of Re. 1/- each were bought back at price of Rs. 3.00/- per share and extinguished on 29th July, 2016.
- 5) 1,73,81,700 equity shares of Re. 1/- each were bought back at price of Rs. 3.00/- per share and extinguished on 08th November, 2017.
- 6) 75,18,300 equity shares of Re. 1/- each were bought back at price of Rs. 4.50/- per share and extinguished on 11th March, 2019.

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Details of shareholder holding more than 5% shares: (All amount in Rupees Thousand, unless otherwise stated)

Particulars	31st March , 2019	31st March , 2018
Equity shares with voting rights Shri Gordhan P Tanwani	39,200.00	44,356.88
	74.67	73.91

The Reconciliation of the number of shares outstanding is set out below:

Particulars		
	2019	2018
	Number of shares held	Number of shares held
Equity Shares at the beginning of the year	60,018,300	77,400,000
Add: Shares issued during the year	-	-
Less: Shares bought back	7,518,300	17,381,700
Equity Shares at the end of the year	52,500,000	60,018,300

Terms & Rights attached to equity shares

The Company has only one class of equity shares having a par value of Re. 1/- per share.

Each shareholder is eligible for one vote per share held.

In the event of liquidation of the Company the holders of the equity shares will be entitled to receive the remaining assets of the company in proportion to the number of equity shares held.

Particulars	31st March , 2019	31st March , 2018
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Note 14 : Other Equity

(a) Capital Redemption Reserve :

At the beginning of the year	43,181.70	25,800.00
Add : Addition for the year	7,518.30	17,381.70
At the end of the year	50,700.00	43,181.70

(b) Securities Premium :

At the beginning of the year	-	20,243.27
Addition during the year	-	-
Less : Utilization During the Year (Buy-Back of Shares)	-	(20,243.27)
At the end of the year	-	-

(c) General Reserve:

At the beginning of the year	11,000.00	11,000.00
Addition during the year	-	-
At the end of the year	11,000.00	11,000.00

(d) Retained Earnings

At the beginning of the year	68,976.90	92,640.32
Add : Profit for the year	13,925.65	10,305.00
Add : Other Comprehensive income	(43.91)	42.39
Less: Premium on Buy Back of Shares	(26,314.05)	(14,520.13)
Less: Buyback Expenses	(1,884.22)	(2,108.98)
Less: Trf to Capital Redemption Reserve	(7,518.30)	(17,381.70)
At the end of the year	47,142.07	68,976.90
	108,842.07	123,158.60



(All amount in Rupees Thousand, unless otherwise stated)

Particulars	31st March , 2019	31st March , 2018
Note 15 : Other Financial Liabilities		
- Non Current Liabilities		
Rental Security Deposit	478.51	448.88
Deferred Rent Income	83.46	116.28
	<u>561.97</u>	<u>565.16</u>
Note 16 : Employee Benefit Obligation		
- Non Current Liabilities		
Provision for gratuity	582.17	403.90
	<u>582.17</u>	<u>403.90</u>
- Current Liabilities		
Provision for gratuity	507.69	475.96
	<u>507.69</u>	<u>475.96</u>
Note 17 : Deferred Tax liabilities/(Assets)		
A) Tax Effect of items constituting deferred tax liabilities		
Relating to Fixed Assets	1,613.62	145.01
B) Tax effects of items constituting deferred tax assets		
MAT Credit Entitlement	(3,316.22)	(867.82)
Relating to Employee Benefit Expenses	(283.36)	(228.76)
	<u>(1,985.97)</u>	<u>(951.57)</u>

The Company has not recognised deferred tax assets in respect of Unabsorbed Losses .

Particulars	31st March , 2019	31st March , 2018
Note 18 : Trade Payables		
- Current Liabilities		
Dues to Micro, Small Enterprises	-	-
Dues to Creditors other than Micro Enterprises & Small Enterprises	3,382.35	3,151.19
	<u>3,382.35</u>	<u>3,151.19</u>

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 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).

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(All amount in Rupees Thousand, unless otherwise stated)

Particulars	31st March , 2019	31st March , 2018
Note 19 : Other Financial Liabilities		
(i) Other current financial liabilities		
Deferred Rental Income (Current portion)	32.82	32.82
	32.82	32.82

Particulars	31st March , 2019	31st March , 2018
Note 20 : Other Current Liabilities		
Statutory Remittances (Contributions to PF and ESIC, Withholding Taxes,GST, TDS, Excise Duty,VAT, Service Tax, etc.)		
	71.20	1,563.02
Provision for Other Expenses	234.01	472.88
	305.21	2,035.90

Particulars	31st March , 2019	31st March , 2018
Note 21 : Revenue From Operations		
Income from Post Production Activity	1,158.68	1,607.62
Income from Sale/ Royalty/Commission on Film Rights	7,566.33	12,500.00
	8,725.01	14,107.62

Particulars	31st March , 2019	31st March , 2018
Note 22 : Other Income		
Interest Income	13,515.36	11,100.33
Rent Income	1,200.00	550.00
Miscellaneous Income	57.95	0.36
Profit on Sale of Motor Car	202.05	-
Dividend on Long Term Investment	0.28	0.28
	14,975.64	11,650.97

Interest income		
i) Interest Recieved on FD	4,444.79	4,851.37
ii) Notional Interest Income - Security Deposit	32.82	15.02
iii) Interest Received on IT Refund	3,463.18	833.14
iv) Interest on Loans and Advances	5,574.57	5,400.80
	13,515.36	11,100.33



(All amount in Rupees Thousand, unless otherwise stated)

Particulars	31st March , 2019	31st March , 2018
Note 23 : Changes in Inventories of Finished Goods, Work-in-progress, Traded Goods		
<u>Inventories at the end of the year:</u>		
Own film IPR	-	-
Trading film IPR	-	-
Under Production Film	-	-
	-	-
<u>Inventories at the beginning of the year:</u>		
Own film IPR	-	-
Trading film IPR	-	5,400.00
Under Production Film	-	-
	-	5,400.00
(Increase) / Decrease in Inventories	-	5,400.00
	-	5,400.00

Particulars	31st March , 2019	31st March , 2018
Note 24 : Employee Benefit Expenses		
Salaries and Wages	2,715.15	2,642.78
Contributions to Provident and other Funds	228.80	196.12
Staff Welfare Expenses	81.29	230.33
	3,025.24	3,069.23
	3,025.24	3,069.23

Particulars	31st March , 2019	31st March , 2018
Liability for employee benefits has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the IND AS 19 the details of which are as follows:		
a) Gratuity		
Present Value of Funded Obligations	NIL	NIL
Present Value of Unfunded Obligations	1,089.86	879.86
Fair Value of Plan Assets (managed by insurer)	NIL	NIL
Net Liability	1,089.86	879.86
Amounts in Balance Sheet		
Liability	1,089.86	879.86
Assets	NIL	NIL
Net Liability	1,089.86	879.86
	1,089.86	879.86

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(All amount in Rupees Thousand, unless otherwise stated)

Particulars	31st March , 2019	31st March , 2018
Expenses to be recognised in the Statement of profit & loss		
Current Service Cost	98.68	109.55
Interest on Defined Benefit Obligation	51.99	39.88
Expected Return on Plan Assets	-	-
Net Actuarial Losses/(Gains) Recognised in Year	-	(57.28)
Total, included in “Employee Benefit Expense”	150.67	92.15
Actual Return on Plan Assets	-	-
Remeasurement of the net defined benefit liability/(asset):		
Remeasurements- Due to financial assumptions	56.71	(79.63)
Remeasurements- Due to Experience adjustments	2.62	22.35
Benefits Paid	-	-
Total Remeasurement in Other Comprehensive Income	59.33	(57.28)
Principal Actuarial Assumptions (Expressed as Weighted Averages)		
Discount Rate (p.a.)	7.45%	8.10%
Expected Rate of Return on Assets (p.a.)	N.A	N.A
Salary Escalation Rate (p.a.)	8.00%	8.00%

Sensitivity Analysis:

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the change in defined benefit obligation and impact in percentage terms compared with the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

	Period Ended 31-Mar-19	
	Discount Rate	Salary Escalation Rate
Defined benefit obligation on increase in 50 bps	1045.512	1139.087
Impact of increase in 50 bps on DBO	-4.07%	4.52%
Defined benefit obligation on decrease in 50 bps	1139.597	1045.532
Impact of decrease in 50 bps on DBO	4.56%	-4.07%

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.



(All amount in Rupees Thousand, unless otherwise stated)

Particulars	31st March , 2019	31st March , 2018
Note 25 : Other Expenses		
<u>Operating Expenses</u>		
Electricity Expenses	412.78	411.55
Professional & Technical Fees	619.38	610.11
Sub-total (A)	1,032.16	1,021.66
<u>Selling and Distribution Expenses</u>		
Advertisement Expenses	74.97	97.69
Provision for Doubtful Debts/Advances	(56.27)	128.93
Bad Debts Written Off	56.27	1,290.00
Other Selling Expenses	0.67	1.00
Sub-total (B)	75.64	1,517.62
<u>Administrative Expenses</u>		
Communication Expenses	97.96	132.80
Directors' Sitting Fee	440.00	463.50
Insurance Charges	54.99	59.08
Legal , Professional & Consultancy Charges	769.54	709.63
Office Expenses	53.24	119.44
Postage & Telegram Expenses	8.08	63.00
Printing & Stationery	58.43	78.79
Rates & Taxes	26.85	684.95
Municipal Taxes	749.75	562.31
Repairs & Maintenance to Building	294.65	489.95
Repairs & Maintenance to others	145.08	134.21
Listing Fee	250.00	250.00
Other Expenses	111.67	187.82
Travelling & Conveyance Expenses	78.71	117.46
Payment to Auditors - Audit Fees	80.00	80.00
- Other Matters	20.00	20.00
Sub-total (C)	3,238.95	4,152.94
(A) + (B)+ (C)	4,346.75	6,692.22
Note 26 : Finance costs		
Other Interest	0.32	82.72
<u>Other Borrowing Cost:</u>		
Unwinding of Discount relating to Long term Liabilities	29.63	13.00
Bank Charges	5.78	11.97
	35.73	107.69

OTHER NOTES TO ACCOUNTS

27. 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.18,84,486/- 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 had filed an appeal against the said order before the Jt. Commissioner of Sales Tax, Mumbai. However, subsequently the Company has paid Sales Tax of Rs. 4,56,355/- and interest of Rs. 62,930/- against the said demand under Amnesty Scheme announced by the Sales Tax Department. Interest of Rs. 1,88,247- is waived by the department under the Amnesty Scheme. Accordingly the Company has withdrawn appeal for part demand of Rs. 7,07,532/- and appeal for balance amount of Rs. 15,50,000/-is continued and the Company 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 an amount of Rs.2,33,460/- with the Sales Tax Department.

- iii) Demand of Rs. 2,853/- (including interest of Rs. 1,853/-) towards MVAT for the year 2013-14 raised by the Dy. Commissioner of Sales Tax, Mumbai on account of disallowance of input tax credit of Rs. 23,21,351/-. As per VAT return for the year 2013-14 filed by the Company there was a refund of Rs. 23,22,304/-, however due to disallowance of input tax credit of Rs. 23,21,351/- by the Dy. Commissioner of Sales Tax an amount of Rs. 1,000/- is determined as payable and with interest of Rs. 1853/- the total demand is of Rs. 2,853/-. The Company has filed an appeal before the Commissioner of Sales Tax, Mumbai against the said order of Dy. Commissioner of Sales Tax and the Company is confident that the demand of Rs. 2,853/- will be withdrawn and there will be no liability towards the same. In the meantime after the date of these financial statements the Company has paid full amount of Rs. 2,853/- to the Sales Tax Department.

B. Service Tax

The Company had received show cause cum demand notice in respect of FY 2011-12 to 2014-15 for an amount of Rs. 7,64,70,058/- plus appropriate interest and penalty from Dy. Commissioner of Service Tax, Mumbai VI.

The Company had replied to the said show cause cum demand notice and contested the said demand before the Commissioner of Service Tax, Mumbai VI. The Commissioner of Service Tax Mumbai VI has confirmed the said demand vide his order dated 28/02/2018 issued on 14/03/2018 and the Company has filed an appeal before CESTAT, Mumbai against the said order of the Commissioner of Service Tax and is confident that the said demand will be withdrawn as such the Company does not expect any liability on this account.

Note: Considering the nature of disputes and dependency on decisions pending with various forums, it is not practicable for the Company to estimate the timing of cash outflows at this stage with respect to the above contingent liabilities.

28. Remuneration to Directors:

Remuneration paid during the year ended 31st March, 2019 to Chairman & Managing Director Rs. Nil (P.Y. Rs. Nil).

Sitting Fees paid to Non- Executive/ Independent Directors –

Remuneration	2018-19 Rs.	2017-18 Rs.
Sitting Fees	4,40,000	4,50,000

29. Earnings and Expenditure in Foreign Currency

Earning in Foreign Currency - Rs. Nil (P.Y. Rs. Nil)

Expenditure in Foreign Currency - Rs. Nil (P.Y. Rs. Nil)



30. 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.

31. Earning Per Share

Earning Per Share		2018-19	2017-18
Basic & Diluted EPS :			
Net Profit (Loss) after Tax for the year (Rs.)	A	139,25,666	103,05,001
Weighted Average No. of Shares	B	595,85,740	7,05,90,183
Basic & Diluted Earnings Per Share of Face Value of Re 1 Per Share. (after prior period tax adjustments)	C (A/B)	0.234	0.146
Prior Year Tax Adjustments	D	318	66,670
Net Profit (Loss) after Tax for the year (Rs.) (before prior period tax adjustments)		139,25,984	103,71,671
Basic & Diluted Earnings Per Share of Face Value of Re 1 Per Share. (before prior period tax adjustments)	E ((A+D)/B)	0.234	0.147

32. Related Party Disclosure as per IND AS 24

A. List of related parties.

a. Key Management Personnel (KMP)

- (i) Shri Gordhan P. Tanwani – Chairman & Managing Director.
- (ii) Shri Ajay D. Acharya – Chief Financial Officer
- (iii) Shri Naishadh H. Mankad – Company Secretary
- (iv) Smt. Malavika A. Acharya – Director

b. Relatives of Key Management Personnel:

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

c. Other related parties (Companies/Enterprises 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
- (viii) M/s. Baba Digital LLP
- (ix) M/s. Larry's Impex LLP
- (x) M/s. Kindle Impex LLP
- (xi) M/s. Baba Films
- (xii) M/s. G.R. Pet Preform
- (xiii) M/s. Threads & Homes
- (xiv) M/s. Nikhil Plast
- (xv) M/s G R Pet Industries

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B. Details of transaction with related parties

Amount in Rs.

Nature of Transaction	KMP	Other Related Parties	Total
Remuneration paid			
(a)(ii)	12,00,000 (12,00,000)	-	12,00,000 (12,00,000)
(a)(iii)	6,60,000 (6,60,000)	-	6,60,000 (6,60,000)
Sitting Fee			
(a) (iv)	1,60,000 (1,50,000)	-	1,60,000 (1,50,000)
Rent Income	—		
(c)(ix)		12,00,000 (5,50,000)	12,00,000 (5,50,000)
Finance Cost	—	—	—
Security Deposits/ Deferred Income received	—	NIL (6,00,000)	NIL (6,00,000)
Buy Back of Shares			
(a)(i)	2,32,05,937.50 (4,09,29,381)		2,32,05,937.50 (4,09,29,381)

C. Closing Balances.

Amount in Rs.

Nature of Transaction	KMP	Other Related Parties	Total
Other Financial Liabilities (Non Current) (c) (ix)	—	4,78,509 (4,48,883)	4,78,509 (4,48,883)
Other Current Liabilities			
(c)(ix)		32,824 (32,824)	32,824 (32,824)
(a)(ii)	84,800 (84,800)		84,800 (84,800)
(a)(iii)	49,800 (49,800)		49,800 (49,800)

33. 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.



34. 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 during the year Rs. 2,75,00,000/- (Previous Year Rs. 2,35,00,000/-)

Loan, Guarantee and Investments made during the Financial Year 2018-19

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
Ritz Enterprises	—	2,75,00,000	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)

35. Financial Instruments and Risk Factors

The Company's business activities expose it to various risks viz: market risk, credit risk, liquidity risk. The Board of Directors of the Company has approved a risk management policy to address and mitigate the risks associated with the business of the Company. The Board of Directors of the Company regularly monitors and reviews the risks and takes actions to respond to and mitigate the risks.

Various sources of risks and their management in the financial statements is given below:

Credit Risks

Credit risk arises on account of credit exposure to customers, loans given to parties, security deposits given, deposits with banks and financial institution. The credit risk is assessed and managed on an ongoing basis. The Company uses its internal market intelligence while dealing with the customers and parties to whom loans are given. The Company manages the credit risk based on internal rating system. The Company has dealings only with nationalized and high rated private banks and financial institutions for its banking transactions and placement of deposits.

Default of a financial asset occurs when the counterparty fails to make contractual payment within 365 days of due date of payment. This definition of default is determined by considering the business environment in which the entity operates, on going business relationship with the counterpart and other macro – economic factors.

Liquidity Risk Management

Liquidity risk management involves management of the Company's short, medium and long term fund requirement efficiently by maintaining sufficient cash and cash equivalent and availability of funding through adequate amount of committed credit facilities to meet the obligations when due. The management of the Company manages the liquidity risk by maintaining adequate surplus cash in short term deposits. The management regularly monitors the forecast of liquidity position and cash and cash equivalents on the basis of expected cash flows.

Market Risk

Market risk can arise on account of fluctuation in future market prices which will impact the fair value or future cash flows of financial instruments. The fluctuation in market price can be in the form of Currency Risk, Interest Rate Risk or other price risk such as Equity Price Risk. The Company is not exposed to Currency Risk as it does not have any foreign exchange exposure. Similarly the Company does not have any equity price risk as it does not have any material investment in equity shares nor does the Company trade in any investment. The Company manages Interest Rate Risk on its loan exposures by controlling the exposure within acceptable parameters and at the same time getting optimum returns on its surplus funds.

36. Capital Management

The objectives of capital management are:

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for the other stakeholders and
- Maintain an optimal capital structure to reduce the cost of capital.

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The Company does not have any exposure towards debt. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

37. Income Tax

Income Tax Assessments of the Company have been completed up to Assessment Year 2016-17. There is no disputed demand outstanding up to the said Assessment Year.

During the Current Year provision for Income Tax has been made as per Section 115JB of the Income Tax Act, 1961 as the Income Tax liability under normal method is NIL on account of accumulated losses of prior years.

38. Segment Information

The Company's Managing Director is the Chief Operating Decision Maker (CODM). Based on his examination of Company's performance from a product and geographical perspective he has identified following three business segments of the Company:

- (a) Trading in IPR of Films
- (b) Production & Distribution of Films & TV Serials
- (c) Post Production Services

There is no separate geographical segment.

The CODM uses a measure of profit & loss before tax to assess the performance of the operating segments. He also reviews the information about the segment revenue and assets on quarterly basis.

Segment details are given below:

Rs. Lac

Particulars	Trading in IPR of Films		Production & Distribution of Films & TV Serials		Post Production Services		Total	
	As at 31st March		As at 31st March		As at 31st March		As at 31st March	
	2019	2018	2019	2018	2019	2018	2019	2018
Gross Revenue (including operating and other revenue)								
External Revenue	75.66	125.00		-	11.59	16.08	87.25	141.08
Intersegment Revenue		-		-		-		-
Total Gross Revenue	75.66	125.00		-	11.59	16.08	87.25	141.08
Result								
Segment Profit /(Loss)	73.76	65.03	(0.93)	(15.88)	(64.74)	(69.74)	8.08	(20.59)
Less:								
Interest Expense							(0.36)	(1.08)
Add:								
Interest/Other Income							149.76	116.51
Profit Before Taxation							157.48	94.84
Tax Expenses							18.22	(8.20)
Profit for the Year							139.26	103.05



Rs. Lac

Particulars	Trading in IPR of Films		Production & Distribution of Films & TV Serials		Post Production Services		Total	
	As at 31st March		As at 31st March		As at 31st March		As at 31st March	
	2019	2018	2019	2018	2019	2018	2019	2018
Other Information								
Segment Assets	0.45	79.16	207.10	150.69	151.51	156.28	359.06	386.13
Unallocable Assets							1324.22	1,513.73
Total Assets							1683.28	1,899.87
Segment Liabilities	0.38	15.06	31.51	31.51	13.95	5.30	45.84	51.87
Unallocable Liabilities							24.01	16.23
Total Liabilities							69.86	68.10
Capital Expenditure		-		-		-		-
Depreciation	1.03	3.52	3.49	2.92	0.93	3.61	5.45	10.05

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

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

As per our Report on even date

For Arunkumar K Shah & Co.

Chartered Accountants

Firm Registration No 126935W

For and on behalf of the Board of Directors

Arunkumar K Shah

Proprietor

Membership No.34606

Gordhan P. Tanwani

Chairman & Managing Director

[DIN: 00040942]

Sanjiv L. Hinduja

Director

[DIN: 00040858]

Malavika A.Acharya

Director

[DIN: 07007469]

Santosh A. Shah

Director

[DIN: 01259840]

N.H.Mankad

Company Secretary (CS)

ACS: 2996

Ajay D Acharya

Chief Financial Officer (CFO)

Place: Mumbai

Date: 9th May, 2019

Place: Mumbai

Date: 9th May, 2019

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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 : BABA ARTS 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 :
 DP ID :

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 20th Annual General Meeting of the Company, to be held on Wednesday the 18th September, 2019 at 11.30 a.m at Juhu Vile Parle Gymkhana Club, Jasmine Hall, Second 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
	Ordinary Business		
1	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, 2019.		
2.	Appointment of Shri Gordhan P. Tanwani, a Director retiring by rotation		

Signed this ____ day of _____, 2019

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, Andheri(West),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)

(Twentieth Annual General Meeting - 18th September, 2019)

I hereby record my presence at the Twentieth ANNUAL GENERAL MEETING of the company held at Juhu Vile Parle Gymkhana Club, Jasmine Hall, Second Floor, Opp. Juhu Bus Depot, Juhu,Mumbai – 400049 on Wednesday, 18th September, 2019 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

FOR KIND ATTENTION OF SHAREHOLDERS

DEMAT:- if you are still holding shares in physical mode kindly consider following advantages by opting shares in demat mode:-

- sale of shares is possible only through demat mode as the Company's shares are traded compulsorily in demat mode only.
- Realize better price for transfer/sale of shares
- Eliminate loss of shares through burglary or theft, misplacement or mutilation
- Easy and faster transaction of shares
- Minimum brokerage
- No stamp duty on purchase/sale
- SEBI (Securities and Exchange Board of India) has made it compulsory for listed company to entertain transfer of shares only in demat form.

Steps involved in dematerialization of shares

- Open an account with a Depository Participant (DP) of your choice.
- You may choose your DP based on your evaluation of their reputation, service standards, charges, comfort level, other conveniences, etc.
- Submit a Dematerialization Request Form (DRF) to your DP along with the defaced shares certificates.
- Shares will be converted into electronic form and will get credited into your demat account.

To understand about the procedure and for all queries relating to dematerialization, kindly contact the Registrar & Transfer Agent of the Company; M/s Universal Capital Securities Private Limited at baba@uniseq.in or at **022 2836 6620**.

ECS:- To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company has provided a facility to the Members for remittance of dividend through the Electronic Clearing System (ECS), NEFT and other permitted mode. The ECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to contact the Company's Registrars and Transfer Agents.

GREEN INITIATIVE:- Please register your email ID with the Registrars and Transfer Agents of the Company or with the Secretarial department of the Company at investors@babaartslimited.com. Your initiative will save forest wealth of our Country.

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, investors@babaartslimited.com

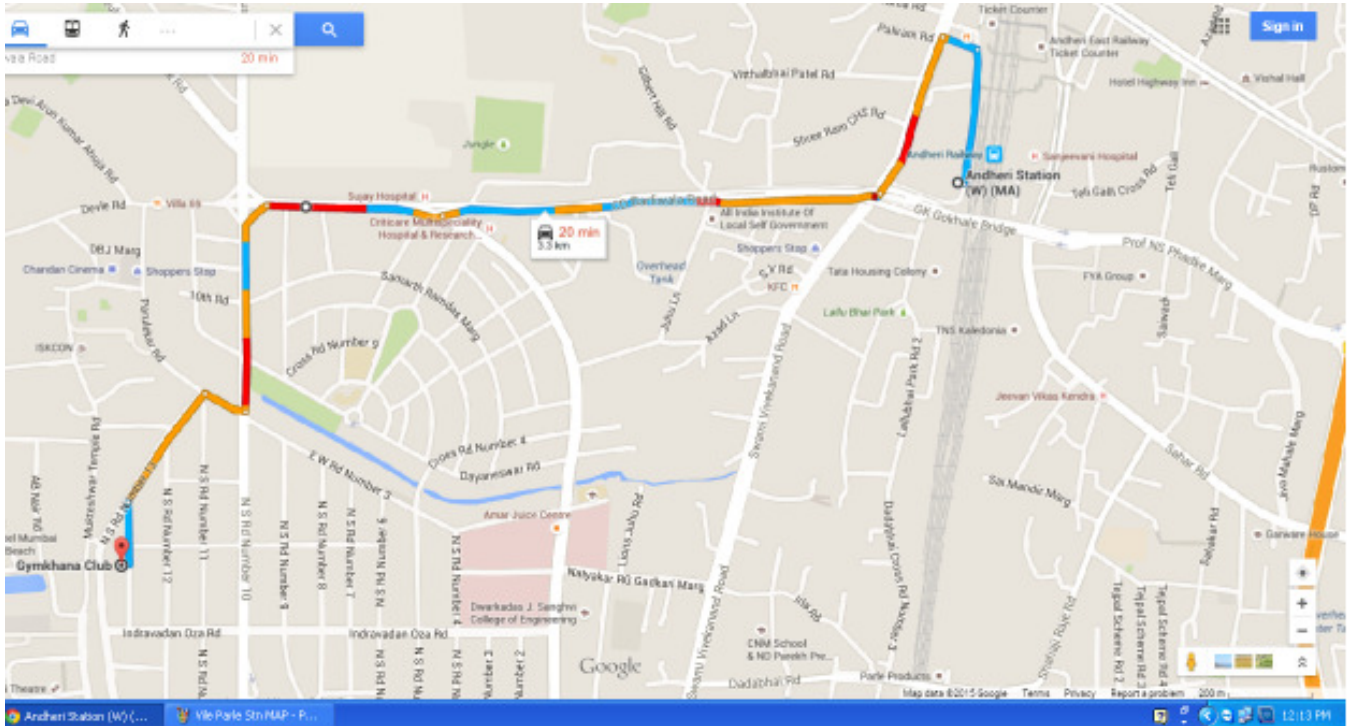
Website : www.babaartslimited.com

20th Annual Report 2018-2019

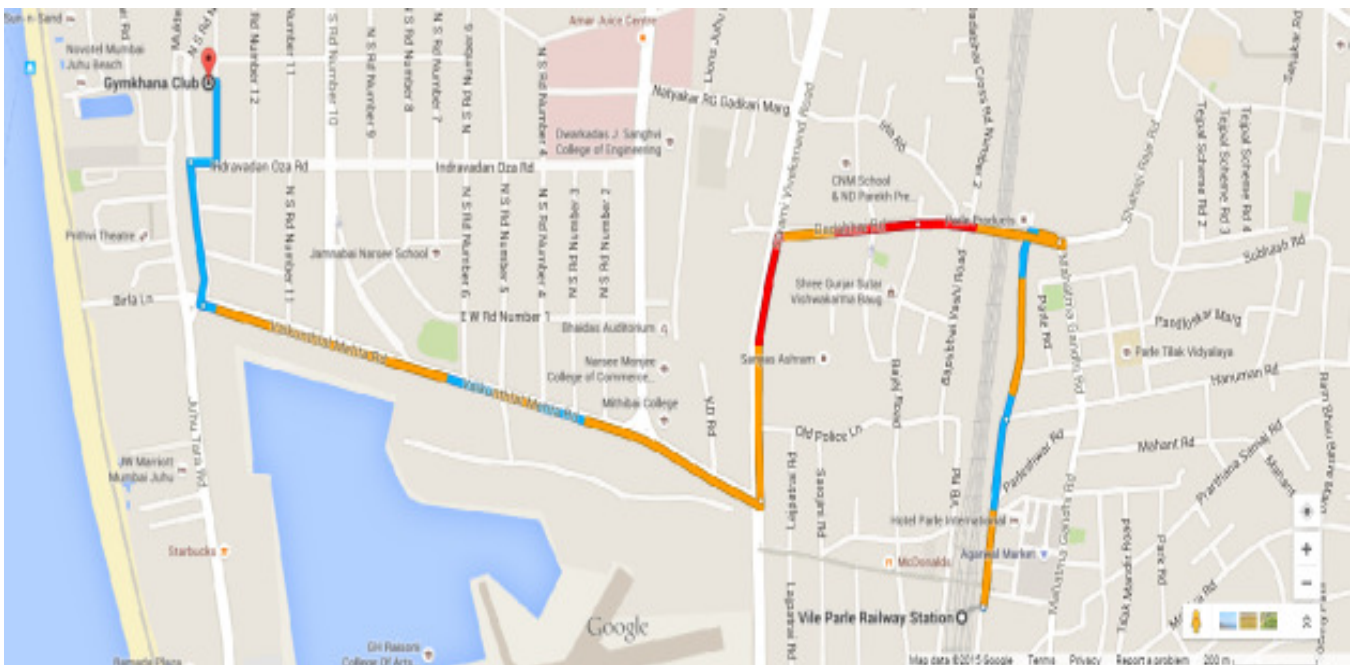
BABA ARTS LIMITED

(CIN : L72200MH1999PLC119177)

ROUTE MAP FROM ANDHERI RLY STATION TO THE VENUE OF 20TH AGM



ROUTE MAP FROM VILE PARLE RLY STATION TO THE VENUE OF 20TH AGM



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)