

# BABA ARTS LIMITED

3A, Valecha Chambers, New Link Road, Andheri (W), Mumbai - 400 053.

Tel.: 2673 3131 Fax : 2673 3375

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CIN-L72200MH1999PLC119177 Website: [www.babaartslimited.com](http://www.babaartslimited.com)

Date: 1<sup>st</sup> April, 2024

To,

**Mr. Hasmukh Shah**

203, Rachana, V.P. Road,

Vile Parle (West),

Mumbai-400056

**Subject: Appointment as an Independent Director of the Company.**

Dear Mr. Hasmukh Shah,

I am pleased to intimate to you that you have been appointed as an Independent Director of Baba Arts Limited (the Company) with effect from 1<sup>st</sup> April, 2024 for a period of five years as approved by the Members of the Company. It is my privilege to issue you an appointment letter pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and circulars issued from time to time by the Securities and Exchange Board of India (SEBI).

## 1. Appointment

- 1.1 You have been appointed as a Non-Executive Independent Director on the Board of Directors of the Company for a period of five consecutive years with effect from 1<sup>st</sup> April, 2024 i.e. from 1<sup>st</sup> April, 2024 to 31<sup>st</sup> March 2029.
- 1.2 As an independent director you shall not be liable to retire by rotation.
- 1.3 Re-appointment at the end of the term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and shareholders. Your re-appointment will be considered by the Board based on the outcome of the performance evaluation process and subject to your continuing to meet the independence criteria.

## 2. Duties, Roles and Responsibilities

While I believe that you are very well aware of the Directorial duties and rights as stipulated under Section 166 read with clause IV (4) of Schedule IV of the Act, for your ready reference I narrate the same as under:-

- 2.1 Subject to the provisions of the Companies Act, 2013 you shall act in accordance with the Articles of Association of the Company.
- 2.2 You shall act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interest of the Company, its employees, the shareholders, the community and for the protection of environment.



- 2.3 You shall exercise your duties with due and reasonable care, skill and diligence and shall exercise independent judgement.
- 2.4 You shall not involve in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- 2.5 You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or your relatives, partners or associates and if you are found guilty of making any undue gain you shall be liable to pay an amount to equal to that gain to the Company.
- 2.6 You shall undertake appropriate induction and regularly update and refresh your skill, knowledge and familiarity with the Company;
- 2.7 You shall seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- 2.8 You shall strive to attend all meetings of the Board of Directors and of the Board committees of which you are a member;
- 2.9 You shall participate constructively and actively in the committees of the Board in which you are chairperson or member;
- 2.10 You shall strive to attend general meetings of the Company;
- 2.12 Where you have concerns about the running of the Company or a proposed action, you shall ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that your concerns are recorded in the minutes of the Board meeting;
- 2.13 You shall keep yourself well informed about the Company and the external environment in which it operates;
- 2.14 You shall not unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 2.15 You shall pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
- 2.16 You shall ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- 2.17 You shall report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;



2.18 You shall act within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;

2.19 You shall not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

2.20 You shall not assign your office as Director and any assignments so made shall be void.

2.21 You shall follow the Code of Conduct for Board of Directors and Code for Prohibition of Insider Trading.

### 3. Committees

You are also nominated as a member of the following committees of the Board of Directors:

- |  |           |
|--|-----------|
| 1. Stakeholder's Relationship Committee  | -Chairman |
| 2. Nomination and Remuneration Committee | -Member   |
| 3. Audit Committee                       | -Member   |

The Board of Directors (the Board) may, if it deems fit, invite you for being appointed on one or more existing Board Committees or any such Committee that is set up in future. Your appointment on such Committee(s) will be subject to the applicable regulations.

### 4. Time Commitment

4.1 As a Non-Executive Director you are expected to actively participate at the meetings of the Board and its Committees and to help provide the Board in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance.

4.2 The Board meets at least four times in a year. The Audit Committee also meets at least four times in a year. Besides, there are other Committee meetings like Nomination and Remuneration Committee, Stakeholders' Relationship Committee which are ordinarily convened once in a year.

4.3 You are expected to attend Board, Board Committees and Shareholders meetings and to devote such time as appropriate for you to discharge your duties effectively. Ordinarily, all meetings are held in Mumbai.

4.4 Pursuant to the Companies (Appointment and Qualification of Directors) Rules, 2014, you are required to pass Online Self-Assessment Proficiency Test conducted by the Indian Institute of Corporate Affairs, within a period of Two Years from the date on which your name has been included in the Independent Director's Data Bank





4.5 By accepting this appointment, you confirm that you will allocate sufficient time to meet the expectations from you to the satisfaction of the Board.

## 5. Status of Appointment

5.1 You will not be an employee of the Company and this letter shall not constitute a contract of employment. You will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board and approved by the Shareholders from time to time.

5.2 The sitting fees presently paid to the Non-Executive Independent Director for attending each Board meeting & Committee Meeting is as follows:

Type of Meetings	Amount
Board Meeting	Rs.30,000/-
Audit Committee Meeting	Rs.30,000/-
Nomination & Remuneration Committee Meeting	Rs.20,000/-
Stakeholders' Relationship Committee Meeting	Rs.20,000/-

## 6. Conflict of Interest

6.1 It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment commencing, you are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form from time to time.

6.2 In the event that your circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgment that you are independent, this should be disclosed to both the Chairman and the Secretary.

## 7. Evaluation

The Company has adopted a policy on Board Evaluation. The policy provides for evaluation of the Board, the Committees of the Board and individual Directors. As per the Policy, the Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis. Your appointment and re appointment on the Board shall be subject to the outcome of the yearly evaluation process.



## 8. Disclosure of Interest

- 8.1 Pursuant to the provisions of Section 184(1) of the Companies Act, 2013 you are required to disclose your concern or interest in any company or companies or bodies corporate, firms or other association of individuals which shall include the shareholding, as prescribed under the Rule 9 of the Companies (Meetings of the Board and its Powers) Rules, 2014.
- 8.2 The Company has an obligation to include in its Annual Accounts a note of any material interest that a Director may have in any transaction or arrangement that the Company has entered into. Such interest should be disclosed not later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately and the Company's records are updated. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.
- 8.3 Pursuant to the provisions of Section 149(7) you are required to give a declaration that you meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 at the first meeting of the Board after your appointment. Thereafter similar declaration is to be given at the first meeting of the Board in every financial year

## 9. Termination

- 9.1 You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice on the Board along with detailed reason for your resignation.
- 9.2 Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. You will not be entitled to compensation if the shareholders do not re-elect you at any time.
- 9.3 Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.



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10. Governing Law CIN-L72200MH1999PLC119177 Website: [www.babaartslimited.com](http://www.babaartslimited.com)

10.1 This appointment letter is governed by and will be interpreted in accordance with Indian law and your engagement shall be subject to the jurisdiction of the Indian courts at Mumbai.

10.2 If you are willing to accept these terms of appointment relating to your appointment as a non-executive Independent Director of the Company, kindly confirm your acceptance of these terms by signing and returning to us the enclosed copy of this letter.

Yours sincerely

For and on behalf of Baba Arts Limited



Gordhan P. Tanwani  
Chairman and Managing Director



I hereby acknowledge receipt of and accept the terms set out in this letter.

Signed  .....

Dated 01/04/2024

Following documents are enclosed for your perusal and ready reference.

1. Memorandum and Articles of Association.
2. Copies of the various policies adopted by the Board
3. Certified true copy of the resolution passed by the Members through Postal Ballot.