

# BABA ARTS LIMITED

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

Tel.: 2673 3131 Fax : 2673 3375

email : [babaartslimited@yahoo.com](mailto:babaartslimited@yahoo.com) / [investors@babaartslimited.com](mailto:investors@babaartslimited.com)

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

8<sup>th</sup> August, 2023

## The Corporate Relationship Department

The BSE Limited

1st Floor, Phiroze Jeejeebhoy Towers

Dalal Street,

Mumbai-400 001

SCRIP CODE: 532380

SCRIP NAME: BABA

Dear Sir,

**Sub.: 1. Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015-  
Electronic copy of the Notice of the 24<sup>th</sup> Annual General Meeting and the Annual Report of Baba  
Arts Limited for the Financial Year 2022-23.**

**2. Intimation of cut-off date of 5<sup>th</sup> September, 2023 (Tuesday) to determine the eligibility of  
members to cast their vote through remote e-voting and ballot voting at the venue of the 24<sup>th</sup>  
Annual General Meeting.**

This is further to our letter dated 25<sup>th</sup> May, 2023 regarding, inter-alia, convening of the 24<sup>th</sup> Annual General Meeting of the Company ("24<sup>th</sup> AGM") on Tuesday the 12<sup>th</sup> September, 2023 at 11.30 a.m. at Juhu Vile Parle Gymkhana Club, Orchid Hall, Second Floor, Opp. Juhu Bus Depot, Juhu, Mumbai-400049.

Pursuant to Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 ("Listing Regulations") please find enclosed electronic copy of the Notice of the 24<sup>th</sup> AGM and the Annual Report for the financial year 2022-23 containing Directors' Report, Corporate Governance Report, Management Discussion Report etc. which is being sent by email to those members whose email addresses are registered with the Company/Depository Participant(s).

Further in compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 as amended from time to time, Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company will be providing to the members, facility to exercise their right to vote at 24<sup>th</sup> AGM by electronic means and business may be transacted through remote e-voting services provided by Central Depository Services (India) Limited ("CDSL"). The e-voting period will commence on Friday the 8<sup>th</sup> September, 2023 at 9.00 a.m. (IST) and will end on Monday the 11<sup>th</sup> September, 2023 at 5.00 p.m. (IST) and the Company has fixed Tuesday the 5<sup>th</sup> September, 2023 as the cut-off date to determine the eligibility of the members to cast their vote by remote e-voting.

Kindly take the above document on your record and disseminate the same on the website of the Exchange.

Thanking you,

Yours truly,  
For Baba Arts Limited



Naishadh H. Mankad  
Company Secretary & Compliance Officer



Encl: as above.

**24<sup>th</sup> Annual Report 2022-2023**

# **BABA ARTS LIMITED**

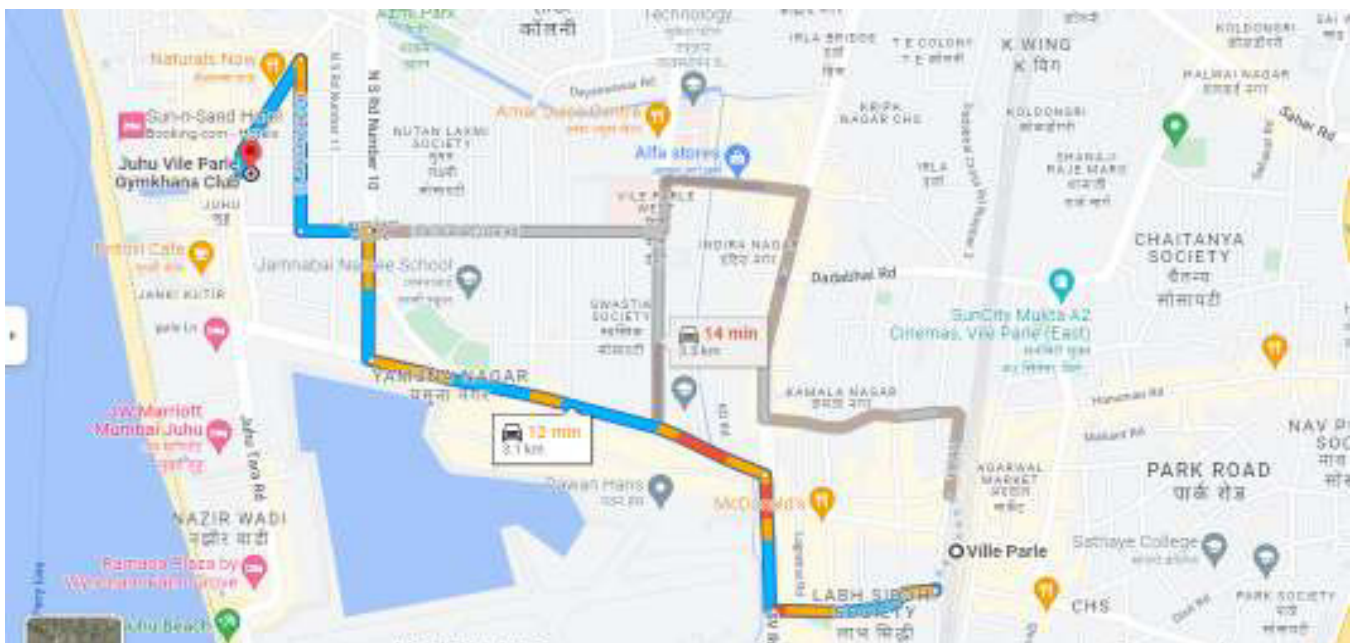
(CIN : L72200MH1999PLC119177)



## ROUTE MAP FROM ANDHERI RLY STATION TO THE VENUE OF 24TH AGM



## ROUTE MAP FROM VILE PARLE RLY STATION TO THE VENUE OF 24TH 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)

## ANNUAL REPORT 2022-2023

### 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

**Shri Nikhil G. Tanwani**

Whole Time Director (w.e.f.1st June, 2022)

**Banker****Bank of India, Versova Branch**

Andheri West, Mumbai -400053

**HDFC Bank, Indralok Branch**

Lokhandwala, Andheri West, Mumbai -400053

**Chief Financial Officer (CFO)**

Shri Ajay D. Acharya

**Company Secretary (CS) & Compliance Officer**

Shri Naishadh H. Mankad

**Registrar & Share Transfer Agent**

Universal Capital Securities Private Limited

C-101, 247 Park, 1st Floor, LBS Road,

Gandhi Nagar, Vikhroli West,

Mumbai-400083

Phone: 022 4918 6178 - 79

Fax: 022 4918 6060

Email: [info@unisec.in](mailto:info@unisec.in)

Website: [www.unisec.in](http://www.unisec.in)

**Statutory Auditors**

M M NISSIM & CO LLP

Chartered Accountants

**Registered Office & Studio**

Baba Arts Limited

3A, Valecha Chambers,

New Link Road, Andheri West,

Mumbai – 400053

Phone: 022 2673 3131

Fax: 022 2673 3375

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

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

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

CIN: L72200MH1999PLC119177

ISIN: INE893A01036

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## BABA ARTS LIMITED

(CIN : L72200MH1999PLC119177)

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

Tel No.022 2673 3131 Fax : 022 2673 3375

Email : [babaartslimited@yahoo.com](mailto:babaartslimited@yahoo.com) / [investors@babaartslimited.com](mailto:investors@babaartslimited.com) Website : [www.babaartslimited.com](http://www.babaartslimited.com)

### NOTICE OF THE TWENTY FOURTH (24TH) ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the Twenty Fourth (24th) Annual General Meeting of Baba Arts Limited will be held on Tuesday, the 12th September, 2023 at 11.30 a.m. (IST) at Juhu Vile Parle Gymkhana Club, Orchid Hall, Second Floor, Opp. Juhu Bus Depot, Juhu, Mumbai-400049 to transact the following business:

#### ORDINARY BUSINESS

1. **To receive, consider and adopt the audited financial statements and the reports of the Board of Directors and Auditors thereon for the financial year ended on 31st March, 2023 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, 2023 laid before this meeting be and are hereby considered and adopted.”

2. **To appoint director in place of Shri Nikhil G. Tanwani (DIN 01995127) 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 Nikhil G. Tanwani (DIN 01995127), who retires by rotation be and is hereby reappointed as a Director of the Company liable to retire by rotation.”

#### SPECIAL BUSINESS

3. **To Re-appoint Shri Gordhan P. Tanwani (DIN 00040942) as Managing Director of the Company and in this connection to pass the following resolution as Special Resolution:**

“**RESOLVED THAT** in accordance with the provisions of Sections 196,197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to such consents and permissions, as may be required, the Company hereby approves re-appointment of Shri Gordhan P. Tanwani (DIN 00040942), as the Managing Director of the Company, for a period of 4 (Four) years with effect from 1st November, 2023 to 31st October, 2027, without any remuneration for the time being i.e. for the financial year 2023-24 and future remuneration payable, if any, to be decided by the Nomination and Remuneration Committee of the Company, within the limits prescribed under Schedule V to the Companies Act, 2013.”

**RESOLVED FURTHER THAT** the resolution relating to reappointment of Managing Director as above be filed with the Registrar of Companies in Form MGT-14 under the digital signature of any one of the Directors or Company Secretary of the Company.

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

**Naishadh H. Mankad  
Company Secretary & Compliance Officer**

#### Regd. Office:

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

**Date 25th May, 2023**

**Place: Mumbai**

## ANNUAL REPORT 2022-2023

### 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. Explanatory Statement pursuant to Regulation 36(5) of the Listing Regulations and pursuant to Section 102 of the Companies Act, 2013, in respect of Item No.3 of the Notice relating to the special business to be transacted at the 24th Annual General Meeting (AGM) is annexed hereto.
5. Corporate members are required to send a scanned copy (PDF/JPG Format) of its board or governing body resolution/ authorization etc. authorizing its representative to attend the AGM on its behalf and to vote through remote e-voting to Universal Capital Securities Private Limited, Registrar and Transfer Agent of the Company, by e-mail through its registered e-mail address to [baba@unisec.in](mailto:baba@unisec.in).
6. Members may note that the notice and annual report 2022-23 will also be available on the Company's website [www.babaartslimited.com](http://www.babaartslimited.com) and website of the stock exchange i.e. BSE Limited viz. [www.bseindia.com](http://www.bseindia.com) and on the website of CDSL viz. [www.cdslindia.com](http://www.cdslindia.com).
7. The route map for venue of the meeting is annexed to this notice.
8. As per Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations each as amended, the items of business set out in the attached notice will be transacted through electronic voting systems as a mode of voting. The Company is providing the facility of casting votes through the electronic voting system ("e-Voting") under an arrangement with the CDSL.

#### **The instructions for shareholders for remote e-voting are as under:**

- (i) The voting period begins on Friday 8th September, 2023 at 9.00 a.m. and ends on Monday, the 11th September, 2023 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date on Tuesday, the 5th September, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.



(iii) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in Demat mode with <b>CDSL</b></p>	<p>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with <b>NSDL</b></p>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User</li> </ol>



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Type of shareholders	Login Method
	ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(iv) Login method for e-Voting for Physical shareholders and shareholders other than individual holding in Demat form.

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- 2) Click on "Shareholders" module.
- 3) 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. Shareholders holding shares in physical form should enter Folio Number registered with the Company.
- 4) Next enter the image verification as displayed and click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.





6) If you are a first time user follow the steps given below:

	<b>For Physical Shareholders and other than shareholders holding shares in Demat</b>
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/ RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.  If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field.

- (v) After entering these details appropriately, click on "SUBMIT" tab.
- (vi) Shareholders 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.
- (vii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (ix) 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.
- (x) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.
- (xi) 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.
- (xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take a print of the votes cast by clicking on "Click here to print" option on the voting page.
- (xiv) 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.
- (xv) Additional Facility for Non-Individual Shareholders and Custodians-Remote Voting only.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details, a "Compliance User" should be created using the admin login and password. The Compliance Users would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - 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.

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- Alternatively, non-individual shareholders are required to send the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the scrutinizer and to the Company at the email address viz: [investors@babaartslimited.com](mailto:investors@babaartslimited.com), if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

### (xvi) Process for those shareholders whose email/mobile no. are not registered with the Companies/Depositories

- For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
- For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
- For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

(xvii) If you have any queries or issues regarding e-voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43

(xviii) All grievances connected with the facility for voting by electronic means may be addressed to Shri Rakesh Dalvi, Manager, Central Depository Services (India) Limited (CDSL), A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N.M.Joshi Marg, Lower Parel (East), Mumbai-400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

(xix) The Company has appointed Shri Nrupang B. Dholakia or in his absence Shri Vishwesh Bhagat, 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, immediately after the conclusion of e-voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e- voting and shall make a consolidated Scrutinizer's Report of the total votes cast in favour or against, invalid votes, if any, and whether the resolutions have been carried or not, and such report shall then be sent to the Chairman or a person authorised by him, within 48 (forty eight) hours from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.

The results declared along with the Scrutinizer's report shall be hosted on the website of the Company viz: [www.babaartslimited.com](http://www.babaartslimited.com) and on the website of CDSL viz: [www.evotingindia.com](http://www.evotingindia.com).

The results shall simultaneously be communicated to BSE Limited.

9. Details as required in Sub-regulation (3) of Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of the Directors seeking appointment / reappointment at the 24th Annual General Meeting forms integral part of this notice. Requisite declarations have been received from the director seeking appointment/reappointment.
10. 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 Private Limited**.
11. 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.
12. As per the provisions of Section 72(1) of the Act, 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 downloaded from the website of the Company at [www.babaartslimited.com](http://www.babaartslimited.com).
13. 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.



14. The Securities and Exchange Board of India (“SEBI”) has recently mandated furnishing of PAN, KYC details (i.e. Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by holders of securities. Effective from 1st January, 2022 any service request of complaints received from the member, will not be processed by RTA till the aforesaid details/documents are provided to RTA. On or after 1st April, 2023, in case any of the above cited documents/details are not available in the folio(s), RTA shall be constrained to freeze such folio(s). Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at [www.babaartslimited.com](http://www.babaartslimited.com).
15. 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 Private Limited**, to receive all communication by the Company including Annual Report and notice(s) of meetings by E-mail, by sending appropriate communication on [baba@uniseq.in](mailto:baba@uniseq.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.
16. 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](http://www.iepf.gov.in)) along with requisite fee. The Company has uploaded details of unpaid and unclaimed dividend amounts transferred to IEPF on its website at [www.babaartslimited.com](http://www.babaartslimited.com) and also on the website of the Ministry of Corporate Affairs.
17. **Compulsory transfer of Equity Shares to Investor Education and Protection Fund (IEPF) Account:**  
Pursuant to the provisions of Section 124 and 125 of the Act, and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“Rules”) as amended, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to an IEPF Account after complying with the procedure laid down under the Rules.  
Accordingly, the Company has transferred 2,17,204 shares to the IEPF Account maintained with CDSL on 3rd December, 2019 taking the year 2009-2010 as base. The details of the shares transferred to IEPF Authority are uploaded under “Investor Section” on the website of the Company viz: [www.babaartslimited.com](http://www.babaartslimited.com).  
The said details have also been uploaded on the website of the IEPF and the same can be accessed through the link [www.iepf.gov.in](http://www.iepf.gov.in).
18. 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.
19. Details of Directors seeking Appointment/Re-appointment at the Twenty Fourth (24th) Annual General Meeting [Pursuant Regulation 36 (3) of the Listing Regulations and Secretarial Standard on the General Meetings (SS-2)]:

Name of the Director	Nikhil G. Tanwani	Gordhan P. Tanwani
Date of Birth (Age)	25th January, 1987 (35 Years)	21st January, 1958 (65 Years)
Date of Appointment on the Board	20th January, 2022 as an Additional Director 1st June, 2022 as a Whole Time Director	28th August, 2003
Qualification	CFA Level 1 Completed, BA Honors in Business & International Finance – 2007, Oxford Brookes University, Oxford, England, United Kingdom	Undergraduate
Nature of Expertise in specific functional areas	Experience in field of Film & Television Production, Content Acquisition, Content Licensing, Negotiation of Commercial & Legal Contracts.	Film Production, and Distribution as also Construction.

## ANNUAL REPORT 2022-2023

Name of the Director	Nikhil G. Tanwani	Gordhan P. Tanwani
Relationship with other Directors and Key Managerial Personnel	Son of Shri Gordhan P. Tanwani- Promoter & Managing Director of the Company.	Father of Shri Nikhil G. Tanwani- Whole Time Director the Company
Terms & Conditions of Re-appointment	As per the Resolution under Item No.2 of the Notice convening this meeting, Shri Nikhil G. Tanwani is proposed to be appointed as a Director.	As per the Resolution item no.3 of the Notice convening this meeting read with explanatory statement thereto, Shri Gordhan P. Tanwani is proposed to be re-appointed as Managing Director
Remuneration last drawn (including sitting fees, if any)	Rs.5,00,000/- (from 01/06/2022 to 31/03/2023)	Nil
Number of meetings of the Board attended during the year	4 out of 4	4 out of 4
Names of listed entities in which he/she also holds Directorship and membership of committees of the Board.	Nil	Nil
Chairman / Member of Committee(s) of the Board of Directors of the Company	Nil	Member- Stakeholders Relationship Committee
Chairman / Member of Committee (s) of Directors of other Companies in which he/she is a Director	None	None
No. of Shares held in the Company (as on 31st March, 2023)	Nil	2,66,00,000
Director Identification No.	01995127	00040942

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

**Naishadh H. Mankad  
Company Secretary & Compliance Officer**

**Regd. Office:**

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

**Place: Mumbai**

**Date: 25th May, 2023**





## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No.3

The present term of appointment of Shri Gordhan P. Tanwani (DIN 00040942) as Managing Director would be expiring on 31st October, 2023. The Board has, based on the recommendation of the Nomination & Remuneration Committee and subject to the approval of Members, approved the re-appointment of Shri Gordhan P. Tanwani as Managing Director of the Company for further period of four years, with effect from 1st November 2023 to 31st October, 2027.

Shri Gordhan P. Tanwani is not disqualified from being re-appointed as a Director in terms of Section 164, of the Companies Act, 2013 and has given his consent to act as Managing Director of the Company.

Brief profile of Shri Gordhan P Tanwani is as follows:

1	Date of Birth & Age	21st January,1958 (65 Years)
2	Qualification	Undergraduate
3	Experience	Film Production, and Distribution as also Construction.
4	Terms and Conditions of reappointment & remuneration sought to be paid.	As given below
5	Remuneration Last Drawn	Nil
6	Date of First appointment on the Board	28th August, 2003
7	Shareholding in the Company	2,66,00,000 Shares (50.67%)
8	Other relationship with Directors, Manager & Other Managerial personnel of the Company	Father of Shri Nikhil G. Tanwani, Whole Time Director of the Company.
9	Number of Meetings of the Board attended during the year.	4 (four) out of 4 (four)
10	Other Directorship	Bhagwati Holdings Private Limited
11	Membership or Chairmanship of Committees of other Boards.	NIL

The terms and conditions including remuneration payable to Shri Gordhan P. Tanwani are set out in the draft agreement to be entered into by the Company with Shri Gordhan P. Tanwani and contain inter alia the following :

#### REMUNERATION:

Shri Gordhan P. Tanwani has for the time being agreed not to accept any remuneration for providing his services as the Managing Director of the Company for the financial year 2023-24. Future remuneration payable, if any, to Shri Gordhan P. Tanwani will be decided by Nomination and Remuneration Committee of the Company within the overall limits approved by the Members and shall be in compliance with the overall limits provided under the Companies Act, 2013.

Apart from the above, the aforesaid agreement contains further terms and conditions as to the tenure of office, the powers and duties of Managing Director, reimbursement of entertainment, traveling and all other expenses incurred by him for the business of the Company, provisions for earlier determination of the appointment by either party by giving six months notice in writing to the other party, etc.

It is proposed to seek the Members' approval for the Re-appointment of Shri Gordhan P. Tanwani as a Managing Director in terms of the applicable provisions of the Act and the relevant Rules made there under.

This Explanatory Statement may also be considered as the requisite abstract under Section 190 of the Companies Act, 2013 setting out the terms and conditions of appointment of Shri Gordhan P. Tanwani as the Managing Director of the Company.

The Draft agreement to be entered into by the Company with Shri Gordhan P. Tanwani is available for inspection of the members of the Company at the Registered Office of the Company on all working days except Saturday between 10.30 a.m. and 12.30 p.m. up to the date of the Annual General Meeting.

None of the Directors or Key Managerial Personnel or their relatives except Shri Gordhan P. Tanwani and Shri Nikhil G. Tanwani is concerned or interested, financially or otherwise, in this resolution.

The Board commends the Special Resolution set out Item No.3 for the approval of Members.

**By Order of the Board**

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

**Date: 25th May, 2023**  
**Place: Mumbai**

**Naishadh H. Mankad**  
**Company Secretary & Compliance Officer**

## ANNUAL REPORT 2022-2023

### DIRECTORS' REPORT

To,

The Members,

**Baba Arts Limited**

Your Company's Board of Directors ("Board") is pleased to present the Twenty Fourth Annual Report of Baba Arts Limited ("Company") for the financial year ended 31st March, 2023.

In Compliance with the applicable provisions of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof, for time being in force) ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), this report covers the financial results and other developments during the financial year ended 31st March, 2023 and up to the date of Board Meeting held on 25th May, 2023 to approve this report, in respect of Baba Arts Limited.

#### ● FINANCIAL RESULTS

(Rs. in Lakhs)

Particulars	March 31, 2023	March 31, 2022
	As per IND AS	
<b>Revenue from Operations</b>	<b>278.75</b>	<b>1801.80</b>
Other Income	103.78	90.38
Total Income	382.53	1892.18
Total Expenditure	249.29	1481.12
<b>Profit Before Tax</b>	<b>133.24</b>	<b>411.06</b>
Less: Tax Expenses		
Current Tax	36.03	113.06
Prior Year Short Provision of Tax	(5.44)	-
Deferred Tax	0.44	0.46
<b>Net Profit /(Loss) for the Year</b>	<b>102.21</b>	<b>297.54</b>

#### ● 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 2022-23.

#### ● REVIEW OF OPERATIONS

During the year under review, income from Post Production activity increased to Rs.7.84 Lakhs from Rs. 6.46 Lakhs in the previous year. Your Company earned income from trading in IPR of Rs.251.85 Lakhs in the current year as against Rs. 1795.33 Lakhs in the previous year. After providing for depreciation of Rs. 5.89 Lakhs (Previous Year Rs. 5.88 Lakhs), Current Tax (Net of MAT Credit entitlement) of Rs. 36.03 Lakhs (Previous Year Rs. 113.06 Lakhs), your Company earned net profit after tax of Rs.102.21 Lakhs vis-à-vis net profit after tax of Rs. 297.54 Lakhs in the previous year. Other Comprehensive Expense for the year was Rs. 0.70 Lakhs (Previous Year Other Comprehensive Income Rs.0.72 Lakhs).

#### ● TRANSFER TO RESERVES

Your directors have proposed not to transfer any amount to reserves.

#### ● CHANGES IN NATURE OF BUSINESS, IF ANY

During the year under review your Company has ventured in to new business activity of monetizing Digital Media Content on various digital platforms like You Tube, Face Book etc.



- **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.

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

- **DIRECTORS**

Shri Santosh A. Shah and Shri Sanjiv L. Hinduja hold office as Independent Directors of the Company up to 31st March, 2024.

During the year, Ms. Juhi V. Pania resigned as Independent Director of the Company with effect from 23rd August, 2022 as she has shifted abroad for indefinite period of time.

Your board of directors have placed on record its sincere appreciation for the active participation in meetings of the board by Ms. Juhi V. Pania during her brief association with the Company as an Independent Director.

**Re-appointment of Director retiring by rotation:**

In terms of Section 152 of the Companies Act, 2013, Shri Nikhil G. Tanwani (DIN 01995127), Whole Time Director, retires by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment. Shri Nikhil G. 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.

The necessary resolution for re-appointment of Shri Nikhil G. Tanwani forms part of the notice convening the 24th Annual General Meeting ("24th AGM") scheduled to be held on Tuesday, the 12th September, 2023.

**Re-Appointment of Managing Director**

Existing tenure of Shri Gordhan P. Tanwani, Managing Director of the Company will be expiring on 31st October, 2023. Pursuant to the recommendation of Nomination and Remuneration Committee ('NRC'), your board of directors has proposed to reappoint Shri Gordhan P. Tanwani as Managing Director in the category of Non-Independent Executive Director for a further period of 4 years from 1st November, 2023 to 31st October, 2027 subject to approval of the shareholders of the Company by a special resolution.

The board recommends for approval of the members by way of a special resolution, the re-appointment of Shri Gordhan P. Tanwani as Managing Director for a period of 4 years from 1st November, 2023 up to 31st October, 2027 as set out under item no. 3 of the accompanying notice of the 24th AGM of the Company.

A brief resume of directors being appointed / re-appointed along with the nature of their expertise, their shareholding in your Company and other details as stipulated under Regulation 36(3) of the Listing Regulations is given in the notice convening the 24th AGM.

- **KEY MANAGERIAL PERSONNEL**

Shri Gordhan P. Tanwani, Chairman & Managing Director, 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.

- **INDEPENDENT DIRECTORS**

In terms of Section 149 of the Act, Shri Santosh A. Shah, and Shri Sanjiv L. Hinduja are Independent Directors of the Company. They are not liable to retire by rotation in terms of Section 149(13) of the Act.

Pursuant to Section 149(7) of the Companies Act, 2013, the Company has received declarations from all Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and are independent of the management.

In terms of Regulation 25(8) of the Listing Regulations, the independent directors have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. The board of directors of the Company has taken on record the declaration and confirmation submitted by the Independent Directors after undertaking due assessment of the veracity of the same.

## ANNUAL REPORT 2022-2023

The board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the fields of Legal, Accounts and Finance, Governance etc. and that they hold highest standards of integrity.

The Independent Directors of the Company have confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs ('IICA') in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014. Further, both the Independent Directors are exempt from the requirement to undertake the online proficiency self-assessment test conducted by IICA.

### ➤ FAMILIARISATION PROGRAMME

The Company has put in place an induction and familiarization programme for all its directors including independent directors so as to acquaint 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, Taxation Laws and other statutes applicable to the Company, 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 the 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 (other than the director being evaluated) is requested to evaluate the effectiveness of the members of the board 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.

## ● BOARD AND COMMITTEES

### ➤ NUMBER OF MEETINGS OF BOARD

The board met four times during the year, details of which are given in the Corporate Governance Report that forms part of this annual report. The intervening gap between the meetings was within the limit prescribed under the Act and the Listing Regulations.

### ➤ COMMITTEES OF BOARD

As on 31st March, 2023 the board had 3 (Three) Committees - the Audit Committee, the Nomination & Remuneration Committee and the Stakeholders Relationship Committee.

A detailed note on the composition of board and its committees and the number of meetings held and attendance of directors at such meetings is provided in the Corporate Governance Report, which forms part of the Annual Report.

## ● POLICY ON DIRECTORS' APPOINTMENT & REMUNERATION

The Board has in accordance with the provisions of Sub-Section (3) of Section 178 of the Act, 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](http://www.babaartslimited.com).





- **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.

- **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 behavior, 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 have been denied access to the audit committee.

- **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. Employees are trained to switch off computers, air conditioners and lights when not required.
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	The Company does not have any imported technology.
II	the benefits derived like product improvement, cost reduction, product development or import substitution	N.A.
III	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) 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	N.A.
IV	the expenditure incurred on Research and Development	Nil

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### (C) Foreign Exchange Earnings and Outgo:

Foreign Exchange Earning during the year was Rs. 49,23,785/- (Previous Year Rs. 87,50,000/-) and Foreign Exchange outgo during the year under review was Rs. 6,02,952/-.

#### 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. However, the Company has earned some export income through exploitation of intellectual property rights of entertainment content.

#### ● 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.

#### ● 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 the Act and the Listing Regulations.

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

#### ● MAINTENANCE OF COST RECORDS

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

#### ● AUDITORS

##### ➤ Statutory Auditor

M/s. M M Nissim & Co LLP are the Statutory Auditors of the Company who were appointed for a period of five years in the 23rd Annual General Meeting held on 20th September, 2022 and hold office up to the conclusion of the 28th Annual General Meeting of the Company without any further ratification by the shareholders of the Company.

M/s. M M Nissim & Co LLP, have confirmed 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. M M Nissim & Co LLP, Statutory Auditors, in their report for the Financial Year ended 31st March, 2023.

Pursuant to provisions of Section 143(12) of the Act, 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 Act, the Board of Directors of the Company has appointed M/s. SCA & Associates, Chartered Accountants as the internal auditors of the Company for the financial year 2023-2024.

The audit committee of board of directors in consultation with the Internal Auditor formulates the scope, functioning, periodicity and methodology for conducting the Internal Audit.

#### ● ANNUAL RETURN

The Annual Return of the Company will be placed on the Company's Website [www.babaartslimited.com](http://www.babaartslimited.com) after necessary certification and filing the same with the Ministry of Corporate Affairs.

An extract of the Annual Return as on 31st March, 2023, is attached in **Annexure I** to this report.



- **SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of Section 204 of the Act 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 whole time practice to undertake the Secretarial Audit of the Company for the financial year 2022-2023. 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.

The board at its meeting held on 25th May, 2023 has appointed M/s Dholakia & Associates LLP, Company Secretaries in whole time practice for conducting Secretarial Audit of the Company for the financial year 2023-2024.

**Annual Secretarial Compliance Report**

The Company has undertaken an audit for the financial year 2022-2023 for all applicable compliances as per Securities and Exchange Board of India Regulations and Circulars / Guidelines issued there under. The annual secretarial compliance report duly signed by Shri Nrupang B. Dholakia, (ICSI Membership No. 10032) Designated Partner of M/s Dholakia & Associates LLP, Company Secretaries in whole time practice has been submitted to BSE Limited within the stipulated time in compliance with the provisions of the Regulation 24(A) of the Listing Regulations.

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

During the year under review, your Company has not given loans, guarantees, provided securities or made investments covered under Section 186 of the Act, 2013.

- **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 Listing Regulations.

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 the Listing Regulations, *inert alia*, 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 this Annual Report.

- **SEXUAL HARASSMENT**

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

- **APPLICATION MADE OR PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016.**

No Application was made or any proceedings is pending under the Insolvency and Bankruptcy Code, 2016 against the Company.

- **DEPOSITS**

Your Company has not invited / accepted any deposits from public under Section 73 to Section 76 of the Act, hence the disclosures required as per Rule 8 (5) (v) and (vi) of the Companies (Accounts) Rules, 2014 are not applicable to your Company.

- **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 were in compliance with the applicable provisions of the Act, and the Listing Regulations.

All related party transactions are placed before the Audit Committee as also before the Board for approval at every quarterly meeting. Details of transactions with related parties as required under Section 134(3)(h) of the Act 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](http://www.babaartslimited.com).

## ANNUAL REPORT 2022-2023

- **DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

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

- **PARTICULARS OF EMPLOYEES**

The information required under Section 197 of the Act, 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**.

- **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 during the year under review.

- **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 in whole time practice and the audit reports are duly forwarded to BSE Limited where the shares of the Company are listed.

- **BUSINESS RESPONSIBILITY REPORT**

The Business Responsibility Reporting as required by Regulation 34(2) (f) of the Listing Regulations is not applicable to your Company for the financial year ended 31st March, 2023.

- **GREEN INITIATIVES**

Pursuant to Section 101 and 136 of the Act, the Company has sent the 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.

Physical copy of this annual report is mailed to those shareholders whose e mail addresses are not registered with the Depository or with the Registrar and Transfer Agents of the Company. The annual report is also available on the web site of the Company [www.babaartslimited.com](http://www.babaartslimited.com).

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

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

- **SECRETARIAL STANDARDS**

The Company has in place proper systems to ensure compliance with the provisions of the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and such systems are adequate and operating effectively. During the financial year under review, the Company was in compliance with Secretarial Standards i.e. SS 1 and SS 2 relating to "Meetings of Board of Directors" and "General Meetings" respectively.

- **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 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, 2023 and the state of affairs of the Company as at 31st March, 2023 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.

#### **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: 25th May, 2023**

## ANNUAL REPORT 2022-2023

### ANNEXURE TO THE DIRECTORS' REPORT

**ANNEXURE I**  
**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on 31st March, 2023**

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

#### I. REGISTRATION AND OTHER DETAILS

1	CIN	L72200MH1999PLC119177
2	Registration date	30/03/1999
3	Name of the Company	BABAARTS LIMITED
4	Category/ sub-category of the company	Company Limited by Shares Non Government Company
5	Address of the Registered office and contact details	3 A, Valecha Chambers, New Link Road, Andheri (West), Mumbai-400053 Tel: 022 26733131 Fax : 022 26733375 Email: <a href="mailto:babaartslimited@yahoo.com">babaartslimited@yahoo.com</a> , <a href="mailto:investors@babaartslimited.com">investors@babaartslimited.com</a>
6	Whether listed company	Yes
7	Name, address and contact details of registrar and transfer agent, if any	Universal Capital Securities Private Limited C-101, 247 Park, 1st Floor, LBS Road, Gandhi Nagar, Vikhroli(West), Mumbai-400083 Tel. : 022 2820 7203-05 /022 4918 6178-79 Fax : 022 2820 7207

#### 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
NOT APPLICABLE					



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

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	39208000	–	39208000	74.68	39208000	–	39208000	74.68	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	–	–	–	–	–	–	–	–	–
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any other	–	–	–	–	–	–	–	–	–
<b>Sub Total (A) (1)</b>	<b>39208000</b>	<b>–</b>	<b>39208000</b>	<b>74.68</b>	<b>39208000</b>	<b>–</b>	<b>39208000</b>	<b>74.68</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRI Individuals	–	–	–	–	–	–	–	–	–
b) Other Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Any other	–	–	–	–	–	–	–	–	–
<b>Sub Total (A) (2)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL (A)</b>	<b>39208000</b>	<b>–</b>	<b>39208000</b>	<b>74.68</b>	<b>39208000</b>	<b>–</b>	<b>39208000</b>	<b>74.68</b>	<b>–</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks / FI	–	–	–	–	–	–	–	–	–
c) Central Govt.	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
<b>Sub-total (B)(1):-</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	3932507	65600	3998107	7.62	4148600	65600	4214200	8.03	0.41
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	3959085	141128	4100213	7.81	3618486	137928	3756414	7.16	(0.65)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	4031173	–	4031173	7.68	4207973	–	4207973	8.02	0.34
c) Others (specify)									
i) Hindu Undivided Family (HUF)	237181	–	237181	0.45	222757	–	222757	0.42	(0.03)
ii) Clearing Members	6604	–	6604	0.01	2008	–	2008	0.00	(0.01)
iii) Directors & Relatives	85250	–	85250	0.16	85250	–	85250	0.16	–
iv) NRI/OCBs	616268	–	616268	1.18	586194	–	586194	1.12	(0.06)
v) IEPF Account	217204	–	217204	0.41	217204	–	217204	0.41	–
<b>Sub-total (B)(2):-</b>	<b>13085272</b>	<b>206728</b>	<b>13292000</b>	<b>25.32</b>	<b>13088472</b>	<b>203528</b>	<b>13292000</b>	<b>25.32</b>	<b>–</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>13085272</b>	<b>206728</b>	<b>13292000</b>	<b>25.32</b>	<b>13088472</b>	<b>203528</b>	<b>13292000</b>	<b>25.32</b>	<b>–</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>52293272</b>	<b>206728</b>	<b>52500000</b>	<b>100.00</b>	<b>52296472</b>	<b>203528</b>	<b>52500000</b>	<b>100.00</b>	<b>–</b>

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### ii) Shareholding of promoters

SI No.	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	Gordhan P. Tanwani	26600000	50.67	—	26600000	50.67	—	—
2	Pravin J. Karia	8000	0.01	—	8000	0.01	—	—
3	Rahul G. Tanwani	12600000	24.00	—	12600000	24.00	—	—
	<b>Total</b>	<b>39208000</b>	<b>74.68</b>	<b>—</b>	<b>39208000</b>	<b>74.68</b>	<b>—</b>	<b>—</b>

### (iii) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>GORDHAN P. TANWANI</b>							
1	At the beginning of the year	NO CHANGE		26600000	50.67	26600000	50.67
	Shares bought/(sold) during the year			—	—	—	—
	At the end of the year			26600000	50.67	26600000	50.67
<b>PRAVIN J. KARIA</b>							
2	At the beginning of the year	NO CHANGE		8000	0.01	8000	0.01
	Shares bought/(sold) during the year			—	—	—	—
	At the end of the year			8000	0.01	8000	0.01
<b>RAHUL G. TANWANI</b>							
3	At the beginning of the year	NO CHANGE		12600000	24.00	12600000	24.00
	Shares bought/(sold) during the year			—	—	—	—
	At the end of the year			12600000	24.00	12600000	24.00



**(iv) Shareholding Pattern of top ten shareholders**

(other than Directors, Promoters and Holders of GDRs and ADRs) as on 31st March, 2023

Sr. No.	Name of Shareholders	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	<b>KARISHMA CONST INVESTMENTS PVT. LTD.</b>				
	At the beginning of the year	1271334	2.42	1271334	2.42
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	1271334	2.42	1271334	2.42
2	<b>YT ENTERTAINMENT LIMITED</b>				
	At the beginning of the year	844540	1.61	844540	1.61
	Bought during the year	127807	0.24	972347	1.85
	Sold during the year	-	-	-	-
	At the end of the year	972347	1.85	972347	1.85
3	<b>YASH TEJPAL SHAH</b>				
	At the beginning of the year	42786	0.08	42786	0.08
	Bought during the year	889190	1.69	931976	1.78
	Sold during the year	-	-	-	-
	At the end of the year	931976	1.78	931976	1.78
4	<b>AJAY DEVGAN</b>				
	At the beginning of the year	800000	1.52	800000	1.52
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	800000	1.52	800000	1.52
5	<b>KUMAR MANGAT</b>				
	At the beginning of the year	800000	1.52	800000	1.52
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	800000	1.52	800000	1.52
6	<b>SYPRESS CONSTRUCTIONS LLP</b>				
	At the beginning of the year	679422	1.29	679422	1.29
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	679422	1.29	679422	1.29
7	<b>SELECT MEDIA HOLDINGS LLP</b>				
	At the beginning of the year	660000	1.26	660000	1.26
	Bought during the year	-	-	-	-
	Sold during the year	8,000	0.02	8,000	0.02
	At the end of the year	652000	1.24	652000	1.24
8	<b>SUSAN KHAMBATTA</b>				
	At the beginning of the year	549825	1.05	549825	1.05
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	549825	1.05	549825	1.05
9	<b>DEEPAK BATHIJA</b>				
	At the beginning of the year	356960	0.68	356960	0.68
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	356960	0.68	356960	0.68
10	<b>RITA TEJPAL SHAH</b>				
	At the beginning of the year	279499	0.53	279499	0.53
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	279499	0.53	279499	0.53



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

Sr. No.	Name of the Directors and Key Managerial Personnel	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	<b>Shri Gordhan P. Tanwani (Designation : Managing Director)</b>				
	At the beginning of the year	26600000	50.67	26600000	50.67
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	26600000	50.67	26600000	50.67
2	<b>Shri Santosh A. Shah (Designation: Director)</b>				
	At the beginning of the year	-	-	-	-
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	-	-	-	-
3	<b>Shri Sanjiv L. Hinduja (Designation: Director)</b>				
	At the beginning of the year	7600	0.01	7600	0.01
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	7600	0.01	7600	0.01
4	<b>Ms. Juhi V. Pania (Designation: Director) up to 23rd August, 2022</b>				
	At the beginning of the year	-	-	-	-
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	-	-	-	-
5	<b>Shri Nikhil G. Tanwani (Designation: Whole Time Director) w.e.f. 1st June, 2022</b>				
	At the beginning of the year	-	-	-	-
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	-	-	-	-
6	<b>Shri Ajay D. Acharya [Designation Chief Financial Officer(CFO)] jointly with Smt Malavika A. Acharya (Designation: Director)</b>				
	At the beginning of the year	235400	0.45	235400	0.45
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	235400	0.45	235400	0.45
7	<b>Shri Naishadh H. Mankad (Designation : Company Secretary &amp; Compliance Officer)</b>				
	At the beginning of the year	61600	0.12	61600	0.12
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	61600	0.12	61600	0.12



## V. INDEBTNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	—	—	—	—
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	—	—	—	—
<b>Change in Indebtedness during the financial year</b>				
* Addition	—	—	—	—
* Reduction	—	—	—	—
Net Change	—	—	—	—
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	—	—	—	—
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	—	—	—	—

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amt. in Rs.)

Sl.NO.	Particulars of Remuneration	Name of MD/WTD/manager		Total (in Rs.)
		Name	Designation	
		Gordhan P. Tanwani-	Nikhil G. Tanwani	
		Managing Director	Whole Time Director (w.e.f.01/06/2022)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the income-tax act,1961		500,000	500,000
	(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.	Others, please specify	-	-	-
	Total (A)	-	500,000	500,000
	Ceiling as per the Act	-	-	8,400,000

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### B. Remuneration to other Directors

(Amt. in Rs.)

SI.NO.	Particulars to Remuneration	Names of Directors				Total Amount (in Rs.)
		Shri Santosh A. Shah	Shri Santosh Shah	Smt. Malavika A. Acharya	Ms. Juhi V. Pania (upto 23/08/2022)	
1	Independent Directors					
	Fee for attending board committee meetings	1,20,000	1,20,000	-	-	2,40,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>1,20,000</b>	<b>1,20,000</b>	<b>-</b>	<b>-</b>	<b>2,40,000</b>
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	-	1,20,000	-	1,20,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>1,20,000</b>	<b>-</b>	<b>1,20,000</b>
	<b>Total (B)=(1+2)</b>	<b>1,20,000</b>	<b>1,20,000</b>	<b>1,20,000</b>	<b>-</b>	<b>3,60,000</b>
	<b>Total Managerial Remuneration</b>	<b>1,20,000</b>	<b>1,20,000</b>	<b>1,20,000</b>	<b>-</b>	<b>3,60,000</b>
	<b>Overall Ceiling as per the Act</b>					<b>84,00,000</b>

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

(Amt. in Rs.)

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
		Name Designation	Ajay D. Acharya CEO Chief Financial Officer (CFO)	Naishadh H. Mankad Company Secretary (CS)	
1	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	N.A.	14,40,000	9,90,000	24,30,000
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	N.A.	—	—	—
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	N.A.	—	—	—
2	Stock Option	N.A.	—	—	—
3	Sweat Equity	N.A.	—	—	—
4	Commission				
	- as % of profit	N.A.	—	—	—
	- others, specify	N.A.	—	—	—
5	Others, please specify	N.A.	—	—	—
	<b>Total</b>		<b>14,40,000</b>	<b>9,90,000</b>	<b>24,30,000</b>

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

There were no penalties/punishment/ compounding offences for breach of any Section of the Companies Act, 2013 against the Company or its Directors or other officers in default during the year.

For and On behalf of the Board of Directors

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

Date: 25th May, 2023  
Place: Mumbai



ANNEXURE TO THE DIRECTORS' REPORT

**ANNEXURE II**  
**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023**

[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-400053.

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, 2023 through electronic platform. 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 of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the online 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 online verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and made available to us and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-process (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 conducted an online examination of the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 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;

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- 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;
- V. A. 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;
- V. B. 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 (Buyback of Securities) Regulations, 2018.
  - b. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
  - d. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021
  - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021
- 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 Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) as amended from time to time issued by The Institute of Company Secretaries of India;
  - (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 - *The paid-up share capital and net worth of the listed entity is below the threshold limit for the purpose of compliance of corporate governance provisions under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) as per sub –regulation (2) of Regulation 15 of LODR. While the listed entity has strived to comply with the provisions of corporate governance on voluntary basis; the company is in process of complying with the same fully.*
- 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013;
  - II. Adequate notice was 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 to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.





G. We further report that during the audit period none of the following events has taken place-

- I. Public/Rights/Preferential Issue of Shares/Debentures etc.
- II. Redemption/buy-back 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.

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

**ICSI Unique Code : P2014MH034700**  
**Peer Review Certificate No: 2404/2022**  
**Place: Mumbai**  
**Date: 25th May, 2023**  
**UDIN: F010032E000380701**

**CS Nrupang B. Dholakia**  
**Designated Partner**  
**FCS-10032 CP No. 12884**

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### ANNEXURE TO DIRECTORS' REPORT

#### ANNEXURE III

##### Form No. AOC-2

Form for disclosure of particulars or 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 arm's 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

#### 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
<b>Larry's Impex LLP</b> Shri Gordhan P. Tanwani- Chairman & Managing Director and his son Shri Nikhil G. Tanwani - Director of the Company are Designated Partners in the LLP	Rent Received Rs.12,89,391/-	(i)17th October, 2017 to 16th October, 2022  (ii) 16th October, 2022 to 15th October, 2027	(i)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/-  (* Board of Directors in its meeting held on 5th August, 2020 has approved not to increase monthly rent from Rs.1,10,000/- to Rs.1,15,000/- accordingly, the rent from 37th to 60th month now stands at Rs.1,10,000/- per month.  (ii) From 16th October, 2022 monthly rent of Rs.1,00,000/- per month and interest free security deposit of Rs.6,00,000/- Lock in Period of 12 months	(i) 4th September, 2017 and 5th August, 2020. Also approved by the shareholders in their AGM held on 25th September, 2018.  (ii) 13th May, 2022. Also approved by the shareholders in their 23rd AGM held on 20th September, 2022.	Nil
<b>Graceland New Media LLP</b> Shri Gordhan P. Tanwani -Chairman & Managing Director and his son Shri Nikhil G. Tanwani - Whole Time Director of the Company are Designated Partners in the LLP	Purchase of TV Serial Rights Rs. 46,66,666/-  Share of Advertising Income-IPR Rs. 71,87,006/-	1st October 2021 to 30th September, 2026	1. Profit sharing ratio in the range of 70% to 80% for the Company and 20% to 30% for the LLP.	30th July, 2021. Also approved by the Shareholders in their 22nd AGM held on 22nd September, 2021.	Nil

**By Order of the Board of Directors**

Place: Mumbai  
Date: 25th May, 2023

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



## 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 Company has paid remuneration of Rs. 50,000 per month to Shri Nikhil G. Tanwani, Whole Time Director. The ratio of his remuneration to the median remuneration of the employees of the Company for the year was 1.19.
(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;	1. Chief Financial Officer(CFO)- 9.72% 2. Company Secretary (CS) – 1.52% 3. Chief Executive Officer(CEO)- N.A. 4. Whole Time Director (WTD) – N.A.
(iii) the percentage increase in the median remuneration of employees in the financial year;	0.95%
(iv) the number of permanent employees on the rolls of Company;	Four (4) As on 31/03/2023. (Excluding Whole Time Director)
(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 1.18% as compared to average increase of 5.62% in remuneration of managerial personnel. The increase in remuneration of managerial personnel was in line with the industry trend.
(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
Nikhil G. Tanwani	36	Whole Time Director	5,00,000	B.A. Honours in Business & International Finance	10	20.01.2022	Bhagwati Media Private Limited
Ajay D. Acharya	64	Chief Financial Officer (CFO)	14,40,000	B.Com	30	16.09.2016	Bhagwati Media Private Limited
Naishadh H. Mankad	70	Company Secretary (CS)	9,90,000	ACS	50	01.10.2003	Gandhi Special Tubes Limited
Ankush A. Shigwan	32	Accountant	4,20,000	B.Com	10	23.06.2016	M/s. Dalvadi & Co.
Prabhakar Bandre	54	Office Assistant	2,76,000	Non Matric	35	23.08.2003	M/s Baba Films
Rakesh Singh	41	Office Assistant	2,64,000	S.S.C.	23	01.04.2006	M/s. A P Sales Corporation

##### Notes:

- Mr. Nikhil G. Tanwani, was appointed as Whole Time Director w.e.f. 1st June, 2022 and thus his remuneration is represented for part of the year.
- 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 an 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

By Order of the Board of Directors

Place: Mumbai  
Date: 25th May, 2023

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. Industry Structure and Development

#### (a) Indian Economy

During the financial year 2022-23 India's GDP is estimated to have grown by 6.9% as against 9.1% in the previous year. The lower GDP growth, in spite of higher volumes, was on account of pressure on margins in some industrial sectors, which was partly compensated by a robust growth in services sector.

#### (b) Industry Scenario

According to the EY – FICCI report "Windows of opportunity - India's media & entertainment sector maximizing across segments" launched at FICCI – FRAMES 2023, the Indian Media and Entertainment (M&E) sector grew 20% in 2022 to INR 2.10 trillion (US\$ 26.2 billion). Digital media has grown significantly, reaching INR 571 billion and increasing its contribution to the M&E sector from 16% in 2019 to an astonishing 27% in 2022. It is important to note that the digital segment's share of the entire M&E sector would rise to 50% if data costs were also to be factored in.

### 2. Outlook for Company

Your Company has recently launched its own Digital Music Channels viz: Baba Films, Baba Beats and Baba Devotional of devotional songs which is available on various audio and video OTT platforms like "You Tube", "Face Book", "Instagram", "Spotify", "Jio-Saavan", "Amazon Music", "Wynk", "Gaana", "Bollywood Hungama", "Resso" among others.

Your Company is poised to take full advantage of the booming digital media sector.

### 3. Opportunities, Threats and Challenges

The Media & Entertainment consumer base is hungry for content and is willing to pay for value he gets from the technological advancement in digital media sector. Your Company foresees tremendous opportunity in the diverse consumer base coupled with favourable macroeconomic and demographic factors. Subscriber base for musical content is still low at around 5 million subscriber and there is huge potential to increase the subscriber base considering the streaming reach of over 200 million viewers. The main challenge is to create good content to the liking of Gen Z, who have substantial disposable income and who are willing pay for good content.

### 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 increased to Rs. 7.84 Lacs from Rs. 6.46 Lacs in the previous year.

Income from sale of rights of Films and Television Shows was at Rs. 251.85 Lacs during the year as against Rs. 1795.33 Lacs in the previous year.

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

The Company earned an operating profit of Rs. 133.24 Lacs against operating profit of Rs. 411.06 Lacs in the previous year. Finance charges during the year were at Rs. 0.87 Lacs (Previous Year Rs. 0.59 Lacs). After providing for Depreciation of Rs.5.89 Lacs (Previous Year Rs. 5.88 Lacs), and after providing for current taxation of Rs. 36.03 Lacs (Previous Year Rs. 113.06 Lacs), write back of excess provision for tax of prior year of Rs. 5.44 Lacs (Previous Year Rs. Nil) and providing for Deferred Tax Liability of Rs. 0.44 Lacs (Previous Year Rs. 0.46 Lacs), the Net Profit of the Company during the current year was Rs. 102.21 Lacs (Previous Year Rs. 297.54 Lacs).

#### (iii) Capital Investment

During the year ended on 31st March, 2023 the Company has made capital investment of Rs. 0.11 Lacs (Previous Year Rs. 1.76 Lacs) 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.

**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, 2023 decreased to 4.34% as compared to 13.31% in the previous year. The decline in return on net worth is on account of expenses incurred by the Company towards marketing of its digital media channels which have been fully charged to revenue, and consequently the return on net worth has also declined.

**8. Changes in Key Financial Ratios**

Sr. No.	Particulars	2022-23	2021-22	Details of significant changes (25% or more)
1.	Return on Network (%)	4.34	13.31	Impact of decline in revenue and higher marketing expenses for promoting digital media channels launched by the Company.
2.	Debtors Turnover	2.30	15.83	impact of decline in revenue and collection of outstanding dues from customers
3.	Inventory Turnover	The inventory comprises of under production film/web series. There is no turnover of inventory.	The inventory comprises of under production film/web series. There is no turnover of inventory.	
4.	Interest Coverage Ratio	Not Applicable as the Company does not have any borrowings.	Not Applicable as the Company does not have any borrowings.	
5.	Current Ratio	36.94	18.2	Impact of payment to creditors
6.	Debt Equity Ratio	Not Applicable as the Company has no Debts.	Not Applicable as the Company has no Debts.	
8	Operating Profit Margin (%)	10.88%	17.83%	Impact of decline in revenue and increase in indirect costs.
9	Net Profit Margin (%)	0.37%	0.17%	Impact of reduction in direct cost.

**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 society in general.

The paid-up share capital and net worth of the Company is below the threshold limit for the purpose of compliance of corporate governance provisions under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations). However, your Company has strived to voluntarily comply with most of the requirements of Corporate Governance stipulated under the Listing Regulations, and guidance note on board evaluation as prescribed by SEBI. The Company is in the process of fully complying with the said requirements.

#### 2. BOARD OF DIRECTORS

##### ● Composition and Category of Directors

The Board comprises of Non-Executive, Executive and Independent Directors. As on date of this report, the board consists of Five (5) members who include One (1) Executive Chairman & Managing Director, One (1) Executive Whole Time Director, One (1) Non-Independent & Non-Executive Director and Two (2) Independent Directors. The Independent Directors are free from any business or other relationship with the Company, promoters of the Company or other directors of the Company, that could materially influence their judgement.

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.

During the year under review, the following changes took place in the composition of the Board of Directors:

- (i) Ms. Juhi V. Pania (DIN 09198847) resigned as director of the Company and ceased to be an Independent Director on the Board of the Company w.e.f. 23rd August, 2022 as she has shifted abroad for indefinite period of time and she has confirmed that there are no other material reasons other than those provided for her resignation.
- (ii) Shri Nikhil G. Tanwani (DIN 01995127) was appointed as Whole Time Director of the Company for a period of 5 (five) years with effect from 1st June, 2022 to 31st May, 2027, as approved by the members in their 23rd Annual General Meeting.

Independent Directors are non-executive directors as defined under regulation 16(1)(b) of the Listing Regulations read with Section 149 (6) of the Companies Act, 2013 ("the Act") along with rules framed thereunder. In terms of regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet criteria of Independence as mentioned under Regulation 16(1) (b) of the Listing Regulations and that they are Independent of the management. Further, the Independent Directors have included their names in the data Bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act, read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

The Company did not have any pecuniary relationship or transaction with Non-Executive Directors.

The profiles of all directors are available on our website at <https://babaartslimited.com/men-behind-the-scenes/>.



- **The Details of Directors**

Sr. No.	Name, Category & Designation	No. of Shares Held in the Company As on 31.03.2023	No. of board meetings during the year 2022-23		Attendance at the last AGM	Directorship in other Companies/
			Held	Attended		
1.	<b>Shri Gordhan P. Tanwani</b> Promoter-Executive Director Chairman & Mg. Director	2,66,00,000	4	4	Yes	1
2.	<b>Shri Santosh A. Shah</b> Independent- Non- Executive Director	Nil	4	4	Yes	2
3.	<b>Shri Sanjiv L. Hinduja</b> Independent-Non-Executive Director	7,600	4	4	Yes	—
4.	<b>Smt. Malavika A. Acharya</b> Non-Independent-Non-Executive Director	2,35,400 Jointly as second shareholder with Shri Ajay D. Acharya	4	4	Yes	—
5.	<b>Ms. Juhi V. Pania#</b> Independent-Non-Executive Director	Nil	2	—	N.A.	—
6.	<b>Shri Nikhil G. Tanwani##</b> Executive-Whole Time Director	Nil	4	1	Yes	—

#Ms. Juhi V. Pania resigned w.e.f. 23rd August, 2022

##Shri Nikhil G. Tanwani was appointed as Whole Time Director with effect from 1st June, 2022

None of the Directors is related to each other except Shri Gordhan P. Tanwani and Shri Nikhil G. Tanwani who are related to each other.

The Company has not issued any convertible securities.

- **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 for facilitating effective discussion and decision making. Considerable time is spent by the Directors on discussions and deliberations at the board meetings. The board meetings are generally held at the registered office of the Company at Mumbai.

The Company Secretary and Compliance Officer is responsible for collation, review and distribution of all papers submitted to the board and committees thereof for consideration. The Company Secretary and Compliance Officer is also responsible for preparation of the agenda and convening of the board and committee meetings. The Company Secretary and Compliance Officer attends all meetings of the board and its committees.

During the financial year, four (4) board meetings were held on 12th May, 2022, 10th August, 2022, 7th November, 2022, and 7th February, 2023. Interval between two consecutive board meetings was well within the maximum allowed gap of 120 days.

The necessary quorum was present for all the meetings.

During the year 2022-23, information as mentioned in Schedule II Part A of the Listing Regulations has been placed before the board for its consideration.

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- **Separate Independent Directors' Meeting:**

During the financial year, a separate meeting of Independent Directors was held on 7th February, 2023. In the said meeting the Independent Directors inter alia-

- Reviewed the performance of non-independent directors and the board of directors as whole.
- Reviewed the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors.
- 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 have attended the meeting of Independent Directors held on 7th February, 2023.

Independent Directors of the Company are in compliance with provision of Regulation 16 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 17A of the Listing Regulations.

The terms and conditions of appointment of Independent Directors and details of the familiarization programme of the Independent Directors are available on the website of the Company:

<https://babaartslimited.com/wp-content/uploads/BAL-Familiarisation-Programme-for-IDs.pdf>

**Board Skill Matrix:**

The board skill 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	Juhi V. Pania (upto 23/08/2022)	Nikhil G. Tanwani
Business Operations	✓	✓	✓	✓		✓
Industry knowledge	✓	✓		✓	✓	✓
Financial Management		✓	✓		✓	✓
Accounting		✓	✓		✓	
Commercial Experience	✓	✓	✓	✓		✓
Risk Management	✓	✓	✓	✓		✓
Strategy	✓			✓		✓
Legal or Regulatory		✓	✓		✓	
Corporate Governance	✓	✓	✓	✓	✓	✓

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

In terms of section 152 read with Section 149(13) of the Act, Shri Nikhil G. Tanwani is liable to retire by rotation. The said director has offered himself for re appointment and resolution for his appointment is incorporated in the notice of the ensuing 24th Annual General Meeting.

The directors of the Company are appointed by members at the general meetings and two-third of total number of directors (other than Independent Directors) retire by rotation pursuant to the provisions of the Companies Act, 2013. The Executive Directors serve in accordance with their roles & responsibilities with the Company.



Existing tenure of Shri Gordhan P. Tanwani, Managing Director of the Company will be expiring on 31st October, 2023. Pursuant to the recommendation of Nomination and Remuneration Committee ('NRC'), the board of directors has proposed to reappoint Shri Gordhan P. Tanwani as Managing Director in the category of Non-Independent Executive Director for a further period of 4 (Four) years from 1st November, 2023 to 31st October, 2027 subject to approval of the shareholders of the Company by a special resolution. Resolution for approval of his re-appointment as Managing Director is incorporated in the notice of the ensuing 24th Annual General Meeting.

Shri Santosh A. Shah and Shri Sanjiv L. Hinduja were re-appointed 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.

During the year, Ms. Juhi V. Pania resigned as Independent Director on the board of the Company with effect from 23rd August, 2022.

Shri Nikhil G. Tanwani was appointed as Whole Time Director of the Company for a term of five years w.e.f. 1st June, 2022 to 31st May, 2027 as approved by the shareholders of the Company in their 23rd Annual General Meeting held on 20th September, 2022.

Brief profile and other information as required under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by Institute of Company Secretaries of India, relating to director being appointed /reappointed, forms part of the notice of ensuing 24th Annual General Meeting.

### 3. AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with provisions of Regulation 18 read with Part C of Schedule II of the Listing Regulations and Section 177 of the Companies Act, 2013. The Committee acts as a link between the management, the auditors and board of directors of the Company and has full access to financial information.

#### • Terms of Reference

- (i) 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.;
- (ii) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (iii) Approval of payment to statutory auditors for any other services rendered by statutory auditors;
- (iv) 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 judgement 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
- (v) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (vi) 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;
- (vii) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (viii) Approval or any subsequent modification of transactions of the Company with related parties;
- (ix) Scrutiny of inter-corporate loans and investments;

## ANNUAL REPORT 2022-2023

- (x) Valuation of undertakings or assets of the Company, wherever it is necessary;
- (xi) Evaluation of internal financial controls and risk management systems;
- (xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (xiii) 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;
- (xiv) Discussion with internal auditors of any significant findings and follow up there on;
- (xv) 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 board;
- (xvi) 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.
- (xvii) 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;
- (xviii) To review the functioning of the whistle blower mechanism.
- (xix) Approval of appointment of CFO (i.e. the whole time finance director or any other person heading the finance function of discharging that function) after assessing the qualifications, experience and background etc. of the candidate.
- (xx) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- (xxi) 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.
- (xxii) Consider and comment on rationale, cost-benefits and impact of schemes involving, merger, demerger, amalgamation etc. on the listed entity and its shareholders.

- **Composition, name of members and Chairperson**

As on 31st March, 2023, the Audit Committee comprised of Shri Santosh A. Shah- Independent Director as Chairperson of the Committee, Shri Sanjiv L. Hinduja-Independent Director, Smt. Malavika A. Acharya-Non-Independent & Non-Executive Director, as members of the Committee.

During the year, Ms. Juhi V. Pania resigned as director of the Company with effect from 23rd August, 2022 and as such she ceased to be a member of the Audit Committee with effect from 23rd August, 2022.

All the members of the committee have relevant experience in financial matters.

- **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 now:

Name of the Member	Category	Attendance at the meeting held on			
		12/05/2022	10/08/2022	07/11/2022	07/02/2023
Shri Santosh A. Shah	Chairperson	Yes	Yes	Yes	Yes
Shri Sanjiv L. Hinduja	Member	Yes	Yes	Yes	Yes
Smt. Malavika A. Acharya	Member	Yes	Yes	Yes	Yes
Ms. Juhi V. Pania (up to 23/08/2022)	Member	No	No	N.A.	N.A.





The Chairperson of the Committee had attended the 23rd Annual General Meeting of the Company for the year ended 31st March, 2022, held on 20th September, 2022.

The Managing Director, Shri Gordhan P. Tanwani is permanent invitee to the meetings of 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.

- **Terms of Reference**

- (i) 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.
- (ii) 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.
- (iii) The Nomination and Remuneration Committee shall, while formulating the policy under (ii) 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;
- (iv) Devising a policy on diversity of board of directors.
- (v) 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.
- (vi) 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: <https://babaartslimited.com/wp-content/uploads/BAL-Policy-on-Evaluation-of-Performance-of-the-Board.pdf>

#### **Composition, name of members and Chairperson**

As on 31st March 2023, the Nomination and Remuneration Committee comprised of Shri Sanjiv L. Hinduja, Independent Director, as Chairperson, Shri Santosh A. Shah- Independent Director and Smt. Malavika A. Acharya- Non-Independent Non-Executive Director as members of the committee.

During the year, Ms. Juhi V. Pania resigned as Director of the Company with effect from 23rd August, 2022 and as such she ceased to be a member of the Nomination & Remuneration Committee with effect from 23rd August, 2022.

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- **Meeting and attendance during the year**

The Nomination and Remuneration Committee (NRC) met three (3) during the year. The dates of Nomination and Remuneration Committee and attendance of the committee members at the said meetings are given in table below:

Name of the Member	Category	Attendance at the meeting held on		
		12/04/2022	12/05/2022	07/02/2023
Shri Sanjiv L. Hinduja	Chairperson	Yes	Yes	Yes
Shri Santosh A. Shah	Member	Yes	Yes	Yes
Shri Malavika A. Acharya	Member	Yes	Yes	Yes
Ms. Juhi V. Pania (up to 23/08/2022)	Member	No	No	N.A.

The Chairperson of the Committee had attended the 23rd Annual General Meeting of the Company for the year ended 31st March, 2022, held on 20th September, 2022. The Company Secretary and Compliance Officer acts as the secretary of the committee.

- **Performance evaluation criteria for Independent Directors**

The performance evaluation criteria for independent directors are 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. 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**

- (i) 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.
- (ii) Review of measures taken for effective exercise of voting rights by shareholders.
- (iii) 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.
- (iv) 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.

- **Name of Non-Executive director heading the Committee**

As on 31st March, 2023, the Stakeholder's Relationship Committee comprised of Shri Sanjiv L. Hinduja, Independent Non-Executive Director as the Chairperson and Shri Gordhan P. Tanwani, Chairman & Managing Director and Shri Santosh A. Shah, Independent Non-Executive Director as members of the Committee.

During the year, Ms. Juhi V. Pania resigned as Director of the Company with effect from 23rd August, 2022 and as such she ceased to be a member of the Stakeholders' Relationship Committee with effect from 23rd August, 2022.



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	Attendance at the meeting held on			
		12/05/2022	10/08/2022	07/11/2022	07/02/2023
Shri Sanjiv L. Hinduja	Chairman	Yes	Yes	Yes	Yes
Shri Gordhan P. Tanwani	Member	Yes	Yes	Yes	Yes
Shri Santosh A. Shah	Member	Yes	Yes	Yes	Yes
Ms. Juhi V. Pania (up to 23/08/2022)	Member	No	No	N.A.	N.A.

- **Name and Designation of Compliance Officer**

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

- **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	01
No. Complaints resolved to the satisfaction of the shareholders	01
No. Complaints unresolved at the end of the quarter	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 2022-23.

As per Regulation 46 of the Listing Regulations the exclusive email ID of the investor Grievance Department of the Company is [investors@babaartslimited.com](mailto:investors@babaartslimited.com).

The number of pending requests for share transfers and pending requests for dematerialization as on 31st March, 2023 were Nil.

## 6. RISK MANAGEMENT COMMITTEE

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

## 7. REMUNERATION OF DIRECTORS

- **The Company did not have any pecuniary relationship or transaction, except payment of sitting fees for attending meetings of board and committee, with Non-Executive Directors.**

During the year under review, Shri Nikhil G. Tanwani did not take sitting fees for attending meeting of board held on 12th May, 2022.

- **Remuneration Policy and 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 & Whole Time Director**

Shri Gordhan P. Tanwani the present Managing Director of the Company did not draw any remuneration during the financial year 2022-23.

Shri Nikhil G. Tanwani, Whole Time Director was paid gross remuneration of Rs. 50,000/- per month with effect from 1st June, 2022 aggregating to total remuneration of Rs. 5,00,000/- during the financial year 2022-23

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### (ii) Non-Executive Directors

The Non-Executive Directors are not entitled to any remuneration except sitting fees for attending the meetings of the board of directors and committees thereof. Total amount of sitting fees paid to the Non-Executive Directors during the year was Rs.3,60,000/- as per details given hereunder:

Shri Santosh A. Shah	Rs.1,20,000/-
Shri Sanjiv L. Hinduja	Rs.1,20,000/-
Smt. Malavika A. Acharya	Rs.1,20,000/-
Ms. Juhi V. Pania (up to 23rd August, 2022)	Nil
Shri Nikhil G. Tanwani (up to 31st May, 2022-Non-executive Director) (w.e.f 1st June, 2022- Executive Whole Time Director)	Nil

### 8. GENERAL BODY MEETINGS

- Location and time and special resolutions passed in the previous three Annual General Meetings held

	Date	Time	Location	Special Resolution Passed
21st AGM	Tuesday, 15th September, 2020	11.30 a.m.	Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM")	None
22nd AGM	Wednesday, 22nd September, 2021	11.30 a.m.	Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM")	None
23rd AGM	Tuesday, 20th September, 2022	11.30 a.m.	Juhu Vile Parle Gymkhana Club, Orchid Hall, Second Floor, Opp. Juhu Bus Depot, Juhu, Mumbai-400049	None

- Postal Ballot Details

No special resolution was passed through postal ballot during the Financial Year 2022-23.

No special resolution is proposed to be conducted through postal ballot as on date of this report.

### 9. MEANS OF COMMUNICATION

- Quarterly/Half yearly and Annual Results of the Company are published in the newspapers and posted on the website of the Company at <https://babaartslimited.com/newspaper-publications/>. The quarterly/half yearly and annual results along with the segment report are generally published in the Free Press Journal and Navshakti. The Company's financial results are intimated to stock exchange.
- The meetings of Board of Directors for approval of quarterly financial results during the financial year ended on 31st March, 2023 were held on the following dates:

First Quarter Results	10th August,2022
Second Quarter and Half Year Results	7th November, 2022
Third Quarter Results	7th February, 2023
Fourth Quarter and Annual Results	25th May, 2023

- Company's Corporate Website

The Company's website is a comprehensive reference on the Company's management, investor relations, clients etc. The section on "Investor Relations" serves to inform the shareholders, by giving complete financial details, corporate governance, composition of board, contact information relating to our registrar and transfer agent etc.



- **Release of Official News**

The Company intimates to the stock exchange any official news and places the same on its website also.

- **Presentation to Institutional Investors or to analyst**

The Company has not made any presentation to institutional investors or equity analyst.

## 10. GENERAL SHAREHOLDER INFORMATION

- **Annual General Meeting (AGM)- Date, Time & Venue**

Annual General Meeting	Twenty Fourth Annual General Meeting
Day, Date & Time	Tuesday, 12th September, 2023 at 11.30 a.m.
Venue	Juhu Vile Parle Gymkhana Club, Orchid Hall, Second Floor, Opp. Juhu Bus Depot, Juhu, Mumbai-400049
Financial Year	1st April, 2022 to 31st March, 2023
Dividend Payment Date	The Board of Directors has not recommended any dividend for the year ended 31st March, 2023.

- **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 2023-24 has been paid to the BSE Limited, Mumbai
Date of Book Closure	Not Applicable
Demat ISIN for NSDL & CDSL	INE893A01036
<b>Tentative Calendar for F.Y.2023-24</b>	
Result for the Quarter ending 30th June, 2023	2nd Week of August, 2023
Result for the Quarter ending 30th September, 2023	2nd Week of November, 2023
Result for the Quarter ending 31st December, 2023	2nd Week of February, 2024
Result for the Quarter & Year ending 31st March,2024	4th Week of May, 2024

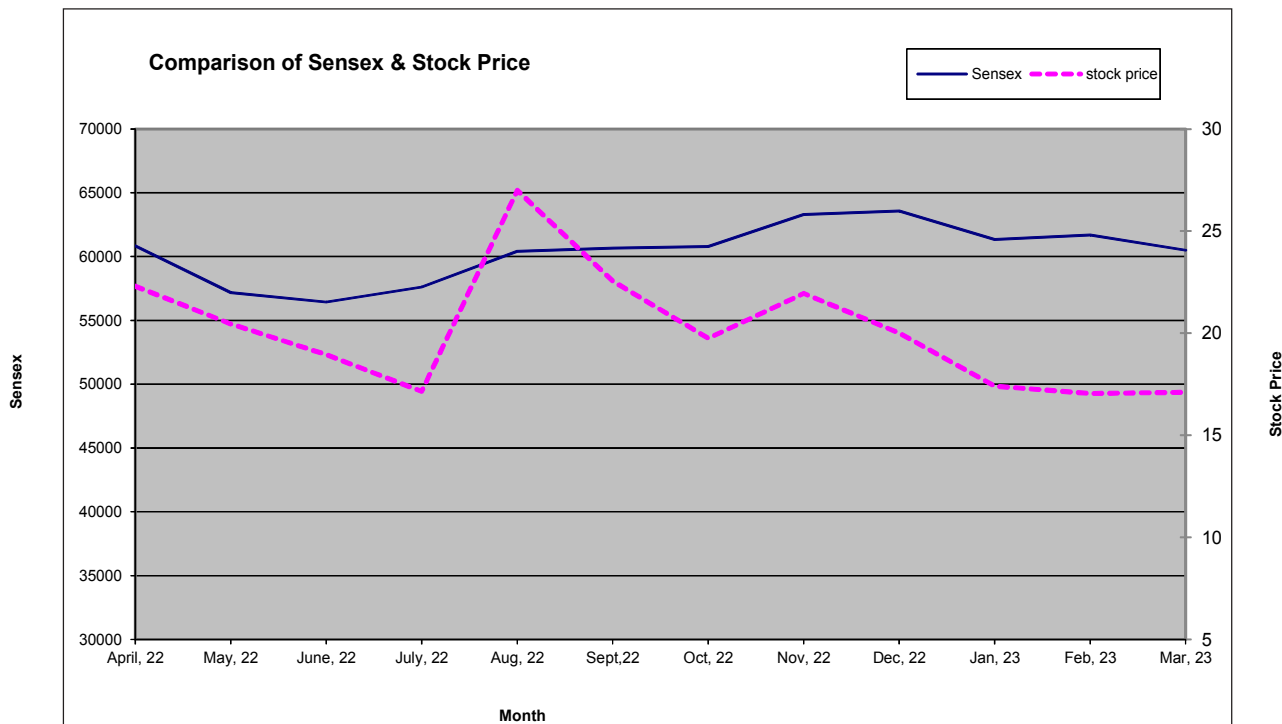
- **Market Price Information**

Monthly high and low quotations of Company's equity shares traded on BSE Limited during 2022-23 are as follows:

Month	Share Price (Rs.)		BSE Sensex		
	High	Low	High	Low	Close
<b>2022</b>					
April	22.30	19.10	60845.10	56009.07	57060.87
May	20.45	16.25	57184.21	52632.48	55566.41
June	18.95	14.50	56432.65	50921.22	53018.94
July	17.15	15.00	57619.27	52094.25	57570.25
August	27.00	15.35	60411.20	57367.47	59537.07
September	22.55	16.20	60676.12	56147.23	57426.92
October	19.75	17.00	60786.70	56683.40	60746.59
November	21.95	14.90	63303.01	60425.47	63099.65
December	20.00	15.10	63583.07	59754.10	60840.74
<b>2023</b>					
January	17.40	14.50	61343.96	58699.20	59549.90
February	17.05	12.70	61682.25	58795.97	58962.12
March	17.10	12.21	60498.48	57084.91	58991.52

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### Performance of Company's Share Price in comparison with BSE Sensex



\* The securities of the Company are not suspended from trading by the Stock Exchange on which the said securities are listed.

- **Name & Address of the registrar and Share Transfer Agent**

**UNIVERSAL CAPITAL SECURITIES PRIVATE LIMITED**

C-101, 247 Park, 1st Floor, LBS Road,  
Gandhi Nagar, Vikhroli (West),  
Mumbai-400083  
Tel: (022) 28207203-05/4918 6178-79  
Fax: +91 22 28207207  
Email: baba@unisec.in

- **Share Transfer System**

As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019 except in case of request received for transmission or transposition and re-lodged transfers of securities. Further SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated 2nd December, 2020 had fixed 31st March, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. The requests for effecting transfer/transmission/transposition of securities shall not be processed unless the securities are held in the demat form. Transfer of equity shares in electronic form are effected through the depositories with no involvement of the Company. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

Share transactions in electronic form can be effected in a much simpler and faster manner. After a confirmation of a sale / purchase transaction from the broker, shareholders should approach the Depository Participant ('DP') with a request to debit or credit the account for the transaction. The DP will immediately arrange to complete the transaction by updating the account.





• **Distribution of Shareholding as on 31st March, 2023**

Range of Holding	No. of Share Holders	% to Total Shareholders	Shareholdings	Share Amount (Rs.)	% to Total Share Capital
1 - 500	5454	84.45	327402	327402	0.62
501 - 1000	338	5.23	269861	269861	0.51
1001 - 2000	289	4.48	443361	443361	0.84
2001 - 3000	104	1.61	252379	252379	0.48
3001 - 4000	65	1.00	237566	237566	0.45
4001 - 5000	52	0.81	249384	249384	0.48
5001 - 10000	56	0.87	421833	421833	0.80
10001 and above	100	1.55	50298214	50298214	95.82
<b>Total</b>	<b>6458</b>	<b>100.00</b>	<b>52500000</b>	<b>52500000</b>	<b>100.00</b>

• **Categories of Shareholders as on 31st March, 2023**

Sr. No.	Category of Members	No. of Shares Held	% to Total Capital
1.	Body Corporate/LLP	1331422	2.540
2.	Clearing Members	2008	0.003
3.	Hindu Undivided Family	222757	0.424
4.	Investor Education and Protection Fund	217204	0.413
5.	Non-Resident (Non Repatriable)	559260	1.065
6.	Non-Resident Indians	26934	0.051
7.	Other Bodies Corporate	2817178	5.366
8.	Promoters	39208000	74.681
9.	Public	8115237	15.457
	<b>Total</b>	<b>52500000</b>	<b>100.000</b>

\*\* For the purpose of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 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 31.03.2023
1.	Shri Gordhan P. Tanwani	Promoter I	Self	26600000
2.	Shri Rahul G. Tanwani	Promoter II	Son of Promoter I	12600000
3.	Shri Pravin J. Karia	PAC	Person Acting in Concert	8000

• **Dematerialization 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 dematerialization as on 31st March 2023 was as under:

Particulars	No. of Shares	% to Capital	No. of Accounts / Folios
NSDL	30966449	58.98	1443
CDSL	21330023	40.63	4939
<b>Total Shares under Demat</b>	<b>52296472</b>	<b>99.61</b>	
Physical	203528	0.39	76
<b>Total Capital</b>	<b>52500000</b>	<b>100.00</b>	<b>6458</b>

All the demat requests have been approved within 21 Days.

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- **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, 2023, the Company does not have any outstanding GDRs/ADRs/ Warrants or any convertible instruments.

- **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.

- **Plant Locations**

The Company's Post Production Studio is located at:

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

- **Address for Correspondence**

Investors may address correspondence to

**Shri Naishadh H. Mankad**  
Company Secretary & Compliance Officer

**Baba Arts Limited**  
3A, Valecha Chambers, New Link Road,  
Andheri (West),  
Mumbai-400053  
Phone: 022 2673 3131  
Fax : 022 2673 3375  
Email: [investors@babaartslimited.com/](mailto:investors@babaartslimited.com)  
[babaartslimited@yahoo.com](mailto:babaartslimited@yahoo.com)

**Shri Ravi Utekar**  
General Manager

**Universal Capital Securities Private Limited**  
C-101, 247 Park, 1st Floor, L.B.S Road,  
Gandhinagar, Vikhroli (West)  
Mumbai-400083.  
Phone:022 4918 6178 - 79  
Fax: 022 4918 6060  
Email: [info@unisec.in](mailto:info@unisec.in)

- **Credit Rating**

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

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

There are no material significant transactions with related parties that have potential conflict with the interest of the Company.

Transactions entered into with related parties during F.Y.2022-23 were in ordinary course of business and at arms' length basis and were approved by the audit committee including Independent Directors. The Board's approved Policy for related party transactions is uploaded on the Company's website <https://babaartslimited.com/wp-content/uploads/BAL-Policy-on-Related-Party-Transactions.pdf>.

- **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:**

The Company has complied with all the requirements under the applicable laws and regulations. No penalty has been imposed or strictures passed by stock exchange, SEBI, or any other statutory authority on any matter related to capital markets during the last three years.



- **Details of establishment of vigil mechanism/whistle blower policy and affirmation that no personnel have been denied access to the audit committee.**

The Company has formulated and adopted a comprehensive Whistle Blower Policy applicable to all the permanent employees and directors of the Company. The Whistle Blower Policy has been circulated to all the board members and senior management personnel of the Company. A copy of the policy has been posted on the Company's website [https://babaartslimited.com/wp-content/uploads/BAL-Policy-on-Vigil-Mechanism\\_Whistle-Blower-Policy.pdf](https://babaartslimited.com/wp-content/uploads/BAL-Policy-on-Vigil-Mechanism_Whistle-Blower-Policy.pdf)

The board of directors hereby confirms that no employee of the Company is denied direct access to the audit committee.

- **Reconciliation of Share Capital Audit Report**

A qualified practicing Company Secretary carries out reconciliation of share capital audit on quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and total number of dematerialized shares held with NSDL and CDSL.

- **Insider Trading Code**

The Securities and Exchange Board of India (SEBI) has promulgated the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("the PIT Regulations"). The PIT Regulations has come into effect from 15th May, 2015 and replaced the earlier regulations. The object of the PIT Regulations is to curb the practice of insider trading in the securities of a listed company.

The Company has adopted the Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders ("the Code") in accordance with the requirements of the PIT Regulations. The Code lays down guidelines for procedures to be followed and disclosures to be made while trading in securities of the Company.

The Code of Corporate Disclosure Practices along with the Policy for Determination of Legitimate Purposes is also available on the website of the Company at [https://babaartslimited.com/wp-content/uploads/BAL-Policy-on-Code-of-Fair-Disclosure\\_Legitimate-Purposes.pdf](https://babaartslimited.com/wp-content/uploads/BAL-Policy-on-Code-of-Fair-Disclosure_Legitimate-Purposes.pdf).

The Code is applicable to promoters and promoter's group, all directors and such designated employees who are expected to have access to UPSI relating to the Company. The Company Secretary is the Compliance Officer for monitoring & adherence to the said regulations.

The Company has also formulated "The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) in compliance with SEBI (Prohibition of Insider Trading), Regulations, 2015. This Code is displayed on the Company's Website <https://babaartslimited.com/wp-content/uploads/BAL-Code-to-Monitor-Regulate-trading-by-insiders.pdf>.

- **Compliance with Mandatory Requirements and adoption of Non-Mandatory Requirements**

The Company has strived to voluntarily comply with most of 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:

- (i) **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.

- (ii) **Shareholders Rights:**

Unaudited quarterly financial results were published in Free Press Journal & Navshakti, Mumbai. All the Results were posted on website of the Company <https://babaartslimited.com/announcementsnotices/>.

- (iii) **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.

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**(iv) Separate Posts of Chairman and CEO:**

The Position of Chairman & CEO is at present common.

**(v) Reporting of Internal Auditor:**

The Internal Auditors directly report to the audit committee.

**(vi) 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, 2023
1.	Shri Santosh A. Shah	Nil
2.	Shri Sanjiv L. Hinduja	7600
3.	Smt. Malavika A. Acharya Jointly as second holder with Shri Ajay D. Acharya	235400
4.	Ms. Juhi V. Pania (up to 23rd August, 2022)	N.A.
5.	Shri Nikhil G. Tanwani (w.e.f.20th January, 2022)#	Nil

#with effect from 1st June, 2022 Shri Nikhil G. Tanwani was appointed as Whole Time Director in the Category of Executive Director.

● **Web link where policy for determining material subsidiaries is disclosed:**

The Company does not have any subsidiary.

● **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 <https://babaartslimited.com/wp-content/uploads/BAL-Policy-on-Related-Party-Transactions.pdf>.

● **Disclosure 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.

● **Details of utilization of funds raised through preferential allotment or qualified institutional placement as specified.**

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

● **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 Director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.**

**No Disqualification Certificate from Company Secretary in Practice**

**(Pursuant to Regulation 34(3) read with Schedule V Para –C Clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015)**

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

1. We have been engaged to issue certificate that none of the Directors on the Board of the **Baba Arts Limited** ("**Company**") having **CIN L72200MH1999PLC119177** have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India (SEBI) /Ministry of Corporate Affairs or any such statutory authority in terms of Para C Clause 10 (i) of Schedule V read with Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations):



2. We have examined the following:
  - (a) The declaration given by each of the Directors of the Company with respect to their interest in other entities as Director or otherwise along with names of their relatives in pursuance of Section 184 of the Companies Act, 2013 and taken on record by the Company;
  - (b) Declarations pursuant to Section 164 of the Companies Act, 2013 given by each of the Directors of the Company confirming that he/she is not disqualified to hold the Office of Director as on 31st March, 2023 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 and;
  - (d) General Search on the website of the Securities and Exchange Board of India;
3. Based on the above verification and to the best of our information and according to the explanations provided to us, we are of the opinion that none of the following Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by SEBI/Ministry of Corporate Affairs or any such statutory authority as on 31st March, 2023:

Sr No	Name of the Director	Designation/Category	Director Identification Number
1.	Mr. Gordhan Prabhudas Tanwani	Chairman & Managing Director/Promoter	00040942
2.	Mr. Santosh Anilkumar Shah	Non-Executive/Independent Director	01259840
3.	Mr. Sanjiv Laxmichand Hinduja	Non-Executive/Independent Director	00040858
4.	Mrs. Malavika Ajay Acharya	Non-Executive /Non-Independent Director	07007469
6.	Mr. Nikhil Gordhan Tanwani	Whole Time Director	01995127

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 Companies 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, 2023 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)**

**ICSI Unique Code : P2014MH034700  
Peer Review Certificate No: 2404/2022  
Place: Mumbai  
Date: 25th May 2023  
UDIN: F010032E000380776**

**CS Nrupang B. Dholakia  
Designated Partner  
FCS-10032 CP No. 12884**

- The Board of Directors has accepted all the recommendations of the Committees of the Board during the year.
- **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.25,000/-
	<b>Total</b>	<b>Rs.1,05,000/-</b>

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- **Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal), Act, 2013**

a.	No. of Complaints filed during the financial year	Nil
b.	No. of Complaints disposed off during the financial year	Nil
c.	No. of Complaints pending as on end of the financial year	Nil

- **Disclosure about Loans and Advances in nature of loans to firms / companies in which directors are interested by name and amount**

The Company has not given any loan or advance in the nature of loans to firms / companies in which directors are interested.

- **Details of material subsidiaries of listed entity including the date and place of incorporation and the name and date of appointment of Statutory Auditors of such subsidiaries:**

The Company does not have any subsidiary.

### 12. DISCLOSURE OF NON-COMPLIANCE OF REQUIREMENTS OF CORPORATE GOVERNANCE:

The paid-up share capital and net worth of the company is below the threshold limit for the purpose of compliance of corporate governance provisions under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR). The Company has strived to voluntarily comply with the requirements of Corporate Governance. The Company is in the process of fully complying with the requirements of Corporate Governance.

### 13. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V of the Listing Regulations, details of equity shares in the suspense account are as follows:

Sr. No.	Particulars	No. of Shareholders	No. of Equity Shares
1	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year as 1st April, 2022.	Nil	Nil
2	Number of shareholders who approached issuer for transfer of shares from suspense account during the year 2022-23.	Nil	Nil
3	Number of shareholders to whom shares were transferred from suspense during the year 2022-23.	Nil	Nil
4	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year 31st March, 2023.	Nil	Nil

The voting rights on the shares outstanding in the suspense as on 31st March, 2023 shall remain frozen till the rightful owner of such shares claims the shares.

#### **Transfer of Unclaimed/unpaid amounts to the Investor Education and Protection Fund**

The Company was not required to transfer any unclaimed shares to IEPF Authority during the financial year 2022-23.

### 14. DECLARATION BY THE MANAGING DIRECTOR UNDER REGULATION 34 (3) READ WITH PARAD OF SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), 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, 2023.

Date: 25th May, 2023  
Place: Mumbai

Gordhan P. Tanwani  
Chairman & Managing Director





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

To,  
The Board of Directors  
Baba Arts Limited

Dear Members of the Board,

We, Gordhan P. Tanwani, Chairman & Managing Director and Ajay D. Acharya, Chief Financial Officer (CFO) of Baba Arts Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed the Balance Sheet as at 31st March, 2023, Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information of the Company, and the Board's report for the year ended 31st March, 2023.
2. These statements do not contain any materially untrue statement or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. The financial statements, and other financial information included in this report, present in all material respects a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as at, and for, the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations.
4. There are no transactions entered into by the Company during the year that are fraudulent, illegal or violate the Company's Code of Conduct and Ethics, except as disclosed to the Company's auditors and the Company's audit committee of the Board of Directors.
5. We are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and we have:
  - a) Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared.
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Indian Accounting Standards (Ind AS).
  - c) Evaluated the effectiveness of the Company's disclosure, controls and procedures.
  - d) Disclosed in this report, changes, if any, in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.
6. We have disclosed, based on our most recent evaluation of the Company's internal control over financial reporting, wherever applicable, to the Company's auditors and the audit committee of the Company's Board (and persons performing the equivalent functions):
  - a) Any deficiencies in the design or operation of internal controls, that could adversely affect the Company's ability to record, process, summarize and report financial data, and have confirmed that there have been no material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.
  - b) Any significant changes in internal controls during the year covered by this report.
  - c) All significant changes in accounting policies during the year, if any, and the same have been disclosed in the notes to the financial statements.
  - d) Any instances of significant fraud of which we are aware, that involve the Management or other employees who have a significant role in the Company's internal control system.
7. We affirm that we have not denied any personnel access to the audit committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to whistle blowers from unfair termination and other unfair or prejudicial employment practices.
8. We further declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct and Ethics for the year covered by this report.

For BABA ARTS LIMITED

Place: Mumbai  
Date: 25th May, 2023

Gordhan P. Tanwani  
Chairman & Managing Director (MD)

Ajay D. Acharya  
Chief Financial Officer (CFO)

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### INDEPENDENT AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

#### TO THE MEMBERS OF BABA ARTS LIMITED

1. We, **M M Nissim & Co LLP**, Chartered Accountants, the Statutory Auditors of **BABA ARTS LIMITED** ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2023, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

#### MANAGEMENT'S RESPONSIBILITY

2. The Management is responsible for ensuring that the Company complies with the conditions of Corporate Governance. This responsibility also includes the design, implementation and maintenance of internal controls and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

#### AUDITORS' RESPONSIBILITY

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the 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.

#### OPINION

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the Listing Regulations during the year ended 31 March 2023.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company

#### RESTRICTIONS ON USE

9. The Certificate is addressed and provided to the Members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it 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 for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for any event or circumstances occurring after the date of this Certificate.

#### For M M NISSIM & CO LLP

Chartered Accountants  
Firm Regn. No. 107122W/W100672

#### Hiren P Muni

Partner  
Mem. No.: 142067  
Mumbai  
UDIN:- 23142067BGTJBH7020  
Date: 25th May 2023



## INDEPENDENT AUDITOR’S REPORT

To the Members of Baba Arts Limited

### Report on the Standalone Financial Statements

#### Opinion

1. We have audited the Separate financial statements (also known as Standalone Financial Statements) of **Baba Arts Limited** (“the company”), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity for the year then ended, and notes to financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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 (Ind AS) prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles accepted in India, of the state of affairs (financial position) of the Company as at 31st March, 2023, its profit (financial performance including Other Comprehensive Income) , the Changes in Equity and its cash flows for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 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

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

S No.	Key Audit Matter	Our Response
1	<p><i>Evaluation of Provisions and Contingent Liabilities w.r.t. litigations and claims</i></p> <p>The Company has material uncertain positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Note No. 24 of the Financial Statements</p>	<p><i>Principal Audit Procedures</i></p> <ul style="list-style-type: none"> <li>• We obtained details of completed tax assessments and demands for the year ended March 31, 2023 from management.</li> <li>• We discussed with appropriate senior management and evaluated management’s underlying key assumptions in estimating the tax provisions and;</li> <li>• Assessed management’s estimate to the possible outcome of the disputed cases.</li> </ul>

#### Information Other than the Standalone Financial Statements and Auditor’s Report thereon

5. The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Board’s report including annexure to Board’s report but does not include the Standalone Ind AS financial statements and our auditor’s report thereon. Our opinion on the Standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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6. In connection with our audit of the Standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
7. 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.

### Responsibility of Management for the Financial Statements

8. 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, Changes in Equity and cash flows of the Company in accordance with accounting principles generally accepted in India including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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.
9. In preparing the Standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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 also responsible for overseeing the company's financial reporting process.

### Auditor's Responsibility for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as 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 expect to influence the economic decisions of the users taken on the basis of these Standalone Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the Standalone Ind AS 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 reasonableness 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 Ind AS 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.



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

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.

#### **Other Matters**

Attention is drawn to the fact that the audited standalone financial Statements of the Company for the year ended 31 March 2022 were audited by erstwhile auditors whose report dated 12th May 2022, expressed an unmodified opinion on those audited standalone financial statements. Our opinion is not modified in respect of these matters.

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

11. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" - a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
12. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of Changes in Equity and the Cash Flow Statement 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 Accounting Standards specified under section 133 of the Act, read together with Rules thereon.
  - e) On the basis of written representations received from the directors as on 31st March, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended.

In our opinion, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act. The remuneration paid/provided are not in excess of the limits laid down under section 197 of the Act.

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- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements – Refer Note 24 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) As represented to us by the management and to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (Intermediaries"), with the understanding whether recorded in writing or otherwise that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
(b) As represented to us by the management and to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
(c) Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that causes us to believe that the above representations under Clause (iv), sub-clause (a) & (b) contain any material mis-statement.
  - v. Company has not paid any dividend during the year under audit and hence clause (f) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
  - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023.

**For M M NISSIM & CO LLP**  
Chartered Accountants  
(Firm Regn. No 107122W/W100672)

**(Hiren P. Muni)**  
Partner  
Mem. No.: 142067  
UDIN – 23142067BGTJBG9751

Mumbai,  
Date : 25th May 2023





**“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF BABA ARTS LIMITED.**

**Report on the order issued under Section 143 (11) of the Companies Act, 2013**

- i) In respect of its Property, Plant and Equipment’s :
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress, investment properties.
- (B) The Company does not hold any intangible assets as on balance sheet date or during the year.
- (b) The Property, Plant and Equipment, capital work-in-progress, investment properties were physically verified during the year by the Management which, in our opinion, is at reasonable intervals. No material discrepancies were noticed on such verification.
- (c) According to information and explanations provided to us and based on our examination, the title deeds of immovable property are held in the name of the company as at Balance Sheet date.
- (d) The Company has not revalued any of its property, plant and equipment during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii) (a) The Company is in the business of making Films, Web Series and Audio/ Video Songs as well as trading of Intellectual Property Rights and accordingly, does not hold any inventory (.i.e. goods). Therefore the Para 3(ii) of the order relating to physical verification of Inventories is not applicable.
- (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of Rs. 5 Crore, in aggregate, at any points of time during the year, from banks or financial Institutions on the basis of security of current assets and hence reporting under Clause 3(ii)(b) of the Order is not applicable
- iii) The company has not made investments in, provided guarantees and granted loans, unsecured to companies, firms, Limited Liability Partnerships or other parties. During the year the company has not provided advances in the nature of loans and security to any party during the year. Therefore the reporting under Para 3(iii) of the order is not applicable.
- iv) 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 granted any loans or provided any guarantee or security or made investment as specified under Sections 185 and 186 of the Companies Act, 2013.
- v) The Company has not accepted any deposits within the meaning of provisions of section 73 to 76 of the Act, and the rules framed thereunder from the public. Accordingly, clause 3(v) of the order are not applicable to the Company.
- vi) In our opinion and, and according the information and explanations given to us, Central Government has not prescribed maintenance of cost records under Section 148(1) of the Act, for any of the activities of the company.
- vii) a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees’ State Insurance, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year. There are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2023 for a period of more than six months from the date they became payable.
- b) According to the records of the company, there are no dues outstanding of income-tax, sales-tax, service tax, duty of customs, duty of excise, goods and services tax and value added tax on account of any dispute, except following:

<b>Act Under which demand is raised</b>	<b>Particulars</b>	<b>Financial Year</b>	<b>Demand Outstanding (Rs.)</b>	<b>Authority with which pending</b>
Maharashtra Value Added Tax	Sales Tax	2013-14	2,853	Commissioner of Sales Tax
Service Tax Act	Service Tax	2011-15	7,64,70,058	Appeal before CESTAT

## ANNUAL REPORT 2022-2023

- viii) As per information and explanation given to us and as verified, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the year.
- ix) (a) The Company has not taken any loan or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the order is not applicable to the company.
- (b) According to the information and explanation given to us and on the basis of our audit procedures, The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, the Company has not raised any funds on short-term basis have, hence clause 3(ix)(d) of the Order is not applicable
- (e) The Company did not have any subsidiary or joint venture during the year. The Company has not taken any funds from any entity or person on account of or to meet the obligation of its associates.
- (f) The Company did not have any subsidiary or associate Company or joint venture during the year. Accordingly, reporting on clause (ix)(f) of the Order is not applicable.
- x) (a) The company has not raised any money by way of Initial public offer or further Public offer (Including debt instruments), during the year and hence reporting under Clause (x) (a) of Para 3 of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- xi) (a) On the basis of our examination and according to the information and explanations given to us, no fraud by the Company or any material fraud on the Company has been noticed or reported during the year, nor have we been informed of any such case by the management.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of para 3 of the Order is not applicable.
- xiii) On the basis of our examination and according to the information and explanations given to us, we report that all the transaction with the related parties are in compliance with Section 177 and 188 of the Act, and the details have been disclosed in the Standalone Financial Statements in Note 28 as required by the applicable Indian Accounting standards.
- xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv) According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with directors or persons connected with the directors and hence provisions of Sec 192 of the Companies Act, 2013 are not applicable to the company.
- xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, provisions of clause (xvi) of Para 3 of the Order are not applicable to the Company.
- (b) During the year, the Company has not conducted any Non-Banking Financial or Housing Finance activities and accordingly, provisions of clause (xvi)(b) of Para 3 of the Order are not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the Regulations made by the Reserve Bank of India and accordingly the provisions of clause (xvi) of Para 3 of the Order is not applicable to the Company.



- (d) The group does not have any CIC as a part of the group and accordingly reporting under clause (xvi)(d) of Para 3 of the Order is not applicable to the Company.
- xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors of the Company during the year.
- xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx) Since the Company does not satisfy the conditions specified in the act, Section 135 of the act is not applicable. Accordingly, provisions of clause 3(xx)(a) and 3(xx)(b) of para 3 of the order are not applicable to the Company.
- xxi) The reporting under clause 3(xxi) is not applicable in respect of audit of Standalone Financial Statement of the Company. Accordingly, no comment has been included in respect of said clause under this report.

**For M M NISSIM & CO LLP**  
Chartered Accountants  
(Firm Regn. No 107122W/W100672)

**(Hiren P. Muni)**  
Partner  
Mem. No.: 142067  
UDIN – 23142067BGTJBG9751

Mumbai,  
Date : 25th May 2023

## ANNUAL REPORT 2022-2023

### ANNEXURE – B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE 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")

We have audited the internal financial controls with reference to standalone financial statements of Baba Arts Limited as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at March 31, 2023, based on the internal control with reference to standalone 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.

#### 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 with reference to standalone financial statements 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 (the Guidance Note) 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 Act.

#### Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control with reference to financial statements 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 with reference to financial statements 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 in India, 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.

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

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For M M NISSIM & CO LLP**  
Chartered Accountants  
(Firm Regn. No 107122W/W100672)

**(Hiren P. Muni)**  
Partner  
Mem. No.: 142067  
UDIN – 23142067BGTJBG9751

Mumbai,  
Date : 25th May 2023



## BALANCE SHEET AS AT 31ST MARCH, 2023

(Rupees in Lakhs)

Particulars	Note	As at March 31,2023	As at March 31,2022
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, Plant and Equipment	2	139.53	145.32
Financial Assets			
Other Financial Assets	3	150.37	0.37
Income Tax Assets		7.13	185.21
		<b>297.03</b>	<b>330.90</b>
<b>Current Assets</b>			
Inventories	4	546.35	268.71
Financials Assets			
Trade Receivables	5	27.15	215.41
Cash and Cash Equivalents	6	172.77	375.37
Bank Balance other than Cash and Cash Equivalents	7	1,027.41	499.00
Loans	8	-	425.00
Other Financial Assets	3	31.25	21.05
Other Current Assets	9	322.61	240.25
		<b>2,127.54</b>	<b>2,044.79</b>
<b>TOTAL ASSETS</b>		<b>2,424.57</b>	<b>2,375.69</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	SOCE	525.00	525.00
Other Equity	SOCE	1,812.53	1,711.03
		<b>2,337.53</b>	<b>2,236.03</b>
<b>Non-current liabilities</b>			
Financial Liabilities			
Other Financial Liabilities	10	5.33	-
Provisions	11	6.53	9.91
Deferred Tax Liabilities (net)	12	17.58	17.42
		<b>29.44</b>	<b>27.33</b>
<b>Current liabilities</b>			
Financial Liabilities			
Trade Payables	13	-	-
(a) Total outstanding dues of micro enterprises and small enterprises		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		16.50	88.70
Other Financial Liabilities	10	20.66	6.22
Other Current Liabilities	14	5.69	9.19
Provisions	11	14.75	8.22
		<b>57.60</b>	<b>112.33</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>2,424.57</b>	<b>2,375.69</b>

### Summary of Significant Accounting Policies

1

The accompanying notes are an integral part of the financial statements.

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As per our report of even date

**For M M Nissim & Co LLP**

Chartered Accountants

Firm Reg. No.: 107122W/W100672

**For and on behalf of Board of directors**

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

**Hiren P. Muni**  
[Partner]  
Membership No. 142067

**Santosh A. Shah**  
[Director]  
[DIN : 01259840]

**Sanjiv L. Hinduja**  
[Director]  
[DIN : 00040858]

**Malavika A. Achrya**  
[Director]  
[DIN : 07007469]

**Nikhil G. Tanwani**  
[Whole Time Director]  
[DIN : 01995127]

**Naishadh H. Mankad**  
Company Secretary

**Ajay D. Acharya**  
Chief Financial Officer

Place: Mumbai  
Date: 25th May,2023

Place : Mumbai  
Date : 25th May,2023

## ANNUAL REPORT 2022-2023

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

(Rupees In Lakhs except EPS)

Particulars	Note	Year Ended 31st March 2023	Year Ended 31st March 2022
<b>INCOME</b>			
Revenue from Operations	15	278.75	1,801.80
Other Income	16	103.78	90.38
<b>TOTAL INCOME</b>		<b>382.53</b>	<b>1,892.18</b>
<b>EXPENSES</b>			
Cost of Production of Films / Web Series	17	296.12	75.09
Purchases of Stock-in-Trade		46.67	1,274.50
Changes in Inventories of Finished Goods, Stock-in-Trade, and Work-in-Progress	18	(277.64)	(1.58)
Employee Benefits Expense	19	45.78	38.26
Finance Cost	20	0.87	0.59
Depreciation and Amortization Expense	21	5.89	5.88
Other Expenses	22	131.60	88.38
<b>TOTAL EXPENSES</b>		<b>249.29</b>	<b>1,481.12</b>
<b>PROFIT/ (LOSS) BEFORE TAX</b>		<b>133.24</b>	<b>411.06</b>
<b>Tax expense:</b>			
Current Tax		36.03	113.06
Prior Year Taxes		(5.44)	-
Deferred Tax		0.44	0.46
<b>Total Tax Expense</b>		<b>31.03</b>	<b>113.52</b>
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>102.21</b>	<b>297.54</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be reclassified to Statement of Profit and Loss			
Remeasurements of Defined Benefit Plans		(0.97)	0.99
Income Tax relating to items that will not be reclassified to Statement Profit of Loss		0.27	(0.28)
<b>TOTAL OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR (NET OF TAX)</b>		<b>(0.70)</b>	<b>0.72</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>101.51</b>	<b>298.26</b>
<b>Earnings per equity share:</b>			
(1) Basic	23	0.19	0.57
(2) Diluted		0.19	0.57
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

24 to 44

As per our report of even date

**For M M Nissim & Co LLP**  
Chartered Accountants  
Firm Reg. No.: 107122W/W100672

**For and on behalf of Board of directors**

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

**Hiren P. Muni**  
[Partner]  
Membership No. 142067

**Santosh A. Shah**  
[Director]  
[DIN : 01259840]

**Sanjiv L. Hinduja**  
[Director]  
[DIN : 00040858]

**Malavika A. Achrya**  
[Director]  
[DIN : 07007469]

**Nikhil G. Tanwani**  
[Whole Time Director]  
[DIN : 01995127]

**Naishadh H. Mankad**  
Company Secretary

**Ajay D. Acharya**  
Chief Financial Officer

**Place: Mumbai**  
**Date: 25th May,2023**

**Place : Mumbai**  
**Date : 25th May,2023**





## CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2023

(Rupees in Lakhs)

PARTICULARS	As at 31st March 2023	As at 31st March 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
NET PROFIT BEFORE TAX	133.24	411.06
Adjustment for :		
Depreciation & Amortisation	5.89	5.88
Finance Cost	0.87	0.59
Interest Income	(80.11)	(77.54)
Rental Income	(12.65)	(13.20)
Impact of reclassification of Actuarial Gain / (Loss) on employee benefits	(0.97)	0.99
	(86.97)	(83.27)
<b>OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES</b>	<b>46.27</b>	<b>327.79</b>
(Increase)/Decrease in Trade Receivables	188.26	(203.15)
(Increase)/Decrease in Other Financial Assets	(232.36)	(4.91)
(Increase)/Decrease in Inventories	(277.64)	(1.59)
Increase/(Decrease) in Other Financial Liabilities	(52.79)	85.24
	(374.51)	(124.41)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(328.24)</b>	<b>203.38</b>
Direct taxes (paid)/refund	147.47	(179.50)
	<b>(180.77)</b>	<b>23.88</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of PPE & Intangibles	(0.11)	(1.76)
Repayment of Loans given	425.00	220.00
Fixed Deposits (Placed)/Matured	(528.41)	-
Interest Income	69.91	74.22
Rent Income	12.65	13.20
	(20.96)	305.66
<b>NET CASH GENERATED FROM INVESTING ACTIVITIES</b>	<b>(20.96)</b>	<b>305.66</b>

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(Rupees in Lakhs)

PARTICULARS	As at 31st March 2023	As at 31st March 2022
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Paid	(0.87)	(0.59)
	<hr/>	<hr/>
	(0.87)	(0.59)
	<hr/>	<hr/>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(0.87)</b>	<b>(0.59)</b>
	<hr/>	<hr/>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(202.60)</b>	<b>328.95</b>
<b>OPENING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>375.37</b>	<b>46.42</b>
	<hr/>	<hr/>
<b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>	<b>172.77</b>	<b>375.37</b>
	<hr/>	<hr/>
	<b>172.77</b>	<b>375.37</b>
	<hr/>	<hr/>

### Note to Cash Flow Statement:

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 having maturity of less than three months
3. Previous year's figures have been regrouped/rearranged wherever necessary.

As per our report of even date

**For M M Nissim & Co LLP**

Chartered Accountants

Firm Reg. No.: 107122W/W100672

For and on behalf of Board of directors

**Gordhan P. Tanwani**

Chairman & Managing Director

[DIN : 00040942]

**Hiren P. Muni**

Partner

Membership No.142067

**Santosh A. Shah**

[Director]

[DIN : 01259840]

**Sanjiv L. Hinduja**

[Director]

[DIN : 00040858]

**Malavika A. Achrya**

[Director]

[DIN : 07007469]

**Nikhil G. Tanwani**

[Whole Time Director]

[DIN : 01995127]

**Naishadh H. Mankad**

Company Secretary

**Ajay D. Acharya**

Chief Financial Officer

**Place: Mumbai**

**Date: 25th May,2023**

**Place : Mumbai**

**Date : 25th May,2023**



**STATEMENT OF CHANGES IN EQUITY (SOCE)**

(All amount in Rupees Lakhs, unless otherwise stated)

**A. Equity Share Capital**

Particulars	Number		Amount	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
<b>Authorised Share Capital</b>				
- Equity Share Capital	30,00,00,000	30,00,00,000	3,000	3,000
<b>Issued, Subscribed and Fully Paid Up Equity Share Capital</b>				
Equity shares of Re. 1/- each	5,25,00,000	5,25,00,000	525	525

**(a) Terms of Equity Shares :**

The company has only one class of equity shares of Re. 1/- each with same rights, preference and restrictions attached to it. In the event of liquidation equity shareholders shall get the surplus amount available after payment of preferential amounts.

**(b) Reconciliation of the shares outstanding at the beginning and at the end of the year**

Particulars	As at 31 March 2023	As at 31 March 2022
	No of Shares	No of Shares
<b>Balance at the Beginning of the Year</b>	<b>5,25,00,000</b>	<b>5,25,00,000</b>
Issued During the Year	-	-
<b>Balance at the End of the Year</b>	<b>5,25,00,000</b>	<b>5,25,00,000</b>

**(c) Disclosure of Share Holding of Promoters**

Shares held by Promoters at the End of the Year

Promoter Name	No. of shares as on 31st March, 2023	No. of shares as on 31st March, 2022	% of total shares as on 31st March, 2023	% of total shares as on 31st March, 2022	% Change during the year ended 31st March, 2023	% Change during the year ended 31st March, 2022
1. Shri Gordhan P. Tanwani	2,66,00,000	2,66,00,000	50.67	50.67	-	-
2. Shri Rahul G. Tanwani	1,26,00,000	1,26,00,000	24.00	24.00	-	-
3. Shri Pravin J. Karia	8,000	8,000	0.01	0.01	-	-
<b>Total</b>	<b>3,92,08,000</b>	<b>3,92,08,000</b>	<b>74.68</b>	<b>74.68</b>	<b>-</b>	<b>-</b>

**(d) Details of Shareholders Holding More than 5% Shares in the Company**

Particulars	%		Shares	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
1. Shri Gordhan P. Tanwani	50.67	50.67	2,66,00,000	2,66,00,000
2. Shri Rahul G. Tanwani	24.00	24.00	1,26,00,000	1,26,00,000

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### B. Other Equity

(All amount in Rupees Lakhs, unless otherwise stated)

#### (1) Current reporting period

Particulars	Reserves and Surplus			Other Comprehensive income	Total
	Capital Redemption Reserve	General Reserve	Retained Earnings	Remeasurements of Defined Benefit Plans	
Balance as on 1st April, 2021	507.00	110.00	797.18	(1.41)	1,412.77
Profit for the year	-	-	297.54	0.72	298.26
Balance as on 31st March, 2022	507.00	110.00	1,094.72	(0.69)	1,711.03
Profit for the year	-	-	102.21	(0.70)	101.51
Balance as on 31st March, 2023	507.00	110.00	1,196.93	(1.39)	1,812.53

Particulars	Nature and Purpose
Capital Redemption Reserve	Amount equal to nominal value of the shares purchased by the Company out of its Free Reserves and Securities Premium. It is utilised in accordance with provisions of Section 69 of the Companies Act, 2013.
General Reserve	Amount transferred from retained earnings for appropriation purpose. It is a free reserve.
Retained Earnings	Accumulated balance of Total Comprehensive Income earned during the respective years.
Remeasurements of Defined Benefit Plans	Gains / (Losses) arising on Remeasurements of Defined Benefit Plans are recognised in the Other Comprehensive Income as per Ind As-19 and shall not be reclassified to the Statement of Profit or Loss in the subsequent years.

As per our report of even date

**For M M Nissim & Co LLP**

Chartered Accountants

Firm Reg. No.: 107122W/W100672

For and on behalf of Board of directors

**Gordhan P. Tanwani**

Chairman & Managing Director

[DIN : 00040942]

**Hiren P. Muni**

Partner

Membership No.142067

**Santosh A. Shah**

[Director]

[DIN : 01259840]

**Sanjiv L. Hinduja**

[Director]

[DIN : 00040858]

**Malavika A. Achrya**

[Director]

[DIN : 07007469]

**Nikhil G. Tanwani**

[Whole Time Director]

[DIN : 01995127]

**Naishadh H. Mankad**

Company Secretary

**Ajay D. Acharya**

Chief Financial Officer

Place: Mumbai

Date: 25th May,2023

Place : Mumbai

Date : 25th May,2023



## Notes to the standalone Financial Statements as at 31st March, 2023

### Note 1 - Significant Accounting Policies under IND AS

#### A: Corporate Information

Baba Arts Limited ('the Company') is promoted by Shri Gordhan P. Tanwani and is principally in the business of Cinematic and Television Content Production and Distribution, Trading in Intellectual Property Rights of Films and Post Production Activities. The equity shares of the Company are listed on BSE Ltd., Mumbai.

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, 2023 and authorized for issue on 25th May, 2023.

#### B: Basis of Preparation and Presentation

(a) These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions from the Act. The Company has consistently applied accounting policies to all periods.

(b) Historical Cost Convention: The financial statements have been prepared on a historical cost basis, except for the certain financial assets and liabilities that are stated at fair value.

(c) All amounts disclosed in the financial statements and notes are presented in INR (In Rupees) and all the values have been rounded off to the nearest Rupees in Lakhs as per the requirement of Schedule III of the Act, unless otherwise stated.

#### (d) Significant accounting judgements, estimates and assumptions

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.

#### Critical accounting estimates

##### Useful lives and residual values 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.

##### Income taxes

The Company's tax jurisdiction is India and significant judgements are involved in determining the provisions for income taxes including amounts to be recovered or paid for uncertain tax position. Management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits.

##### 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: 3 (viii)

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### Defined benefit obligations

Defined benefit obligations are measured at fair value for financial reporting purposes. Fair value determined by actuary is based on actuarial assumptions. Management judgement is required to determine such actuarial assumptions. Such assumptions are reviewed annually using the best information available with the management.

### Fair valuation

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Changes in assumptions could affect the reported value of fair value of financial instruments

### 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 that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.

The Company uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the standalone financial statements.

## C: Significant Accounting Policies

### (i) Revenue Recognition

The Company derives revenue primarily from New Media & Digital Content Syndication across various Digital Platforms, In addition traditionally the revenue source for the company have been Cinematic and Television Content Production and Distribution, Trading in Intellectual Property Rights of Films .

For Revenue recognition the Company identifies and evaluates each performance obligation under the contract. It is then based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Revenue is recognized either when the performance obligation in the contract has been performed ('point in time' recognition) or 'over time' as control of the performance obligation is transferred to the customer in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue generated from internet/ web series produced for the broadcasters is recognized over the period of the contract.

Recorded Music Audio and Audio Video songs and or albums, mainly involves the Audio of the song is ready depending on song the team would then shoot with a particular cast and get the song ready for their Audio and Video Distribution along with marketing the same across various social media platforms. Any and all music distributed is either produced internally and or acquired directly from other companies or independent artist or music composers, etc. All revenues from recorded music are derived from licensing and self-exploiting the content across various digital OTT platforms like Youtube, Facebook, Instagram, Sportify, Jio Saavan, and many such audio and video platforms.

The recorded music rights may be licensed for a specific period to digital platforms or channels and OTT platforms or assigned on perpetual basis. In case of assignment on perpetual basis, the revenues are recognized when the control is transferred to the customer. In case of licensing of recorded music rights, the digital platforms or channels and OTT platforms, as per industrial practice, share the data / reports of usage by subscribers or visitors to their platforms and share the revenue with the Company at variable rates as most of the revenue is from AVOD subscriptions and the company gets a part of the revenue from each platform from the ads services on the content licensed and broadcasted therein. The Company, accordingly, recognizes the revenues based upon the usage reports received from the digital platforms and channels or OTT platforms.



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.

Interest income is recognized using the effective interest method.

Dividend income is recognized when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

#### **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.

#### **(ii) Foreign Currency Loans/Transactions**

##### **(a) Functional and presentation currency:**

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). These financial statements are presented in Indian Rupee (INR), which is company's functional and presentation currency.

##### **(b) Transactions and balances**

Transactions in Foreign currency are recorded at the rate prevailing on the date of when the amount is received or remitted. 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 items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-Monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

#### **(iii) Employee Benefits**

##### **(a) 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.

##### **(b) Long Term Employee Benefits**

The liability towards gratuity 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.

#### **(iv) 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.



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Subsequent expenditure relating to property, plant & equipment is capitalized only when it is probable that future economic benefit associated 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.

Asset Details	Useful Life
Office Premises	30 Years
Plant and Machinery (incl. Computers)	1 to 15 Years
Furniture and Fixtures	10 Years
Office Equipment	5 Years
Motor Car	8 Years

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.

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.

Gains or losses arising from the retirement or disposal of a tangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

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

### (v) 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.

### (vi) 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.

(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.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale.

In case of films/recorded music 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/recorded 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/recorded audio or video music 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.

### **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.

### (vii) 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.

#### Financial assets

##### (a) Classification:

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Statement of Profit and Loss or Other Comprehensive Income.

##### (b) 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.

##### (c) 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.

##### (d) Financial assets at fair value through profit or loss (FVTPL)

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.

##### (e) De-recognition of financial assets:

A financial asset is de-recognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

- (f) Where the Company has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset



(g) Cash and 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 liabilities**

(a) Classification as debt or equity:

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

(b) Initial recognition and measurement:

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

(c) Subsequent measurement:

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

(d) Derecognition:

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

(e) 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.

(f) 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.

**(viii) Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**(ix) 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. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares). For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**(x) 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.

### (xi) Provisions and Contingent Assets and Contingent Liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of managements best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are not recognized for future operating losses.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises where a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognized but are disclosed where an inflow of economic benefits is probable. The estimation of financial effect in respect of contingent liabilities and contingent assets wherever not practicable, is not disclosed and such fact is accordingly stated.

### (xii) Goods and Services Tax

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

### (xiii) Leases

#### As a lessee

The company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate.

Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.



### **Short-term leases and leases of low-value assets**

The company has elected not to recognize right-of-use assets and lease liabilities for short term leases of real estate properties and other assets that have a lease term of 12 months or less. The company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### **As a Lessor**

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognized over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease. If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

### **(xiv) Segment Reporting**

Operating segments are reported in a manner consistent with the reporting provided to the chief operating decision maker. The chief operating decision maker of the Company consists of the managing director and chief financial officer which assesses the financial performance and position of the Company, and makes strategic decisions.

### **(xv) Recent Indian Accounting Standards (IND AS)**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

#### **a. Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

#### **b. Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

#### **c. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

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### Notes to Financial Statement for the Year ended 31st March, 2023

#### Note No. 2 : Property, Plant & Equipment

(All amount in Rupees Lakhs, unless otherwise stated)

Particulars	Building	Plant & Machinery	Furniture	Vehicle	Equipment	Total
<b>Gross Block</b>						
Balance as at 01.04.21	157.29	8.42	1.24	5.60	6.33	178.88
Additions during the year	-	1.46	-	-	0.30	1.76
Disposals during the year	-	-	-	-	-	-
<b>Balance as at 31.03.22</b>	<b>157.29</b>	<b>9.88</b>	<b>1.24</b>	<b>5.60</b>	<b>6.64</b>	<b>180.64</b>
Balance as at 01.04.22	157.29	9.88	1.24	5.60	6.64	180.64
Additions during the year	-	0.11	-	-	-	0.11
Disposals during the year	-	-	-	-	-	-
<b>Balance as at 31.03.23</b>	<b>157.29</b>	<b>9.99</b>	<b>1.24</b>	<b>5.60</b>	<b>6.64</b>	<b>180.75</b>
<b>Accumulated Depreciation</b>						
Balance as at 01.04.21	16.48	3.71	1.17	4.81	3.26	29.44
Depreciation charged during the year	3.30	1.71	-	-	0.88	5.88
Disposals during the year	-	-	-	-	-	-
<b>Balance as at 31.03.22</b>	<b>19.78</b>	<b>5.42</b>	<b>1.17</b>	<b>4.81</b>	<b>4.14</b>	<b>35.32</b>
Balance as at 01.04.22	19.78	5.42	1.17	4.81	4.14	35.32
Depreciation charged during the year	3.30	1.83	-	-	0.77	5.89
Disposals during the year	-	-	-	-	-	-
<b>Balance as at 31.03.23</b>	<b>23.07</b>	<b>7.25</b>	<b>1.17</b>	<b>4.81</b>	<b>4.91</b>	<b>41.22</b>
<b>Net Block</b>						
<b>Balance as at 31.03.22</b>	<b>137.51</b>	<b>4.45</b>	<b>0.06</b>	<b>0.79</b>	<b>2.50</b>	<b>145.32</b>
<b>Balance as at 31.03.23</b>	<b>134.22</b>	<b>2.74</b>	<b>0.07</b>	<b>0.79</b>	<b>1.73</b>	<b>139.53</b>





## Notes to Financial Statement for the Year ended 31st March, 2023

(All amount in Rupees Lakhs, unless otherwise stated)

### Note 3 : Other Financial Assets

Particulars	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Security Deposit	0.37	0.37	-	-
Bank Deposits With More Than 12 Months Maturity	150.00	-	-	-
Interest Accrued On Fixed Deposit	-	-	31.25	11.25
Interest Accrued On Loans	-	-	-	9.80
<b>Total</b>	<b>150.37</b>	<b>0.37</b>	<b>31.25</b>	<b>21.05</b>

### Note 4 : Inventories

Particulars	31st March, 2023	31st March, 2022
Under Production Film / Web Series / Songs	197.63	116.29
Film Rights / Tv Serial Rights / Songs Rights	348.72	152.42
<b>Total</b>	<b>546.35</b>	<b>268.71</b>

### Note 5 : Trade Receivables

Particulars	31st March, 2023	31st March, 2022
<b>Unsecured, Considered Good</b>		
Trade Receivables	27.15	215.41
Credit Impaired		
Trade Receivables	0.59	1.37
Less: Impairment Provision On Expected Credit Loss Model	(0.59)	(1.37)
	-	-
<b>Total</b>	<b>27.15</b>	<b>215.41</b>

### Footnotes:

- (a) Of the above, trade receivable due from related party is Rs. 23.74 Lakhs (Previous Year Rs. 13.64 Lakhs) (refer note no. 28)
- (b) The company has used a practical expedient for computing expected credit loss allowance for trade receivables, taking into account historical credit loss experience and future foreseeable credit loss and accordingly, provisions are made for expected credit loss for amounts due from customers where necessary

## ANNUAL REPORT 2022-2023

### Notes to Financial Statement for the Year ended 31st March, 2023

(All amount in Rupees Lakhs, unless otherwise stated)

#### Trade Receivables ageing schedule

Trade Payables ageing schedule	Less than 6 Months	6 months - 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Undisputed- Considered Good	27.15 (215.26)	- (0.15)	- -	- -	- -	27.15 (215.41)
Undisputed - Considered Significant Increase In Credit Risk	- -	- -	- (1.37)	0.59 -	- -	0.59 (1.37)
Less: Allowance For Expected Credit Loss	- -	- -	- (1.37)	0.59 -	- -	0.59 (1.37)
<b>Total</b>	<b>27.15</b> (215.26)	<b>-</b> (0.15)	<b>-</b> -	<b>-</b> -	<b>-</b> -	<b>27.15</b> (215.41)

Previous year's figures in bracket

#### Note 6 : Cash and Cash Equivalents

Particulars	31st March, 2023	31st March, 2022
Balances with Banks (of the nature of cash and cash equivalents)		
- In Current account	172.65	375.36
Cash on hand	0.12	0.01
<b>Total</b>	<b>172.77</b>	<b>375.37</b>

#### Note 7 : Bank Balances other than Cash and Cash Equivalents

Particulars	31st March, 2023	31st March, 2022
Bank Deposit with 3-12 months- Maturity	1,027.41	499.00
<b>Total</b>	<b>1,027.41</b>	<b>499.00</b>

#### Note 8 : Loans

Particulars	31st March, 2023	31st March, 2022
<b>Unsecured - Considered Good</b>		
Loan to Others	-	425.00
<b>Total</b>	<b>-</b>	<b>425.00</b>

Note: The Company has not granted any loan to Promoters, Directors, KMP and Related Parties



## Notes to Financial Statement for the Year ended 31st March, 2023

(All amount in Rupees Lakhs, unless otherwise stated)

### Note 9 : Other Assets

Particulars	31st March, 2023	31st March, 2022
<b>Unsecured, Considered Good</b>		
Advances to Suppliers	177.56	138.95
Balance with Government Authorities	121.69	101.06
Prepaid Expenses	0.22	0.24
Accrued Revenue	23.14	-
<b>Unsecured, Considered Doubtful</b>		
Advances to Suppliers	0.21	0.21
Less: Provision for Doubtful Advances	(0.21)	(0.21)
<b>Total</b>	<b>322.61</b>	<b>240.25</b>

### Note 10 : Other Financial Liabilities

Particulars	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Security Deposit	4.11	-	20.31	5.80
Deferred Rent Income	1.22	-	0.35	0.18
Equalisation Reserve	-	-	-	0.24
<b>Total</b>	<b>5.33</b>	<b>-</b>	<b>20.66</b>	<b>6.22</b>

### Note 11 : Provisions

Particulars	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Employee Benefit Obligation				
Provision for Gratuity (refer note: 31)	6.53	9.91	14.75	8.22
<b>Total</b>	<b>6.53</b>	<b>9.91</b>	<b>14.75</b>	<b>8.22</b>

### Note 12 : Deferred Tax Liabilities (Net)

Particulars	31st March, 2023	31st March, 2022
Deferred tax liabilities	17.58	17.42
<b>Total</b>	<b>17.58</b>	<b>17.42</b>

## ANNUAL REPORT 2022-2023

### Notes to Financial Statement for the Year ended 31st March, 2023

(All amount in Rupees Lakhs, unless otherwise stated)

#### Deferred Tax Asset/(Liabilities) as on 31st March, 2023

Particulars	Opening balance	Recognised in Profit & loss	Recognised in OCI	Others	Closing balance
<b>Relating to:</b>					
Property Plant Equipment	22.97	0.76	-	-	23.73
Employee Benefit Expenses	(5.04)	(0.61)	(0.27)	-	(5.92)
MAT Credit Entitlement	-	-	-	-	-
Others	(0.51)	0.28	-	-	(0.23)
<b>Closing Balance</b>	<b>17.42</b>	<b>0.43</b>	<b>(0.27)</b>	<b>-</b>	<b>17.58</b>

#### Deferred Tax Asset/(Liabilities) as on 31st March, 2022

Particulars	Opening balance	Recognised in Profit & loss	Recognised in OCI	Others	Closing balance
<b>Relating to:</b>					
Property Plant Equipment	21.70	1.27	-	-	22.97
Employee Benefit Expenses	(4.73)	(0.59)	0.28	-	(5.04)
MAT Credit Entitlement	(38.05)	-	-	38.05	-
Others	(0.30)	(0.21)	-	-	(0.51)
<b>Closing Balance</b>	<b>(21.38)</b>	<b>0.47</b>	<b>0.28</b>	<b>38.05</b>	<b>17.42</b>

#### Note 13 : Trade Payables

Particulars	31st March, 2023	31st March, 2022
Total outstanding due of Micro and Small Enterprises	-	-
Total outstanding due of Creditors other than Micro and Small Enterprises	16.50	88.70
<b>Total</b>	<b>16.50</b>	<b>88.70</b>

Of the above;

- (a) Acceptances  
 (b) Payable to related party Nil (Previous year Nil) (Refer note 28)

#### Trade payables ageing schedule

Particulars	Less than 1 year	1 to 2 year	2 to 3 years	More than 3 years	Total
Dues to Micro, Small and Medium Enterprises	-	-	-	-	-
Others	16.50 (88.70)	-	-	-	16.50 (88.70)
Disputed MSME	-	-	-	-	-
Disputed Others	-	-	-	-	-
<b>Total</b>	<b>16.50</b> <b>(88.70)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16.50</b> <b>(88.70)</b>

Previous year's figures are in bracket



## Notes to Financial Statement for the Year ended 31st March, 2023

(All amount in Rupees Lakhs, unless otherwise stated)

### Note 14: Other Liabilities

Particulars	31st March, 2023	31st March, 2022
Statutory Dues	1.57	5.02
Liability For Expenses	4.12	4.17
<b>Total</b>	<b>5.69</b>	<b>9.19</b>

### Note 15 : Revenue From Operations

Particulars	31st March, 2023	31st March, 2022
Revenue from Contract with Customers		
a) Income from Post production activity	7.84	6.46
b) Income from Sale / Royalty / Commission on Rights	270.91	1,795.34
<b>Total</b>	<b>278.75</b>	<b>1,801.80</b>

### Note 16 : Other Income

Particulars	31st March, 2023	31st March, 2022
Interest Income		
On Fixed Deposit with Banks	47.74	27.14
On Security Deposit	0.34	0.33
On income tax refund/ Vat Refund	10.74	-
On Loans and Advances	21.29	50.07
Rent Income	12.89	12.63
Miscellaneous Income	0.04	0.21
Property Tax Refund	9.97	-
Cessation of Liability	0.77	-
<b>Total</b>	<b>103.78</b>	<b>90.38</b>

### Note 17 : Cost of production of Films / Web Series

Particulars	31st March, 2023	31st March, 2022
Writer Fees	7.75	-
Creative Producer Fees	20.00	-
Writing Story , Screenplay, Dialogues Fees	15.00	-
Production Expenses	253.37	75.09
<b>Cost of production of films / web series</b>	<b>296.12</b>	<b>75.09</b>

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### Notes to Financial Statement for the Year ended 31st March, 2023

(All amount in Rupees Lakhs, unless otherwise stated)

#### Note 18 : Changes in inventories of finished goods, stock in trade and work in progress

Particulars	31st March, 2023	31st March, 2022
Opening Stock		
Owned Films / Song Rights	11.92	214.00
Trading Film Rights	140.50	-
Underproduction Film / Web Series / Songs	116.29	53.13
<b>Total</b>	<b>268.71</b>	<b>267.13</b>
Less : Closing Stock		
Owned Films / Song Rights	222.22	11.92
Trading Film Rights	126.50	140.50
Underproduction Film / Web Series / Songs	197.63	116.29
<b>Total</b>	<b>546.35</b>	<b>268.71</b>
Changes in inventories	(277.64)	(1.58)

#### Note 19 : Employee Benefits Expense

Particulars	31st March, 2023	31st March, 2022
Salaries and Wages	38.55	32.24
Contribution to Provident And Other Funds	2.90	2.56
Staff Welfare Expenses	4.33	3.46
<b>Total</b>	<b>45.78</b>	<b>38.26</b>

#### Note 20 : Finance Cost

Particulars	31st March, 2023	31st March, 2022
Other Interest	0.43	0.13
Unwinding of Discount Relating to Long Term Liabilities	-	0.36
Foreign Exchange	0.22	-
Bank Charges	0.22	0.10
<b>Total</b>	<b>0.87</b>	<b>0.59</b>

#### Note 21 : Depreciation And Amortisation Expense

Particulars	31st March, 2023	31st March, 2022
Depreciation on Property, Plant and Equipment	5.89	5.88
<b>Total</b>	<b>5.89</b>	<b>5.88</b>



## Notes to Financial Statement for the Year ended 31st March, 2023

(All amount in Rupees Lakhs, unless otherwise stated)

### Note 22 : Other Expense

Particulars	31st March, 2023	31st March, 2022
Operating Expenses		
Electricity Expenses	3.49	3.06
Professional & Technical Fees	35.30	7.53
Studio Expenses	4.61	0.93
<b>Sub-Total (A)</b>	<b>43.40</b>	<b>11.52</b>
Selling and Distribution Expenses		
Advertisement Expenses	1.69	0.99
Commission Expenses	1.30	25.00
Provision for doubtful debts/advances	-	-
Business Promotion/ Marketing Expenses	36.90	-
Other Selling Expenses	2.08	14.23
<b>Sub- Total (B)</b>	<b>41.97</b>	<b>40.22</b>
Administrative Expenses		
Communication Expenses	0.61	0.52
Directors' Sitting Fee	3.60	3.60
Insurance Charges	0.35	0.39
Legal, Profession & Consultancy Charges	7.77	12.30
Office Expenses	1.04	0.82
Postage & Telegram Expenses	0.25	0.02
Printing & Stationary	0.94	0.60
Rates & Taxes	13.29	0.02
Municipal Taxes	5.13	5.13
Repairs & Maintenance To Building	2.95	2.95
Repairs & Maintenance To Others	1.64	2.04
Listing Fee	3.00	3.00
Other Expenses	3.43	2.97
Travelling & Conveyance Expenses	0.46	0.15
Trade Mark Registration Fees	0.72	1.08
Payment To Auditors- Audit Fees	0.80	0.80
Tax Audit Fees	0.25	0.25
<b>Sub-Total (C)</b>	<b>46.23</b>	<b>36.64</b>
<b>Total (A+B+C)</b>	<b>131.60</b>	<b>88.38</b>

### Note 23 : Earning per share

The following reflects the profit and share data used in the basic and diluted EPS computations:

Particulars	31st March, 2023	31st March, 2022
Profit After Tax For The Year	102.21	297.54
Nominal Value Of Equity Shares (Rs. Per Share)	1.00	1.00
Weighted Average Number of Equity Shares Outstanding at the end of the Year	5,25,00,000	5,25,00,000
EPS - Basic and Diluted (Rs. Per Share)	0.19	0.57



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### OTHER NOTES TO ACCOUNTS

#### 24. Contingent Liability –

##### A. Maharashtra Value Added Tax:

- i) 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.

#### 26. Earnings and Expenditure in Foreign Currency

Particulars	2022-23 Rs. in Lakhs	2021-22 Rs. in Lakhs
Earning in Foreign Currency	61.42	87.50
Expenditure in Foreign Currency	6.03	-

27. 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.

#### 28. Related Party Disclosure as per IND AS 24

(A) Key Managerial Personnel (KMP)	Executive Directors /CS /CFO
(i) Shri Gordhan P. Tanwani.	Chairman & Managing Director
(ii) Shri Ajay D. Acharya	Chief Financial Officer
(iii) Shri Naishadh H. Mankad	Company Secretary
(iv) Shri Nikhil G. Tanwani	Whole Time Director (w.e.f. 1st June, 2022))
	<b>Non-Executive Directors / Independent Director/ Non-Independent Director</b>
(v) Smt. Malavika A. Acharya	Non-Executive Non-Independent Director
(vi) Shri Santosh A Shah	Non-Executive -Independent Director
(vii) Shri Sanjiv L Hinduja	Non-Executive -Independent Director
(viii) Ms. Juhi V. Pania	Non-Executive -Independent Director(Up to 23 <sup>rd</sup> August, 2023)
(viii) Shri Nikhil G. Tanwani	Non-Executive Non-Independent Director(up to 31 <sup>st</sup> May, 2022)



<b>(B) Relatives of Key Managerial Personnel</b>	
(i) Smt. Jyoti G. Tanwani	Wife of Shri Gordhan P. Tanwani & Mother of Shri Nikhil G. Tanwani
(ii) Shri Rahul G. Tanwani	Son of Shri Gordhan P. Tanwani & Brother of Nikhil G. Tanwani
(iii) Shri Raju P. Tanwani	Brother of Shri Gordhan P. Tanwani
<b>(C) Companies/ Enterprises in which director or their relatives have significant influence</b>	
(i) Bhagwati Media Private Limited	(vii) M/s. Larry's Impex LLP
(ii) Graceland New Media LLP	(viii) M/s. Baba Films
(iii) Bhagwati Holdings Private Limited	(ix) M/s. G.R.Pet Preform
(iv) M/s Baba Developers	(x) M/s Threads & Homes
(v) M/s. Om Enterprises	(xi) M/s. Nikhil Plast
(vi) M/s. Baba Digital LLP	(xii) M/s. Super Plast
(xiii) Entertainment Content Owners Association of India (Formerly Indian Council of Impex for Films & TV Programmers)	

**A. Details of transaction during the period with related parties**

Transactions with related parties (excluding reimbursements)

(Rs. in Lakhs)

Nature of Transactions	Transactions		Payable/(Receivable)/ Closing Balances	
	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
<b>(A) Key Managerial Personnel (KMP):</b>				
Remuneration Paid [refer foot note (a)]				
(v)	5.00	—	0.35	—
(vii)	14.40	13.00	1.04	0.89
(viii)	9.90	9.75	0.73	0.68
Sitting Fee Paid				
(ii)	1.20	1.20	—	—
(iii)	1.20	1.20	—	—
(iv)	1.20	1.20	—	—
(vi)	—	0.90	—	—
<b>(C) Entities in which directors are interested:</b>				
Rent Income				
(vii)	12.89	12.63	—	—
Security Deposits Received				
(vii)	—	—	5.98	6.22
Purchase-TV Serial Rights				
(ii)	46.67	388.00	(27.53)	—
Share of Advertising Income-IPR				
(ii)	71.87	4.67	(23.74)	(13.64)

**Footnotes:**

- a. Remuneration does not include provisions made for Gratuity as it is determined on an actuarial basis for the Company as a whole.

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### 29. 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.

### 30. 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. In Lakhs)

	For the year 2022-23	For the year 2021-22
Loan given during the year	Nil	Nil

#### Details of Loan, Guarantee and Investments made during the Financial Year 2022-23

Loans Given (Rs. In Lakhs)

Name of Entity	Relation	Amount	Particulars of Loan Guarantee and Investments	Purpose for which the loans, guarantee and Investments are proposed to be utilized
Nil (Previous Year – Nil)				

- (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)

### 31. Disclosures as per IND AS - 19 - Employee Benefits

#### A) Defined Contribution Plan

The contributions to the Provident Fund of certain employees are made to a Government administered Provident Fund and there are no further obligations beyond making such contribution. The Company recognized Rs. 0.72 Lacs for year ended March 31, 2023. (Rs. 0.27 Lakhs for March 31, 2022) contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

#### B) Defined Benefit Plans

The Company operates a gratuity plan covering qualifying employees. The benefit payable is as per the Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

- 1) **During the year, the Company has recognised the following amounts in the statement of profit and loss:**

(Rs. In Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
i) Employer's contribution to provident fund (Refer footnote 1)	2.89	2.56

#### Footnote:

- 1) Included in "Contribution to provident, gratuity and other funds" (Note 19).
- 2) The valuation results for the defined benefit gratuity plan as at 31-3-2023 are produced in the tables below:



Amount recognized in respect of gratuity cost (defined benefit plan) is as follows:

(Rs. In Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>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:</b>		
<b>a) Gratuity</b>		
<b>Changes in present value of defined benefit obligations</b>		
Opening of defined benefit liability/ (asset)	18.14	17.00
Current service cost	1.20	1.25
Past service cost	-	-
Interest cost	0.98	0.88
Benefits paid	-	-
Re-measurement (gain) / loss (through OCI)	0.97	(0.99)
<b>Net liability</b>	<b>21.29</b>	<b>18.14</b>
Amounts in balance sheet		
Liability	21.29	18.14
Assets	NIL	NIL
<b>Net liability</b>	<b>21.29</b>	<b>18.14</b>
<b>Expenses to be recognised in the statement of profit &amp; loss</b>		
Current service cost	1.20	1.25
Interest on defined benefit obligation	0.98	0.88
Expected return on plan assets	-	-
Net actuarial losses/(gains) recognised in year	-	-
<b>Total, included in "Employee benefit expense"</b>	<b>2.18</b>	<b>2.13</b>
Actual return on plan assets	-	-
<b>Remeasurement of the net defined benefit liability/(asset):</b>		
Remeasurements- due to financial assumptions	(0.64)	(0.34)
Remeasurements- due to experience adjustments	1.61	(0.65)
<b>Total remeasurement in other comprehensive income</b>	<b>0.97</b>	<b>(0.99)</b>
<b>Principal actuarial assumptions (expressed as weighted averages)</b>		
Discount rate (p.a.)	0.07	0.07
Expected rate of return on assets (p.a.)	N.A	N.A
Salary escalation rate (p.a.)	0.08	0.08

**Historical information:**

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Present value of defined benefit obligation	NIL	18.14	17.00	15.43	10.90
Fair value of plan assets	NIL	NIL	NIL	NIL	NIL
Liability recognised	NIL	<b>18.14</b>	<b>17.00</b>	<b>15.43</b>	<b>10.90</b>

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### Maturity profile of defined benefit obligation:

Particulars	As at 31 March 2023	As at 31 March 2022
Within 1 year	14.75	8.22
1-2 years	-	4.04
2-3 years	-	-
3-4 years	-	-
4-5 years	-	-
5-10 years	-	-
More than 10 years	35.45	31.54
<b>Total</b>	<b>50.20</b>	<b>43.80</b>

### Sensitivity Analysis

Particulars	As at 31 March 2023		As at 31 March 2022	
	Discount Rate	Salary Escalation Rate	Discount Rate	Salary Escalation Rate
Defined benefit obligation(DBO) on increase in 50 bps	20.65	21.99	17.50	18.83
Impact of increase in 50 bps on DBO	(0.03)	0.03	(0.03)	0.04
Defined benefit obligation(DBO) on decrease in 50 bps	22.00	20.65	18.84	17.51
Impact of decrease in 50 bps on DBO	0.03	(0.03)	0.04	(0.03)

### 32. Leases

A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a Lessee

The Company does not have any contract where the Company is a lessee of any asset.

Company as a Lessor

The Company has entered in to operating lease in respect of part of its Studio cum Office premises. The lease has a term of 5 years. The lease is for fixed lease rental of Rs. 1,00,000 for the entire term of 5 years. Future minimum rental receivable under cancellable operating lease as at 31st March, 2023 is as follow

Particulars	For the year 2022-23 (Rs. in Lakhs)	For the year 2021-22 (Rs. in Lakhs)
Within one year	12.00	7.15
After one year but not more than five years	42.50	Nil
More than five years	Nil	Nil

### 33. Financial Instruments and Risk Factors

#### A. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, in the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price i.e. fair value of the consideration given or received.



### Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(Rs. in Lakhs)

Particulars	Carrying Amount			Total	Fair Value
	FVPTL	FVOCI	Amortised Cost		
<b>Financial Assets</b>					
Investments	- (-)	- (-)	- (-)	- (-)	- (-)
Trade Receivables	- (-)	- (-)	27.15 (215.41)	27.15 (215.41)	27.15 (215.41)
Cash & Cash Equivalent	- (-)	- (-)	172.77 (375.37)	172.77 (375.37)	172.77 (375.37)
Bank Balances other than above	- (-)	- (-)	1177.41 (499.00)	1177.41 (499.00)	1177.41 (499.00)
Loans	- (-)	- (-)	- (425.00)	- (425.00)	- (425.00)
Other Financial Assets	- (-)	- (-)	31.63 (21.42)	31.63 (21.42)	31.63 (21.42)
<b>Financial Liabilities</b>					
Other Financial Liabilities	- (-)	- (-)	25.98 (6.22)	25.98 (6.22)	25.98 (6.22)
Trade Payable	- (-)	- (-)	16.50 (88.70)	16.50 (88.70)	16.50 (88.70)

Previous Year figures are given in brackets.

The carrying value of trade receivables, cash and cash equivalents, other bank balances, current loans, trade payables and other financial assets and liabilities are considered to be the same as their fair values due to their short-term nature. The fair value of non-current financial assets is not materially different than its carrying value.

The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in valuation technique. The hierarchy gives highest priority to quoted prices in active market for identical assets or liabilities (Level 1 measurement) and lowest priority to unobservable inputs (Level 3 measurement). The categories used are as follows:

Level – 1: Hierarchy includes financial instruments measured using quoted price. Mutual funds are valued at the closing NAV.

Level – 2: The fair value of financial instruments that are not traded in an active market is determined using valuation technique which maximize the use of observable market data and rely as little as possible on entity – specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level – 2.

Level – 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level – 3.

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### B. Financial Risk Management

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, ongoing 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.

#### Liquidity Position As on 31st March, 2023

(Rs. in Lakhs)

Particulars	< 1 Year	1-5 Years	>5 Years	Total
Loans	- (425.00)	- (-)	- (-)	- (425.00)
Trade Receivables	27.15 (215.41)	- (-)	- (-)	27.15 (215.41)
Cash and Cash Equivalents	172.77 (375.37)	- (-)	- (-)	172.77 (375.37)
Other Bank Balances	1027.41 (499.00)	150.00 -	- (-)	1177.41 (499.00)
Other Financial Assets	31.25 (21.04)	0.37 (0.37)	- (-)	31.62 (21.41)
<b>Total Financial Assets</b>	<b>1408.57</b> <b>(1535.83)</b>	<b>0.37</b> <b>(0.37)</b>	<b>-</b> <b>(-)</b>	<b>1408.94</b> <b>(1536.20)</b>
Trade Payables	16.50 (88.70)	- (-)	- (-)	16.50 (88.70)
Other Financial Liability	20.65 (6.22)	5.33 (-)	- (-)	25.98 (6.22)
<b>Total Financial Liability</b>	<b>37.15</b> <b>(94.92)</b>	<b>5.33</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>42.48</b> <b>(94.92)</b>





### 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.

### Foreign Currency Risk

The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where transaction references more than one currency or where assets/liabilities are denominated in currency other than functional currency of the entity. Considering the countries and economic development in which Company operates, its operations are subject to risks arising from fluctuations in exchange rate in those countries. The Company primarily is working in the local environment hence it is not exposed to major foreign currency risks.

### 34. 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.

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.

### 35. 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:

- Trading in IPR of Films Rights
- Production & Distribution of Films & TV Serials
- Digital Media Content (Previous Year – Post Production Services)

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. (Refer annexure 1)

Geographical Revenue is allocated based on location of customer

(Rs. in Lakhs)

Country	31st March 2023	31st March 2022
Singapore	49.24	87.50
India	229.51	1714.30
<b>Total</b>	<b>278.75</b>	<b>1801.80</b>

All non-current assets of the Company are located in India.

### Information of major customers

Revenue from three customers individually accounted for more than 10% of the total revenue for the year ended 31st March 2023 (31st March 2022: One Customer more than 10%)

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Annexure 1:

(Rs. in Lakhs)

Particulars	Trading in IPR of Films		Production & Distribution of Films & TV Serials		Digital Media Content (Pr. Yr. Post Production Services)		Total	
	As at 31st March		As at 31st March		As at 31st March		As at 31st March	
	2023	2022	2023	2022	2023	2022	2023	2022
Gross Revenue (including operating and other revenue)								
External Revenue	58.41	1795.34	—	—	212.50	—	270.91	1795.34
Intersegment Revenue								
<b>Total Gross Revenue</b>	<b>58.41</b>	<b>1795.34</b>	<b>—</b>	<b>—</b>	<b>212.50</b>	<b>—</b>	<b>270.91</b>	<b>1795.34</b>
<b>Result</b>								
Segment Profit /(Loss)	(31.56)	388.56	(0.73)	(0.29)	135.44	—	103.15	388.27
Less:								
Interest Expense							(0.87)	(0.59)
Add:								
Interest/Other Income							30.97	23.38
<b>Profit Before Taxation</b>							<b>133.24</b>	<b>411.06</b>
Tax Expenses							(31.04)	(113.52)
<b>Profit for the Year</b>							<b>102.21</b>	<b>297.54</b>
<b>Other Information</b>								
Segment Assets	356.38	358.15	323.34	268.49	393.92	—	1073.64	626.64
Unallocable Assets							1350.93	1749.05
<b>Total Assets</b>							<b>2424.57</b>	<b>2375.69</b>
Segment Liabilities	6.74	87.01	0.11	10.75	35.83	—	42.68	97.76
Unallocable Liabilities							44.36	41.90
<b>Total Liabilities</b>							<b>87.04</b>	<b>139.66</b>
Capital Expenditure							0.11	1.76
Depreciation- Allocable Assets	1.23	1.10	—	—	—	—	1.23	1.10
Depreciation- Unallocable Assets							4.66	4.78



**36. Additional regulatory information as required under Schedule III to the Companies Act, 2013.**

Particulars	Numerator	Denominator	31st March 2023	31st March 2022	Variance	Reasons change in ratio by 25%
Current ratio	Current Assets	Current Liability	36.94	18.2	102.97%	Payment to creditors.
Debt- equity ratio	Total Debt	Shareholders's Equity	-	-	-	
Debt service coverage ratio	Earnings available for debt service	Debt service	-	-	-	
Return on equity ratio	Net Profit after taxes	Average Shareholders Equity	5.80%	19.05%	-69.55%	Decline in revenue and consequent reduction in profits
Inventory Turnover Ratio	Cost of goods sold or sale	average inventory				
Trade receivable turnover ratio	Revenue	Average Trade Receivable	2.30	15.83	-85.48%	Impact of decline in revenue and collection of outstanding dues from customers
Trade payable turnover ratio	Purchases of services and other expenses	Average Trade payables	6.52	27.83	-70.60%	Payment to creditors
Net capital turnover ratio	Revenue	Working Capital	0.13	0.93	-85.56%	Impact of decline in revenue
Net profit ratio	Net Profit	Revenue	0.37	0.17	122.04%	Impact of reduction in direct cost
Return on capital employed	Earning before interest and taxes	Capital Employed*	5.69%	18.27%	-68.83%	Impact due to parking of huge funds in Fixed Deposit with banks earning lower returns, pending requirement of funds for business
Return on investment	Income generated from investments	Time weighted average investments	-	-	-	

\*Capital employed = Tangible net worth +/- deferred tax

**37.** The Company has not received any disclosure from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amount unpaid as at year end together with interest paid or payable under this act are not stated in these financials.

**38.** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post- employment benefits received Presidential assent In September 2020. The Code has been published In the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related Impact In the period the Code becomes effective.

**39.** As per the MCA notification dated August 05, 2022, the Central Government has notified the Companies (Accounts) Fourth Amendment Rules, 2022. As per the amended rules, the Companies are required to maintain back-up of the books of account and other relevant books and papers in electronic mode that should be accessible in India at all the time. Also, the Companies are required to create backup of accounts on servers physically located in India on a daily basis.

The books of account along with other relevant records and papers of the Company are maintained in electronic mode. These are readily accessible in India at all times and a backup is maintained on server physically located in India for back-up of books of account and other relevant books and papers, on a daily basis, pursuant to the amendment.

**40. Corporate Social Responsibility (CSR)**

The Company does not meet the applicability threshold limit as prescribed under Section 135 of the Companies Act, 2013 and as such the Company was not required to spend any amount towards CSR.

## ANNUAL REPORT 2022-2023

### 41. Other Statutory Information

- The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
  - The Company did not have any transactions with Companies struck off.
  - The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
  - The has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
    - Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
    - Provide any guarantee, security or like to or on behalf of the Ultimate Beneficiaries
  - The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
    - Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries)
    - Provide any guarantee, security or the like on the behalf of the Ultimate Beneficiaries,
  - The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961 (such as, search or survey or any other relevant pro Income Tax Act, 1961).
  - The Company has not been declared willful defaulter by any bank or financial institution or other lender.
  - The Company does not have any scheme of arrangements which have been approved by the Competent Authority in terms of Section 230 to 237 of the Act.
  - The Company does not have any subsidiary and therefore provision regarding the number of layers prescribed under Section of Section 2 (87) of the Act read with the Companies(Restriction on number of layers) Rules, 2017 is not applicable to the Company.
42. There are no material transactions with respect to struck off companies as mentioned under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
43. Previous year's figures have been regrouped/ rearranged wherever considered necessary.
44. The Notes referred to above form an integral part of Balance Sheet and Profit & Loss Account.

As per our report of even date

**For M M Nissim & Co LLP**

Chartered Accountants

Firm Reg. No.: 107122W/W100672

**For and on behalf of Board of directors**

**Gordhan P. Tanwani**

Chairman & Managing Director

[DIN : 00040942]

**Hiren P. Muni**

Partner

Membership No.142067

**Santosh A. Shah**

[Director]

[DIN : 01259840]

**Sanjiv L. Hinduja**

[Director]

[DIN : 00040858]

**Malavika A. Achrya**

[Director]

[DIN : 07007469]

**Nikhil G. Tanwani**

[Whole Time Director]

[DIN : 01995127]

**Naishadh H. Mankad**

Company Secretary

**Ajay D. Acharya**

Chief Financial Officer

**Place: Mumbai**

**Date: 25th May,2023**

**Place : Mumbai**

**Date : 25th May,2023**

**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 24th Annual General Meeting of the Company, to be held on Tuesday the 12th September, 2023 at 11.30 a.m at Juhu Vile Parle Gymkhana Club, Orchid 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
	<b>Ordinary Business-Ordinary Resolution</b>		
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, 2023.		
2.	Appointment of Shri Nikhil G. Tanwani, a Director retiring by rotation		
	<b>Special Business-Special Resolution</b>		
3.	Re-appointment of Shri Gordhan P. Tanwani as Managing Director		

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2023



Signature of Shareholder

Signature of Proxy holder(s)

**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](mailto:babaartslimited@yahoo.com), [investors@babaartslimited.com](mailto:investors@babaartslimited.com) Website : [www.babaartslimited.com](http://www.babaartslimited.com)

**ATTENDANCE SLIP**

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

**(Twenty Fourth Annual General Meeting – 12th September, 2023)**

I hereby record my presence at the TWENTY FOURTH ANNUAL GENERAL MEETING of the company held at Juhu Vile Parle Gymkhana Club, Orchid Hall, Second Floor, Opp. Juhu Bus Depot, Juhu, Mumbai – 400049 on Tuesday,12th September, 2023 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

*If undelivered, please return to :*

**BABA ARTS LIMITED**

(CIN : L72200MH1999PLC119177)

3A, Valecha Chambers,

New Link Road, Andheri (West),

Mumbai - 400 053.

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

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

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