



MUKTA ARTS LIMITED

CIN : L92110MH1982PLC028180

Registered Office: Mukta House, Behind Whistling Woods Institute, Film City Complex, Goregaon (East) Mumbai - 400 065
Tel. +91 22 33649400 Fax: 91 22 33649401 Website: www.muktaarts.com

Postal Ballot Notice

[Pursuant to Section 110 and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014]

Dear Member(s),

Notice is hereby given pursuant to the provisions of Section 110 and other applicable provisions of the Companies Act, 2013 ("the Act"), read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and other applicable laws and regulations, that the resolutions appended are proposed to be passed by way of e-voting/Postal Ballot.

Pursuant to Section 102 of the Act, the explanatory statement pertaining to the aforesaid items setting out the material facts and reasons thereto is annexed with the Postal Ballot Notice for your consideration.

The Notice is being sent to all the Members, whose names appear in the Register of Members as on 05th November, 2018.

The Board of Directors has appointed Mr. K. C. Nevatia, a qualified Independent Company Secretary, Mumbai (Membership No -F-3963) as the Scrutinizer for conducting the postal ballot / e-voting process in a fair and transparent manner.

As required pursuant to Section 108 and other applicable provisions of the Act and the Rules, the Company is pleased to provide the e-voting facility to all its Members to enable them to cast their vote electronically and for which purpose, National Securities Depository Limited (NSDL) has been appointed to avail the platform. The Members may, therefore, cast their vote either by sending the enclosed Postal Ballot form by post or by e-voting.

Members desiring to exercise their vote by postal ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the same duly completed. The duly completed Postal Ballot Form(s) should reach the Scrutinizer not later than 5.00 P.M. on Tuesday, 18th December, 2018.

Members desiring to opt for e-voting as per the facilities arranged by the Company are requested to read the instructions in the Notes under the section 'Voting through electronic means' in this Notice. The Scrutinizer will submit his report to the Chairman or any other Director as authorised by the Board after the completion of the scrutiny of the postal ballots (including e-voting). The result of postal ballot (including e-voting) shall be declared on or before 5.00 P.M. on Thursday, 20th December, 2018 and the same will be placed on the website of the Company i.e. www.muktaarts.com and on website of e-voting agency i.e. www.evoting.nsdl.com and will also be communicated to the Stock Exchanges.

RESOLUTIONS:

ITEM NO. 1

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

RESOLVED THAT pursuant to Section 13 (9) and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 as amended from time to time and in force, Object Clause "B" relating to Ancillary Objects of the Memorandum of Association of the Company be and is hereby amended by deleting the existing Clause 17 and inserting following new Clause 17 in place thereof,

17- To advance, lend money with or without security to any person or body corporate on such terms and conditions as the Board may consider desirable and in particular to members of the staff, customers and others having dealing with the Company and to give any guarantee or provide any security in connection with any loan taken by any person or body corporate including its subsidiary, joint venture and associate companies or undertake in any way the repayment of money lent or advanced to any of them in accordance with applicable provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT Mr. Parvez Farooqui, Director and/or Mr. Rahul Puri, Managing Director and/or Ms. Monika Shah, Company Secretary be and are hereby authorized to take such steps as may be necessary for obtaining approvals, statutory or otherwise in relation to the above resolution and to do all such acts, deeds, matters and things that may be required or incidental on behalf of the Company to give effect to this resolution;

RESOLVED FURTHER THAT Mr. Parvez Farooqui, Director and/or Mr. Rahul Puri, Managing Director be and are hereby authorized to delegate all or any of the powers herein conferred, to any Director, Key Managerial Personnel or Authorized Representative(s) of the Company to give effect to the this resolution.

ITEM NO. 2

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the earlier Special resolution passed by the members of the Company at the 34th Annual General Meeting held on 9th September, 2016 and provisions of Section 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force), consent of the members be and is hereby accorded for waiver of recovery of a sum of Rs. 5,90,06,159 as excess managerial remuneration and a sum of Rs. 1,64,00,000/- as professional fees paid to Mr. Subhash Ghai, erstwhile Managing Director of the Company for the movie "KAANCHI" as a Director and Writer.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to undertake all such acts, deeds, matters and things to finalize and execute all such deeds, documents and writings as may be deemed necessary, incidental, proper, desirable and expedient in its absolute discretion, to give effect to this resolution, and to settle any question, difficulty or doubt that may arise in this regard."

ITEM NO. 3

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 185 and any other applicable provisions, if any, of the Companies Act, 2013(the Act) read with the Companies (Meetings of Board and its Powers) Rules, 2014(including any statutory modification or re-enactment thereof, for the time being in force), consent of the members be and is hereby accorded to the Company for giving loan to any of its subsidiary or any person and to give guarantee or to provide any security in respect of loan given by any bank or Financial Institution to any of its subsidiary company or to any person in whom any of the director of the Company is interested as defined under Section 185 of the Act provided that the aggregate amount of loan and guarantee given and security provided pursuant to this resolution does not exceed a sum of Rs. 500,00,00,000 (Rupees Five Hundred Crores Only) at any point of time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to undertake all such acts, deeds, matters and things to finalize and execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion and to settle any question, difficulty or doubt that may arise in this regard.”

Registered Office:

Mukta House,
Behind Whistling Woods Institute
Filmcity Complex
Goregaon (East), Mumbai- 400065

By Order of the Board

MUKTA ARTS LIMITED

Monika Shah
Company Secretary

Place: Mumbai

Date: 2nd November, 2018

NOTES:

1. The Explanatory statement pursuant to Section 102 of the Companies Act, 2013, stating all material facts and the reasons for the proposals set out above is annexed herewith.
2. The Board has appointed Mr. K. C. Nevatia of K.C. Nevatia & Associates, Company Secretaries as the Scrutinizer for conducting the postal ballot / e-voting process in a fair and transparent manner.
3. The Postal Ballot Notice is being sent to the Members whose names appear on the Register of Members / List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on the close of business hours on 05th November, 2018. Accordingly, those Members /Beneficial Owners will be considered for the purpose of voting and those who are not the members on the said date shall treat this Notice for information purpose only.
4. Resolutions passed by the Members through postal ballot are deemed to have been passed as if they have been passed at a General Meeting of the Members.
5. In compliance with Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related rules, the Company is pleased to provide e-voting facility to all its Members, to enable them to cast their votes electronically instead of dispatching the physical Postal Ballot Form by post. The Company has engaged the services of NSDL for the purpose of providing e-voting facility to all its Members. Please note that e-voting is an alternate mode to cast votes and is optional.
6. Members can opt for only one mode of voting, i.e., either by physical ballot or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical postal ballot forms will be treated as invalid. The instructions for electronic voting are annexed to this Notice.
7. In case a Member is desirous of obtaining a printed Postal Ballot Form or a duplicate, he or she may send an e-mail to the Company at monika@muktaarts.com and the Company shall forward the same along with postage-prepaid self-addressed Business Reply Envelope to the Member.
8. A Member cannot exercise his/her vote by proxy on postal ballot.
9. Members desiring to exercise their vote by physical postal ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed, in the enclosed self-addressed Business Reply Envelope to the Scrutinizer, so that it reaches the Scrutinizer not later than 5.00 P.M. on Tuesday, 18th December, 2018. The postage will be borne by the Company. However, envelopes containing postal ballots, if sent by courier or registered / speed post at the expense of the Members will also be accepted. The Postal Ballot Form(s) may also be deposited personally at the address given on the self-addressed Business Reply Envelope. If any postal ballot is received after 5.00 P.M. on Tuesday, 18th December, 2018, it will be considered that no reply from the Member has been received.
10. In case of joint-holding, the Postal Ballot Form must be completed and signed (as per the specimen signature registered with the Company) by the first named Member and in his/her absence, by the next named Member.
11. Unsigned, incomplete, improperly or incorrectly ticked Postal Ballot Forms shall be rejected.
12. The Scrutinizer will submit his report to the Chairman or any Director of the Company as authorized by the Board after the completion of scrutiny of the postal ballots (including e-voting). The result of the voting by postal ballot will be announced by the Chairman or any Director of the Company duly authorized, on or before 5.00 P.M. on Thursday, 20th December, 2018 at the Registered Office of the Company and the same will be placed on the website of the Company i.e. www.muktaarts.com, website of e-voting agency i.e. www.evoting.nsdl.com and will be communicated to the Stock Exchanges on the said date.
13. The date of declaration of results of the postal ballot shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.
14. All the material documents referred to in the resolution will be available for inspection at the registered office of the Company during office hours on all working days from the date of dispatch of the Notice till Tuesday, 18th December, 2018.

The procedure with respect to e-voting is provided below:

- A. In case of Members who receive the Postal Ballot Notice in electronic mode:
- (i) Open email and open PDF file viz; "MUKTA evoting.pdf" with your Client ID Number or Registered Folio Number as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on "**Shareholder – Login**"
 - (iv) Put user ID and password as initial password noted in step (i) above. Click on "**Login**". If you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password. If you forgot your password, you can reset your password by using "Forgot User details/password", option available on www.evoting.nsdl.com.
 - (v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of e-voting opens. Click on "**e-voting: Active Voting Cycles**".
 - (vii) Select Electronic Voting Event Number (EVEN) of "Mukta Arts Limited".
 - (viii) Now you are ready for e-voting as '**Cast Vote**' page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "**Submit**". Thereafter click on "**Confirm**" when prompted; upon confirmation, your vote is cast and you will not be allowed to change your vote.
 - (x) Upon confirmation, the message '**Vote cast successfully**' will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Corporate and Institutional shareholders (companies, trusts, societies etc.) are required to send scanned copy (in PDF/JPG Format) of the relevant Board Resolution/appropriate authorization letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail ID kcnevatia@yahoo.com with a copy marked to NSDL's e-mail ID evoting@nsdl.co.in
- B. In case of the Members who receives Postal Ballot Notice by post:
- (i) User ID and Initial password is provided in the Postal Ballot Form.
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No.(xii) above, to cast vote.
- C. In case of any queries/grievance, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting User Manual for Shareholders available under the Downloads section of NSDL's e-voting website www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- D. If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
- E. The e-voting period commences on 19th November, 2018 at 9.00 A.M. and ends on 18th December, 2018 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 (record date) of 05th November, 2018, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- F. There will be one e-vote for every Client Id/Registered Folio No. irrespective of the number of joint holders.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) AND 110 OF THE COMPANIES ACT 2013

ITEM NO. 1

Alteration of object clause 17 of Memorandum of Association of the Company.

Your Company may have to give from time to time Loan to any person or body corporate or give Corporate Guarantee or provide Securities to any bank or Financial Institutions in respect of Loans availed or being availed by any of the subsidiary of the Company or by any person in whom any of the director of the Company is interested as defined under section 185 of the Companies Act, 2013. At present there is no provision in the existing object clause of the Memorandum of Association of the Company for giving Corporate Guarantee or provide security to any Bank or Financial Institution in respect of loan availed or to be availed by any subsidiary of the Company or persons as aforesaid. In order to enable the Company to provide for Corporate Guarantee or Securities, the existing object clause 17 of Memorandum of Association of the Company is sought to be replaced by new clause 17.

Accordingly, pursuant to Section 13 of the Companies Act, 2013, members of the Company are further requested to note that their consent to the proposed resolution as recommended by the Audit Committee and approved by the Board of Directors is being sought by way of a Special Resolution to alter the object clause of the Memorandum of Association of the Company.

Copies of Memorandum of Association of the Company before and after proposed amendment are available at the Registered Office of the Company for inspection by the members.

None of the Directors, Key Managerial Persons or their relatives are in any way, concerned or interested financially or otherwise in the said resolution.

The Board recommends the special resolution as set forth in Item No. 1 of the Notice for the approval of the Members.

ITEM NO. 2

Waiver of the recovery of excess amount paid as managerial remuneration and professional fees to Mr. Subhash Ghai as the erstwhile Managing Director of the Company

The Company had filed applications to the Central Government seeking approval for waiver of recovery of excess remuneration and professional fees paid to Mr. Subhash Ghai, erstwhile Managing Director of the Company during the financial year from 2004-05 to 2013-14 u/s 197(10) and 200 of the Companies Act, 2013.

The provisions of Sections 66 to 70 of the Companies (Amendment) Act, 2017 have come into force with effect from 12th September, 2018 in light of the Notification No. 4823 (E) dated 12/9/2018 issued by the Ministry of Corporate Affairs, New Delhi. As per the letter received by the Company from Ministry of Corporate affairs dated 04th October, 2018 and 9th October, 2018, the applications made to the Central Government under provisions of Section 197 for waiver of recovery of excess remuneration and professional fees which are pending with the Central Government shall abate.

The approval of Shareholders for the waiver of recovery of excess managerial remuneration as well as professional fees paid to Mr. Subhash Ghai should be taken within one year of commencement of amendment to section 197 by section 67 of the Companies Amendment Act, 2017. Hence shareholders' approval is being sought through postal ballot.

The details of the excess Managerial Remuneration paid to Mr. Subhash Ghai during the preceding financial years are given herein below:

(Amount in Rupees)

Financial year	Remuneration paid	Entitlement	Remuneration allowed by CG	Excess to be recovered	Professional Fees paid
2005-06	1,08,95,000/-	42,00,000/-	84,00,000/-	24,95,000/-	-
2006-07	1,10,58,546/-	80,08,316/-	84,00,000/-	26,58,546/-	-
2007-08	1,15,90,741/-	83,48,169/-	84,00,000/-	31,90,741/-	-
2008-09	15,640,620/-	42,00,000/-	-	114,40,620/-	-
2009-10	15,234,145/-	42,00,000/-	-	110,34,145/-	-
2010-11	23,209,717/-	42,00,000/-	-	190,09,717/-	-
2011-12	12,997,900/-	42,00,000/-	-	87,97,900/-	-
2012-13	45,79,490/-	42,00,000/-	-	3,79,490/-	54,00,000/-
2013-14	41,38,588/-	42,00,000/-	-	-	110,00,000/-

Any sums paid in excess of the statutory limits become refundable to the Company and until such sums are refunded, are to be held in trust for the Company, unless the Company waives recovery of the said amount by way of a Special Resolution passed by the Members as per the amended provisions of Section 197 of the Companies Act 2013. Hence the approval of shareholders is sought.

The Board recommends the said special resolution for your approval.

Mr. Subhash Ghai, Executive Chairman and Mr. Rahul Puri being relative of Mr. Subhash Ghai are deemed to be concerned or interested in the resolution mentioned in Item No. 2 of the notice.

Save and except the above, none of the other Directors or any key managerial personnel or their relatives are, in anyway, concerned or interested in this resolution.

ITEM NO. 3

Approval for giving loan or guarantee or providing security in connection with loan availed by any of Company's subsidiary or any other person specified under section 185 of the Companies Act, 2013

As per the provisions of Section 185 of the Companies Act, 2013 as amended, approval of the shareholders by way of special resolution is required by the Company for giving loan to its subsidiary or any other person as specified therein or giving guarantee or providing securities to any bank or financial institution in respect of loan availed by any of the subsidiary of the Company or by any other person in whom any of the director of the Company is interested as defined under the said section.

The Company may have to give Loan to any of its subsidiary or to any other person as specified or give Guarantee or provide security to any bank or financial institution in respect of loans availed by any of the Company's subsidiary or persons as aforesaid.

In view of the abovementioned provisions of Section 185 of the Companies Act, 2013 the Board recommends the special resolution as set out in Item No. 3 of the notice for your approval subject to an overall ceiling of Rs. 500 Crores (Rupees Five Hundred Crores Only) at any point of time.

Any Director of the Company and his relative may be deemed to be concerned or interested in this resolution to the extent the Loan is given or Guarantee or security is provided in respect of loan availed by any of the Company's Subsidiary or other bodies corporate in which he is interested. None of the Key Managerial Personnel or his relative are in any way concerned or interested in this resolution.

Registered Office:

Mukta House,
Behind Whistling Woods Institute
Filmcity Complex
Goregaon (East), Mumbai- 400065

By Order of the Board

MUKTA ARTS LIMITED

Monika Shah
Company Secretary

Place: Mumbai

Date: 2nd November, 2018