

# MUKTA ARTS LIMITED

an entertainment company

Regd. Office : Mukta House, Behind Whistling Woods Institute, Filmcity Complex,  
Goregaon (East), Mumbai - 400 065. TEL : 91-22-3364 9400



11<sup>th</sup> February, 2021

BSE Limited PhirozeJeejeeboy Towers Dalal Street, Fort, Mumbai 400 001 BSE Scrip Code: 532357	National Stock Exchange of India Limited Exchange Plaza, 5th Floor Plot no. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 NSE Scrip Symbol: MUKTAARTS
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Kind Attn: Corporate Relations Department

Dear Sirs,

Subject: Outcome of the Board Meeting and Results for December 2020 quarter

Further to our letter dated 1<sup>st</sup> February, 2021 and pursuant to the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors of the Company at its meeting held today viz. 11<sup>th</sup> February, 2021, considered and approved the Unaudited Standalone and Consolidated Financial Results along with segment wise results of the Company for the quarter and nine months ended 31<sup>st</sup> December, 2020 and Limited Review Report in pursuance to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

A press release for the said quarter is also enclosed herewith for your reference along with the copy of the aforesaid unaudited financial results. The Board Meeting commenced at 12.30 P.M. and concluded at 02.15 P.M.

Please take the same on records accordingly and oblige.

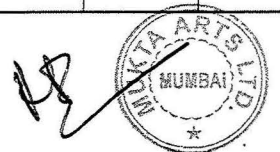
Thanking you,

Yours Faithfully,  
For and on behalf of  
Mukta Arts Limited



  

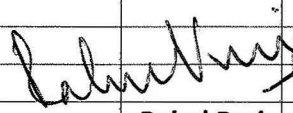
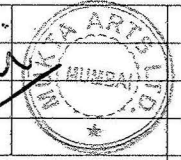

Monika Shah  
Company Secretary  
Encl: As above.

MUKTA ARTS LIMITED CIN:L92110MH1982PLC028180 Regd. Office: Mukta House, Behind Whistling Woods Institute, Film City Complex, Goregaon (E), Mumbai-400 065													
Part I - Statement of Unaudited Financial Results for the Quarter and Nine Months ended December 31, 2020													
(Rs in lakhs, except per share data)													
S.No	Particulars	Standalone						Consolidated					
		For the quarter ended			For the nine months ended			For the quarter ended			For the nine months ended		
		December 31, 2020 (Unaudited)	December 31, 2019 (Unaudited)	September 30, 2020 (Unaudited)	December 31, 2020 (Unaudited)	December 31, 2019 (Unaudited)	March 31, 2020 (Audited)	December 31, 2020 (Unaudited)	December 31, 2019 (Unaudited)	September 30, 2020 (Unaudited)	December 31, 2020 (Unaudited)	December 31, 2019 (Unaudited)	March 31, 2020 (Audited)
1	Revenue from operations	848.23	349.65	281.72	1,636.45	1,712.81	2,160.81	2,304.98	4,211.50	1,458.55	5,588.81	13,112.55	17,168.89
2	Other Income	306.48	258.60	261.00	796.37	826.55	1,097.62	361.76	272.71	343.86	1,045.41	674.04	857.47
3	<b>Total Revenue</b>	<b>1,154.71</b>	<b>608.25</b>	<b>542.72</b>	<b>2,432.82</b>	<b>2,539.36</b>	<b>3,258.43</b>	<b>2,666.74</b>	<b>4,484.21</b>	<b>1,802.41</b>	<b>6,634.22</b>	<b>13,786.59</b>	<b>18,026.36</b>
4	<b>Expenses</b>												
	a) (Increase)/ decrease in stock in trade	-	-	-	-	-	-	(9.12)	6.27	3.54	37.72	(19.80)	(19.11)
	b) Purchase of food and beverage	-	-	-	-	-	-	8.35	131.86	20.90	29.80	425.86	554.96
	c) Distributor and producer's share	-	-	-	-	-	-	245.65	914.92	17.48	263.23	3,017.86	3,764.77
	d) Other direct operation expenses	225.13	18.74	-	225.13	372.59	372.59	27.65	107.16	14.60	46.02	191.30	220.87
	e) Employee benefits expense	77.80	138.85	80.98	250.81	414.00	557.15	467.05	892.86	502.82	1,551.29	2,419.82	3,298.03
	f) Amortisation of intangible assets (including films rights)	-	-	-	-	-	-	29.18	18.87	30.32	92.28	42.05	66.55
	g) Depreciation of tangible assets	45.69	55.93	56.51	158.69	179.63	231.67	445.85	483.79	456.59	1,355.81	1,348.49	1,849.78
	h) Finance costs	152.02	159.29	138.40	430.12	546.13	689.29	414.29	382.65	300.62	1,029.02	1,171.47	1,564.34
	i) Other expenses	145.26	222.21	179.15	414.99	708.66	954.66	850.94	1,834.81	960.81	2,517.48	5,423.91	7,507.58
	<b>Total expenditure</b>	<b>645.90</b>	<b>595.02</b>	<b>455.04</b>	<b>1,479.74</b>	<b>2,221.01</b>	<b>2,805.36</b>	<b>2,479.84</b>	<b>4,773.19</b>	<b>2,307.69</b>	<b>6,922.65</b>	<b>14,020.96</b>	<b>18,807.77</b>
5	<b>Profit/ (loss) before tax (3-4)</b>	<b>508.81</b>	<b>13.23</b>	<b>87.68</b>	<b>953.08</b>	<b>318.35</b>	<b>453.07</b>	<b>186.90</b>	<b>(288.97)</b>	<b>(505.28)</b>	<b>(288.43)</b>	<b>(234.37)</b>	<b>(781.41)</b>
6	<b>Tax Expenses</b>												
	Current tax	65.00	-	3.50	86.50	26.00	26.00	65.04	-	3.54	86.63	26.00	41.15
	Deferred tax	(11.18)	(15.94)	(1.04)	(2.03)	(77.90)	(90.23)	(18.05)	87.53	(10.41)	(29.11)	69.79	14.08
7	<b>Profit/ (loss) from ordinary activities after tax</b>	<b>454.99</b>	<b>29.17</b>	<b>85.22</b>	<b>868.61</b>	<b>370.25</b>	<b>517.30</b>	<b>139.91</b>	<b>(376.50)</b>	<b>(498.42)</b>	<b>(345.95)</b>	<b>(330.16)</b>	<b>(836.64)</b>
8	Extraordinary Items	-	-	-	-	-	-	-	-	-	-	-	-
9	<b>Share of profit/(loss) in Joint ventures</b>							(3.19)	1.13	(13.83)	(30.11)	2.98	(11.99)
10	<b>Net profit/(loss) for the period</b>	<b>454.99</b>	<b>29.17</b>	<b>85.22</b>	<b>868.61</b>	<b>370.25</b>	<b>517.30</b>	<b>136.72</b>	<b>(375.37)</b>	<b>(512.24)</b>	<b>(376.06)</b>	<b>(327.18)</b>	<b>(848.63)</b>
11	Other Comprehensive Income (net of tax)	-	-	-	-	-	(13.80)	(6.87)	(3.57)	(6.87)	(20.62)	(17.67)	(56.65)
12	<b>Total Comprehensive Income for the period (transferred to BS-Other Equity)</b>	<b>454.99</b>	<b>29.17</b>	<b>85.22</b>	<b>868.61</b>	<b>370.25</b>	<b>503.50</b>	<b>129.85</b>	<b>(378.94)</b>	<b>(519.12)</b>	<b>(396.68)</b>	<b>(344.85)</b>	<b>(905.28)</b>
13	<b>Basic and diluted earning per share (EPS) (not annualised)</b>	<b>2.01</b>	<b>0.13</b>	<b>0.38</b>	<b>3.85</b>	<b>1.64</b>	<b>2.23</b>	<b>0.58</b>	<b>(1.68)</b>	<b>(2.30)</b>	<b>(1.76)</b>	<b>(1.53)</b>	<b>(4.01)</b>
Part II													
A Particulars of shareholdings													
1	Public shareholding												
	a) Number of shares	6,691,910	6,691,910	6,691,910	6,691,910	6,691,910	6,691,910	6,691,910	6,691,910	6,691,910	6,691,910	6,691,910	6,691,910
	b) Percentage of shareholding	29.63%	29.53%	29.63%	29.63%	29.63%	29.63%	29.63%	29.63%	29.63%	29.63%	29.63%	29.63%
2	Promoter and promoter group shareholding												
	a) Pledge / encumbered												
	i) Number of shares	-	-	-	-	-	-	-	-	-	-	-	-
	ii) % of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-	-	-	-	-	-	-
	iii) % of shares (as a % of the total share capital of the Company)	-	-	-	-	-	-	-	-	-	-	-	-
	b) Non encumbered												
	i) Number of shares	15,893,290	15,893,290	15,893,290	15,893,290	15,893,290	15,893,290	15,893,290	15,893,290	15,893,290	15,893,290	15,893,290	15,893,290
	ii) % of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	iii) % of shares (as a % of the total share capital of the Company)	70.37%	70.37%	70.37%	70.37%	70.37%	70.37%	70.37%	70.37%	70.37%	70.37%	70.37%	70.37%
B Investor complaints													
Particulars													
	Pending at the beginning of the quarter	Nil											
	Received during the quarter	Nil											
	Disposed off during the quarter	Nil											
	Remaining unresolved at the end of the quarter	Nil											



Segment - wise Revenue, Results, Assets and Liabilities													
(Rs in lakhs)													
S.No	Particulars	Standalone						Consolidated					
		For the quarter ended			For the nine months ended			For the quarter ended			For the nine months ended		
		December 31, 2020	December 31, 2019	September 30, 2020	December 31, 2020	December 31, 2019	March 31, 2020	December 31, 2020	December 31, 2019	September 30, 2020	December 31, 2020	December 31, 2019	March 31, 2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1</b>	<b>SEGMENT REVENUE</b>												
	Software division	692.50	96.31	71.45	1,093.10	943.01	1,168.87	246.40	96.31	517.54	1,093.10	943.01	1,173.13
	Equipment division (including other income)	0.20	7.87	2.10	2.30	14.56	15.16	(4.39)	7.87	6.69	2.30	14.56	15.16
	Theatrical exhibition division	-	-	-	-	-	-	269.97	2,652.83	368.34	915.10	7,754.94	9,993.88
	Education	-	-	-	-	-	-	1,459.53	1,415.33	1,110.92	3,929.61	4,093.66	5,578.46
	Others	155.54	245.46	208.17	541.05	755.24	1,301.81	31.27	245.46	332.43	541.05	755.24	1,301.81
	<b>Total</b>	<b>848.24</b>	<b>349.64</b>	<b>281.72</b>	<b>1,636.45</b>	<b>1,712.81</b>	<b>2,485.84</b>	<b>2,002.79</b>	<b>4,417.80</b>	<b>2,335.90</b>	<b>6,481.17</b>	<b>13,561.41</b>	<b>18,062.44</b>
	Less: Inter segment revenue	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Net sales/ Income from operation</b>	<b>848.24</b>	<b>349.64</b>	<b>281.72</b>	<b>1,636.45</b>	<b>1,712.81</b>	<b>2,485.84</b>	<b>2,002.79</b>	<b>4,417.80</b>	<b>2,335.90</b>	<b>6,481.17</b>	<b>13,561.41</b>	<b>18,062.44</b>
<b>2</b>	<b>SEGMENT RESULTS</b>												
	Profit/ (loss) before tax and finance costs from each Segment												
	Software division	376.53	(58.38)	(19.99)	583.67	141.90	200.58	383.40	(58.30)	(26.86)	583.67	141.98	204.84
	Equipment division	(5.67)	(1.84)	(3.12)	(16.24)	(13.40)	(36.35)	(4.68)	(1.84)	(4.11)	(16.24)	(13.40)	(36.35)
	Theatrical exhibition division	-	-	-	-	-	-	(421.28)	(217.14)	(465.53)	(1,334.89)	(258.30)	(927.15)
	Education	-	-	-	-	-	-	411.94	193.91	90.05	853.30	503.25	796.32
	Others	82.82	162.72	133.57	351.67	499.40	846.02	14.99	162.81	201.40	351.67	499.49	846.02
	<b>Total</b>	<b>453.68</b>	<b>102.50</b>	<b>110.46</b>	<b>919.11</b>	<b>627.90</b>	<b>1,010.23</b>	<b>384.36</b>	<b>79.44</b>	<b>(205.04)</b>	<b>437.51</b>	<b>873.02</b>	<b>883.67</b>
	Less: Finance costs	152.01	159.29	138.41	430.12	546.13	689.29	414.29	382.65	300.62	1,029.02	1,171.47	1,564.34
	Other un-allocable expenditure												
	Net of unallocable income	(207.15)	(70.02)	(115.64)	(464.10)	(236.58)	(132.13)	(216.82)	(14.24)	(0.39)	(303.08)	(64.08)	100.74
	<b>Total profit before tax</b>	<b>508.82</b>	<b>13.23</b>	<b>87.68</b>	<b>953.08</b>	<b>318.35</b>	<b>453.07</b>	<b>186.89</b>	<b>(288.98)</b>	<b>(505.28)</b>	<b>(288.42)</b>	<b>(234.37)</b>	<b>(781.41)</b>
	Add : Share of profit/(loss) in Joint ventures	-	-	-	-	-	-	(3.19)	1.13	(13.83)	(30.11)	2.98	(11.99)
	<b>Total profit before tax and after share in Joint venture</b>	<b>508.82</b>	<b>13.23</b>	<b>87.68</b>	<b>953.08</b>	<b>318.35</b>	<b>453.07</b>	<b>190.08</b>	<b>(290.10)</b>	<b>(519.11)</b>	<b>(318.54)</b>	<b>(237.35)</b>	<b>453.07</b>
<b>3</b>	<b>SEGMENT ASSETS</b>												
	Software division	2,760.17	2,500.93	2,310.49	2,760.17	2,500.93	1,941.69	2,760.17	2,500.93	2,750.04	2,760.17	2,500.93	1,941.69
	Equipment division	136.94	135.21	123.57	136.94	135.21	130.46	136.94	135.21	138.36	136.94	135.21	130.46
	Theatrical exhibition division	373.09	540.11	540.11	373.09	540.11	610.28	8,968.65	10,507.23	9,323.02	8,968.65	10,507.23	10,039.33
	Education	-	-	-	-	-	-	4,908.59	4,775.51	5,833.91	4,908.59	4,775.51	4,908.51
	Others	2,179.18	2,049.28	2,076.22	2,179.18	2,049.28	2,382.97	2,179.18	2,049.28	2,062.53	2,179.18	2,049.28	2,382.97
	<b>Unallocable</b>	<b>19,735.55</b>	<b>17,522.57</b>	<b>18,744.27</b>	<b>19,735.55</b>	<b>17,522.57</b>	<b>16,867.83</b>	<b>5,607.74</b>	<b>4,579.30</b>	<b>4,375.20</b>	<b>5,607.74</b>	<b>4,579.30</b>	<b>4,947.28</b>
<b>4</b>	<b>SEGMENT LIABILITIES</b>												
	Software division	1,561.34	565.29	489.59	1,561.34	565.29	365.23	1,857.68	565.29	257.94	1,857.68	565.29	365.23
	Equipment division	0.78	1.42	2.17	0.78	1.42	105.30	0.78	1.42	0.41	0.78	1.42	105.30
	Theatrical exhibition division	875.87	875.87	875.87	875.87	875.87	876.08	4,592.77	7,652.03	5,516.82	4,592.77	7,652.03	6,687.16
	Education	-	-	-	-	-	-	3,578.72	3,913.24	4,815.65	3,578.72	3,913.24	4,169.45
	Others	904.08	891.62	534.58	904.08	891.62	547.82	904.08	891.62	925.38	904.08	891.62	547.82
	<b>Unallocable</b>	<b>6,889.04</b>	<b>6,461.40</b>	<b>7,393.62</b>	<b>6,889.04</b>	<b>6,461.40</b>	<b>5,953.58</b>	<b>13,066.94</b>	<b>9,874.88</b>	<b>12,566.92</b>	<b>13,066.94</b>	<b>9,874.88</b>	<b>11,607.70</b>

		<b>NOTES:</b>						
1	The above financial results have been reviewed by the audit committee and approved by the Board of Directors at the meeting held on 11 February 2021.							
2	In terms of order dated 9.02.2012 passed by the High Court of Judicature at Bombay ('High Court'), Maharashtra Film Stage and Cultural Development Corporation ('MFSCDC') raised net demand of Rs. 591,966,210 and asked Whistling Woods International Limited (WWIL) to vacate the premises. The Company's and WWIL's Review Petitions were heard by High Court and a stay was granted on 30 July 2014. However, the High Court ordered the Company/WWIL to pay Rs 100,038,000 by January 2015 against arrears of rent for the years 2000-01 to 2013-14 and Rs 4,500,000 per annum from the financial year 2014-15. As per the terms of the said Order, till 31 December 2020 Rs 113,538,000 has been paid by the Company and Rs 13,500,000 has been paid by WWIL. The State Government of Maharashtra and MFSCDC challenged the Order of the High Court in the Supreme Court which was dismissed by the court on 22 September 2014 with recourse to the State Government of Maharashtra to make an application to Bombay High Court. The Maharashtra State Cabinet has on 25 September 2018 approved allotment of 5.5 acres of land on lease basis to the Company. However the matter is sub-judice and is subject to final disposal by the Honorable Bombay High Court. The auditors continue to modify their report on the said matter.							
3	The business of the Mukta Group has been affected by the ongoing CoVID-19 pandemic. During the time the lockdown is in effect and social distancing norms are in place, the Entertainment Industry shall be adversely impacted. The Mukta Group has assessed the impact on its operations including revenue and the carrying value of its assets. For all the Group Companies, wherever applicable, steps have been taken to mitigate future losses by cutting operational costs, including by reduction of employee costs and by invoking force majeure for rental payments. For assessing future impacts, all available information has been disseminated. While the impact that is possible to assess till the date of approval of these accounts has been considered, the Group is continuously monitoring the situation as it evolves. The short term impact is expected to be severe; however, the long term impact is not expected to be substantial.							
4	Figures for the corresponding quarter of the previous year have been regrouped / rearranged to conform to current quarter's presentation.							
		<b>For and on behalf of the Board of directors</b>						
		 						
<b>Date</b>	<b>: 11 February 2021</b>							
<b>Place</b>	<b>: Mumbai</b>	<b>Rahul Puri</b> <b>Managing Director</b>						



## Mukta Arts reports results for Q3 FY2021

**Mumbai, February 11, 2021:** Mukta Arts Limited has stayed on course with its positive trajectory and delivered a Standalone PAT of INR 454.9 lakhs in the third quarter of the fiscal 2020-21. For nine months of the financial year 2020-2021, the Standalone PAT stood at INR 868.6 lakhs, with a growth of 134% over the previous corresponding period and has exceeded the total PAT registered in the previous financial year.

On a consolidated basis, for Q3 FY21, the company registered a revenue of INR 2,304.9 lakhs, EBITDA of INR 714.5 lakhs with EBITDA margin at 31% and a PAT of INR 139.9 lakhs and PAT margin at 6.1%.

Whistling Woods International, its subsidiary and a leading educational institute in media studies, registered a topline of INR 1,461 lakhs for the nine months of this financial year. The nine months' EBITDA & PAT stood at INR 595 lakhs and INR 315 lakhs respectively.

Commenting on the results, Mr Rahul Puri, Managing Director, Mukta Arts said "The gradual unlocking of the economy continues to lead us towards restoring the normalcy. In the third quarter, the ministry of film affairs permitted cinemas to reopen from 15th October with the overall capacity restricted at 50%. We have 22 locations with 52 screens operational in India along with the 6 operational screens in Bahrain. Our education business continues to scale new heights and we have onboarded 413 new students in this academic year. We look forward towards putting the worst of the pandemic behind us and hope to maintain our positive trajectory."

***Uttam Abuwala Ghosh & Associates***

Website: <http://www.uttamabuwala.com>

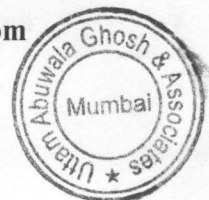
***Chartered Accountants***

**Independent Auditor's Review Report on quarterly unaudited standalone financial results of Mukta Arts Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

To  
The Board of Directors of  
Mukta Arts Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of **M/s Mukta Arts Limited** ("the Company") for the **quarter and nine months ended December 31, 2020** ("the statement") attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 ('Listing Regulations') as amended.
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, read with the Circular is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the statement based on our review.
3. We conducted our review of the statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. *As at December 31, 2020, the company's investment in its subsidiary (including deemed investment), Whistling woods International Limited (WWIL) a joint venture between the company and Maharashtra Film, Stage and Cultural Development Corporation Limited (MFSCDCL), aggregates to Rs. 19,95,11,218/- and loans and advances and interest receivable Rs.59,22,29,704/- recoverable from WWIL. As fully explained in Note 2 to the accompanying unaudited financial statements, the Order of February 9, 2012 passed by the High Court of judicature at Bombay ('High Court'), had quashed the joint Venture Agreement ('JVA') between the company and Maharashtra Film Stage Cultural Development Corporation ('MFSCDC'). Maharashtra Film Stage and Cultural Development Corporation ('MFSCDC') raised net demand of Rs. 59,19,66,210/- and asked WWIL to vacate the premises. WWIL's petition for special leave to appeal filed with the Supreme Court of India had also been dismissed. The Company and WWIL had filed application to review the said order with the High Court and an Interim stay was granted on July 30, 2014 which required deposit of Rs.10,00,38,000/- by January 2015 against payment of arrears of rent for the year 2000-01 to 2013-14 and payment of Rs.45,00,000/- per annum from Financial Year 2014-15 till the settlement of the case, to MFSCDCL. As per the terms of the said Order, till financial year 2016-17, Rs. 11,35,38,000/- has been paid by the Company and for financial year 2017-18 to 2019-20 Rs. 45,00,000/- per annum has been paid by WWIL. The State Govt. of Maharashtra and*

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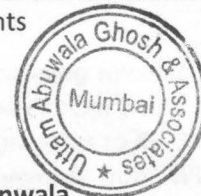
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MFSCDCL challenged the order of the High Court in the Supreme Court which was dismissed by the Supreme Court on September 22, 2014. The amount so paid / being paid by the Company have been accounted under Non - Current Other Financial Assets in the Standalone Financial Statements to be adjusted on the settlement of the case. Management of WWIL informs that these will be accounted as an expense, if required, on the settlement of the case.

Additionally, without giving effect to the matter as stated above, WWIL's net worth stands fully eroded as at December 31, 2020. Having regard to the circumstances explained above and pending final outcome of the matter under litigation, the Company has not made any adjustment to the carrying value of investment in and amounts due from WWIL and the deposit paid consequent to the High Court's Orders. Accordingly, the impact on the carrying value of investments, recoverability of loans and advances and consequential impact on loss for the year and reserves is not determinable.

5. Based on our review conducted as above, except for the matters relating to the investment in and loans and advances and interest recoverable from WWIL referred to in paragraph 4 above, the outcome and consequent adjustment to the unaudited financial results of which cannot be presently determined, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the recognition and measurement principles laid down in aforesaid Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For Uttam Abuwala Ghosh & Associates**  
Chartered Accountants  
Firm No. 111184W



**CA Subhash Jhunjunwala**  
(Partner)

Membership No.: 016331

UDIN: 21016331AAAA BD3408

Date: February 11, 2021

Place: Mumbai

**Uttam Abuwala Ghosh & Associates**  
**Chartered Accountants**

Website: <http://www.uttamabuwala.com>

**Independent Auditor Review Report on quarterly unaudited consolidated financial results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

**To The Board of Directors of  
Mukta Arts Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **Mukta Arts Limited** ("the Parent"), and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") and its share of net loss after tax and total comprehensive loss of its joint venture for the quarter ended December 31, 2020 ("the statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 as amended ('the Regulations').
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34), prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India read with the Circular. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, to the extent applicable.

4. The statement includes the results of the following entities:
  - a. **Parent Company**
    - i. Mukta Arts Limited
  - b. **Subsidiaries:**
    - i. Mukta A2 Cinemas Limited
    - ii. Whistling Woods International Limited

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- iii. Whistling Woods International Foundation (100% Subsidiary of Whistling Woods International Limited)
- iv. Mukta A2 Multiplex SPC (incorporated in Bahrain)
- v. Mukta Creative Ventures Limited
- vi. Mukta Tele Media Limited
- vii. Connect.1 Limited

and

**c. Joint Venture:**

- i. Mukta VN Films Limited

5. As at December 31, 2020 the company's investment in its subsidiary (including deemed investment), Whistling woods International Limited (WWIL) a joint venture between the company and Maharashtra Film, Stage and Cultural Development Corporation Limited (MFSCDCL), aggregates to Rs. 19,95,11,218/- and loans and advances, deposits, interest receivable and rent receivable aggregate to Rs. 59,22,29,704/- recoverable from WWIL. As fully explained in Note 2 to the accompanying unaudited financial statements, the Order of February 9, 2012 passed by the High Court of judicature at Bombay ('High Court'), had quashed the joint Venture Agreement ('JVA') between the company and Maharashtra Film Stage Cultural Development Corporation ('MFSCDCL'). Maharashtra Film Stage and Cultural Development Corporation ('MFSCDC') raised net demand of Rs. 59,19,66,210/- and asked WWIL to vacate the premises. WWIL's petition for special leave to appeal filed with the Supreme Court of India had also been dismissed. The Company and WWIL had filed application to review the said order with the High Court and an Interim stay was granted on July 30, 2014 which required deposit of Rs.10,00,38,000/- by January 2015 against payment of arrears of rent for the year 2000-01 to 2013-14 and payment of Rs.45,00,000/- per annum from Financial Year 2014-15 till the settlement of the case, to MFSCDCL. As per the terms of the said Order, till financial year 2016-17, Rs. 11,35,38,000/- has been paid by the Parent Company and for financial year 2017-18 to 2019-20 Rs. 45,00,000/- per annum has been paid by WWIL. The State Govt. of Maharashtra and MFSCDCL challenged the order of the High Court in the Supreme Court which was dismissed by the Supreme Court on September 22, 2014. The amount so paid / being paid by the Company have been accounted under Non - Current Other Financial Assets in the Standalone Financial Statements to be adjusted on the settlement of the case. Management of WWIL informs that these will be accounted as an expense, if required, on the settlement of the case.

Additionally, without giving effect to the matter as stated above, WWIL's net worth stands fully eroded as at December 31, 2020. Having regard to the circumstances explained above and pending final outcome of the matter under litigation, the Company has not made any adjustment to the carrying value of investment in and amounts due from WWIL and the deposit paid consequent to the High Court's Orders. Accordingly, the impact on the carrying value of investments, recoverability of loans and advances and consequential impact on loss for the year and reserves is not determinable.

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6. *The Ministry of Corporate Affairs (MCA) on March 30, 2019 notified Ind AS 116 "Leases" as part of Companies (Indian Accounting Standards) Amendment Rules, 2019. The New standard is effective from reporting period beginning on or after April 1, 2019. Pending final outcome of the matter under litigation as mentioned in paragraph above, no adjustments has been made in the financial information with respect to Ind AS 116 on land rights.*
7. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 9 below and management certified accounts referred to in paragraph 10 below, except for the matters relating to the investment in and loans and advances and interest recoverable from WWIL referred to in paragraph 5 above and for matter relating to Ind AS 116 "Leases" referred to in paragraph 6 above, the outcome and consequent adjustment to the unaudited financial results of which cannot be presently determined, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
8. We draw your attention to following matters
  - a) As described in financial statement, the group has considered the effect of uncertainties due to Covid-19 pandemic on the operations of the group. However, the actual impact may be significantly different than estimated as it is not possible to completely evaluate and quantify the impact of Covid-19 on the future operations of the group.
  - b) As described in financial Statement, Mukta A2 Cinemas Limited (Subsidiary) has invoked the Force Majeure clause under various lease arrangements for its premises and informed the landlords that no rent would accrue for the period impacted by Covid-19 pandemic. The amount of reduction in lease liability which is yet to be confirmed in writing for the quarter and nine months ended December 31, 2020 is Rs. 618.84 lakhs has been recognized as concessional lease income.
  - c) During the quarter and nine months ended December 31, 2020, the company has incurred loss before tax (including other comprehensive income) of Rs. 1,373.42 lakhs and has accumulated losses of Rs. 3,486.63 lakhs as on December 31, 2020. Further the company's net worth has been fully eroded and there is a deficit of Rs. 3,336.63 lakhs in the shareholder's equity as on December 31, 2020. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. However, the company's unaudited financial results have been prepared on a going concern basis on the reporting date.
  - d) There is an emphasis of matter with regards to the financial statements of Mukta A2 Multiplex S.P.C. (Subsidiary) on account of deficit in the Shareholder's Equity and the company's current liability exceeding its current assets as on December 31, 2020. These conditions indicate the existence of

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material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

Our conclusion on the Statement is not modified in respect of the above matters.

9. We did not review the interim financial results of One subsidiaries included in the consolidated unaudited financial results, whose interim financial results reflect total revenues of Rs. 39,33,72,901/-, total net profit after tax and total comprehensive profit of Rs. 5,33,45,893/- for the quarter ended December 31, 2020 as considered in the consolidated unaudited financial results. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matters.

10. The consolidated unaudited financial results include the interim financial results of Four subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total revenue of Rs. 2,07,66,201/-, total net loss after tax of and total comprehensive loss of Rs. 3,95,19,512/- for the quarter ended December 31, 2020, respectively. The consolidated unaudited financial results also include the Group's share of net loss after tax of and total comprehensive loss of Rs 30,11,416/- for the quarter ended December 31, 2020 respectively, as considered in the consolidated unaudited financial results, in respect of one joint ventures, based on their interim financial results which have not been reviewed by their auditors. According to the information and explanations given to us.

Our conclusion on the Statement is not modified in respect of the above matters.

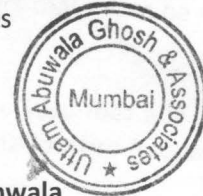
**For Uttam Abuwala Ghosh & Associates**  
Chartered Accountants  
Firm No. 111184W



**CA. Subhash Jhunjunwala**  
(Partner)

Membership No.: 016331

UDIN: 21016331AAAABE7644



Date: February 11, 2021

Place: Mumbai