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

September 2, 2022

BSE Limited Phiroze Jeejeebhoy Towers, 1st Floor, Dalal Street, Mumbai – 400 001 BSE Scrip code: 532357	**National Stock Exchange of India Limited** Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 NSE Scrip code: MUKTAARTS

Kind Attn: **Corporate Relations Department**

Dear Sirs,

Sub: Annual Report for the Financial Year 2021-22 and Notice convening the 40th Annual General Meeting

This is with further reference to our letter dated May 17, 2022 pursuant to Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report for the Financial Year 2021-22 along with Notice convening the **40th Annual General Meeting ('AGM')** of the Company scheduled to be held on **Tuesday, September 27, 2022 at 4.00 p.m.(IST)** through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM'). The venue of the Meeting shall deemed to be Whistling Woods Institute, Dada Saheb Phalke Chitra Nagari, Goregaon (East), Mumbai- 400 065. This Annual Report is also available on the Company's website at www.muktaarts.com. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 21, 2022 to Wednesday, September 28, 2022 **(both days inclusive)** for the purpose of said AGM of the Company.

Further, pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of the Listing Regulations, we hereby inform that the Company is providing e-Voting facility to the Members of the Company to cast their votes by electronic means on all the resolutions set out in the Notice of AGM through the e-Voting services provided by National Securities Depository Limited. The cut-off date for determining the eligibility of Members to vote by remote e-Voting for the AGM is Tuesday, September 20, 2022.

We request you to kindly take the above on record.

Thanking you,

Yours Faithfully,
For and on behalf of
MUKTA ARTS LIMITED

PARVEZ AKHTAR FAROOQUI
Digitally signed by PARVEZ AKHTAR FAROOQUI
Date: 2022.09.02 13:17:26 +05'30'

Parvez A. Farooqui
Director

Encl: As above.

ANNUAL REPORT 2022

MUKTA ARTS LIMITED

Mukta A2 Cinemas at Rayagada, Odisha

BOARD OF DIRECTORS

Mr. Subhash Ghai
Executive Chairman
DIN: 00019803

Mr. Rahul Puri
Managing Director
DIN: 01925045

Mr. Parvez A. Farooqui
Non-Executive Director
DIN: 00019853

Mr. Kewal Handa
Independent Director
DIN: 00056826

Ms. Paulomi Dhawan
Independent Director
DIN: 01574580

Mr. Kapil Bagla
Independent Director
DIN: 00387814

Chief Financial Officer
Mr. Prabuddha Dasgupta

Company Secretary & Group Compliance Officer
Ms. Monika Shah upto May 25, 2022
Ms. Hemal N. Pankhania with effect from August 22, 2022

Statutory Auditors
M/s. Uttam Abuwala Ghosh & Associates

Internal Auditors
M/s Garg Devendra & Associates

Secretarial Auditors
M/s. K. C. Nevatia & Associates, Company Secretaries

Bankers
YES Bank Limited
Indian Bank

Registrar & Transfer Agents
Link Intime India Private Limited
C 101, 247 Park,
L B S Marg, Vikhroli West,
Mumbai 400 083
Tel No: +91 22 49186000 Fax: +91 22 49186060

Registered Office
Mukta House, 3rd Floor,
Behind Whistling Woods Institute,
Filmcity Complex, Goregaon (East),
Mumbai - 400 065
Tel No.: +91 22 33649400
Fax No.: +91 22 33649401
Website: www.muktaarts.com
E-mail : investorrelations@muktaarts.com

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PERFORMANCE AT A GLANCE

Rupees in millions

	Year ended 31st March 2022	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2019	Year ended 31st March 2018
Revenue from operations	**483.43**	186.31	216.06	196.72	115.00
Other Income	**145.12**	111.77	109.78	112.70	144.75
TOTAL INCOME	**628.55**	298.08	325.84	309.42	259.75
Profit/(Loss) before Interest,					
Depreciation and Tax	**326.06**	169.36	137.40	140.38	113.16
Depreciation	**21.31**	20.41	23.16	24.66	27.15
Interest	**58.90**	58.46	68.93	59.70	68.49
Profit/(Loss) before Tax	**245.85**	90.49	45.31	56.02	17.52
Profit/(Loss) after Tax	**205.85**	69.81	51.73	38.81	14.92
Dividend	**-**	-	28.23	-	-
Dividend Rate	-	-	25%	-	-
Gross Fixed Assets	**770.55**	767.56	767.55	743.21	749.23
Net Fixed Assets	**263.40**	281.28	301.68	300.51	329.78
Total Assets	**2,508.94**	2,512.37	2,193.32	2,130.25	2,064.32
Equity Share Capital	**112.93**	112.93	112.93	112.93	112.93
Reserves and Surplus	**1,582.31**	1,366.04	1,295.61	1,301.69	1,265.20
Net Worth	**1,695.24**	1,478.97	1,408.54	1,414.62	1,378.13
Earnings per Share (EPS)					
In Rupees					
EPS Basic	**9.16**	3.12	2.23	1.62	0.66
EPS Adjusted to Rs. 5	**9.16**	3.12	2.23	1.62	0.66

Chairman's Statement 2022

As the world begins to emerge from what was a damaging pandemic, 2021-22 was a year that saw some green shoots of recovery and repeated bouts of uncertainty. Without doubt, this uncertainty was the most challenging for any business, as not being able to see when the situation would worsen or improve meant that all companies had to be in a constant state of readiness which was draining both financially and mentally. However, I am proud of the way this company has come through a generational shutdown and pivoted to find hybrid best practices which will stand us well in the years to come.

The media and entertainment industry as a whole struggled to make sense of the situation. On one hand, for the whole of 2021, production has been on-going, mostly aimed at the streaming platforms of course, but in stark contrast, the theatrical outlet was again badly affected with lasting lockdowns rendering them closed. The FICCI report may point to some small pockets of growth in the industry but the traditional side of the industry which includes social interaction remained a damp squib throughout the year.

I think it is important though to commend the Government of India for their clarity of thought throughout this period. The vaccine rollout was a huge success and the uptake throughout 2021 meant that though this financial year has been badly affected, the next financial year can begin to reap some of the benefits of this colossal program. My admiration to all involved in this amazing effort. However there were devastating losses as well throughout the nation from the Delta variant which swept through the country in the early part of the year. On behalf of the Mukta Group, I offer my condolences to all those who lost loved ones during this time. We lost people from this family as well and I can imagine the pain people suffered.

The cinema business of course was the most affected by this uncertainty. As 2021 began, fresh seeds of hope had begun to sprout but a devastating second wave in March meant that once again things were at a virtual standstill. This shutdown lasted for months eating away at resources and robbing the business of injection of both audience interest and finance. It was not until September that a slow move toward reopening began with limited occupancy which in turn affected large films' interest in rolling out to audiences. However as the vaccine rollout began to kick in, things strengthened and confidence both of producers as well as audiences returned by the end of the year as large cities like Mumbai and Delhi came back online. However again in January, the Omicron variant slowed things again but since February, we have seen a strong end to the financial year with movies doing well by the end of March. Certainly the first two months of 2022-23 were excellent from that point of view. So a year of consistent inconsistency at least ended in a positive fashion.

During this period, the company did not rest on its laurels. We have opened four properties this year despite the situation, in Ropar, Raygada, Rajyash in Ahmedabad and our maiden venture in Bangalore which opens up this lucrative market for Mukta A2 Cinemas. During the year though, the company worked hard to conserve resources, continuing the policy of furloughing when cinemas were closed but some key additions to the management team were made in terms of operational efficiencies as we strove to make the business leaner and meaner to take best advantage of the reopening period. These areas of recruitment include Food and Beverage and Operational Controls and we are confident these will bring alot of added value in the months to come.

The situation in Bahrain was mirrored to the one in India but as the second wave seemed to roll out later there, perhaps the effects seemed to hold longer. The Dana Mall project was delayed expectedly as the country affected stringent lockdowns and limits on labour work. This 10 screen property will now open at the end of 2022 and that will add to Mukta A2's presence in the region and the Kingdom.

On the film side, Mukta Arts worked hard throughout the lockdown to produce our first OTT project, '36 Farmhouse' which was part of the three film deal we had signed with Zee Studios. The film premiered on Zee 5 in January and was a rousing success with over 5 million streams of the film in the first few months. The film, directed by Whistling Woods alumni Ram Ramesh Sharma and starring Sanjay Mishra, Vijay Raaz, Amol Parashar, Barkha Singh and others was a comedy film set during the lockdown so its topicality has struck a chord and we hope that this will continue into the rest of the films we have with Zee Studios.

On other fronts, we released our long overdue film 'Vijeta' in the theaters across Maharasthra in December. Sadly the response to the film was badly affected by the pandemic but the movie held strong reviews and did extremely well on its release on other platforms. We have also announced and begun production on another Marathi film tentatively titled 'My Dad's Wedding' starring Ajinkya Deo, Pooja Sawant and Rajeshwari Sachdev. Production commenced in London in June and was completed in July. The film will be released in the autumn. Other than this, Mukta continues to work with some of the best players and platforms in the business to create new and unique stories which we hope to see in cinemas, television and streaming soon. Rest assured.

Whistling Woods International Limited (WWI) had a challenging year but has come through it well. Though the institute pivoted quickly to online education during lockdowns, alot of the core of the WWI curriculum had to be done in person. From March 2021, the Delta variant had again shut down all possibility of any on campus activity and so many student projects had to wait and be delayed till the environment was more conducive. I am proud of the fact that despite this, WWI keep its promise to its students and graduated all students in time and without any substantial delay. Our batches of 2020 and 2021, though completing their courses online, still got to have their convocation offline, which were held in March of this year.

The uncertainty translated to admissions as well, with many students opting to wait a year rather than start courses in an online environment. Due to this the 2021 intake was down on previous years but WWI has responded to this by reducing and spacing out expenses to cut any impact. I am happy to report that admissions have bounced back strongly this year and we should be approaching pre pandemic admissions levels again in 2022. Despite this, WWI has launched a new school in 2021 - the School of Sports and E Sports and our first intake in two programs BBA and MBA will commence from August 2022. Sports is a fast growing vertical and E Sports is something particularly important with the uptake of digital technologies, so WWI putting its foot forward early is a strong step for the future.

Our association with the Rajiv Gandhi Institute of Youth Development has grown even though we have continued to partner with the Tata Institute of Social Sciences. This has made WWI stronger as an educational platform and we hope to grow these collaborations in the future. WWI continues to grow its international partnership and this year has signed academic MOUs with Greenwich University and University of Arts London, in the UK and University of Colorado, Denver in the USA. International opportunities are key to our students being able to learn other cultures and their best practices, as well as smoothly the potential for many to go abroad for Masters and Post Graduate education. WWI is committed to delivering more of these tie-ups.

With the worst of Covid-19 now behind us, we can only look back at an unprecedented two years and see the sadness that was caused, but we can also look back and see the resilience, diligence and perseverance shown to make the most of a bad situation. I am proud to say that I look back and see how the Mukta Group handled the worst pandemic in a century with all of these qualities and I am sure that it will hold us in good stead for the future. The next few years ahead will be littered with new opportunities as the changing landscape of media and entertainment provides exciting innovations and technologies. We are ready and poised to take advantage and we are happy that our Members are with us as we move ahead.

Thank you.

MANAGEMENT DISCUSSION AND ANALYSIS 2021-22

Indian economy overview

The past two years have been an unprecedented crisis for industries across the globe as well as for people. Life was just beginning to return towards normalcy during the start of 2021, when the second wave of the Covid pandemic struck India in March of 2021. This was more devastating than the first wave and became a trial of resilience, testing to breaking point, the willpower of industry leaders, particularly in the entertainment industry. It was only during the 3rd quarter of this financial year that these businesses started to reopen.

After falling 2.3% in calendar year 2020, global media and entertainment revenue rose by 10.4% in 2021, resuming its trend of outpacing global growth. In comparison, the Indian media and entertainment revenue had fallen by a sharper 24% in 2020 and its revival in 2021 against this low base was also sharp at 16%. However it was still 11% below the 2019 level.

Industry performance

Digital and online gaming were the only two segments that continued to grow not only during the pandemic but also subsequently. Music was a segment that remained stable throughout.

Television retained its top spot in spite of falling 13% in 2020 and growing 5% in 2021.

Print which was replaced by Digital at the number 2 spot when it fell heavily by 36% in 2020, grew by 19% in 2021.

Filmed Entertainment dropped a spot to number 5 behind Online gaming after it fell by 62% in 2020 and remained in the spot in spite of a 29% growth in 2021.

Animation and VFX which had fallen by 44% in 2020 grew 57% in 2021, though still on a relatively smaller base.

Live events, Out of home media and radio were the other smaller segments that showed growth during 2021 after sharp falls in 2020.

Company performance

The Mukta Group continued to face mixed fortunes during this financial year.

Mukta Arts had a good year with over 200% growth in revenue reaching Rs. 625.55 million owing to increase in revenue from monetising its Hindi film library. Revenue for the year also included profit on sale of property. Standalone profit after tax showed growth of 170% up to Rs.188.85 million during the current financial year.

The subsidiaries in the film exhibition space remained under pressure during this financial year, both in India and in Bahrain.

For the Indian operations, closure owing to Covid-19 continued essentially for the first six months with the Southern locations leading the reopening. Many locations, including in Maharashtra, were not permitted 100% occupancy for the entire year.

In spite of this, the films that were released during the last quarter of

Mukta A2 Cinemas at Bengaluru

Mukta A2 Cinemas at Bengaluru

this year were well received by the audiences who thronged back to the cinemas. This resulted in the highest monthly box office and food and beverages sales of Rs.123 million in March 2022 for Mukta A2 Cinemas Limited the Indian entity.

With the easing of Covid-19 restrictions, along with the reopening of existing screens, 11 new screens were also launched at 4 locations, viz. Roopnagar, Rayagada, Ahmedabad and Bengaluru.

The Bahrain cinema was reopened in May 2021 but until February 2022, the occupancy allowed varied between 30% and 50% with admission only for fully vaccinated patrons. These restrictions severely affected the performance of the Cinema.

However, with a management tie up with an upcoming 10 screen multiplex in the Kingdom, the margins of the company are expected to improve from the next financial year.

Whistling Woods International Limited (WWI), the subsidiary in the film education space demonstrated ingenuity and adaptability by not allowing the pandemic with its ensuing restrictions to affect its performance substantially. This was reflected in the revenue of Rs. 491.52 million, which was comparable to the revenue of Rs. 507.53 million in financial year 2020-21.

Apart from running the current operations smoothly, WWI has further consolidated its reputation as India's premier Film Communication & Creative Arts Institute. During the year, it has launched the WWI School of Sports & E-Sports. This makes WWI India's first institute to launch degree programs in E-Sports management.

The institute's focus on innovation in General and Tech Innovation in particular has led to the inclusion of Cinematic Virtual Reality into the WWI filmmaking curriculum. From 2022 onwards, Virtual Production has also been included in WWI's filmmaking program.

In early 2022, WWI's Vice President was appointed on the National Task Force for Animation, VFX, Gaming and Comics instituted by the Ministry of Information & Broadcasting.

WWI Alumni, who now are nearly 2,500 in number, continue to do stellar work in the Cinema, OTT, Digital, Animation, Gaming, Comics, Music, Fashion, Advertising, Journalism, Events and Design industries.

During the year, WWI inked Academic Affiliations with University of Greenwich – London, University of Denver – Colorado and London College of Communication – University of Arts London.

WWI is now acknowledged by the world as one of the best Film Communication & Creative Arts Institutes in Asia.

On a consolidated basis, the performance of the Mukta Group showed marked improvement indicating that the measures taken during the pandemic were yielding the desired results.

Rs in millions

Particulars	**2021-22**	**2020-21**	**Variation**
Revenue	1532.31	876.88	Up 75%
Operating Expenditure	1125.98	656.07	Up 72%
EBITDA	406.32	220.80	Up 84%
Profit / (Loss) before Tax	104.88	(107.98)	Up 97%
Total Comprehensive Income	**65.51**	**(123.46)**	**Up 39%**

This year, in conclusion, has been one of consolidation and improving efficiency in the face of an adverse business environment.

NOTICE

Notice is hereby given that the **40th Annual General Meeting ("AGM")** of Mukta Arts Limited will be held on **Tuesday**, the **27th Day of September, 2022** at **4.00 p.m. IST** through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") to transact the following business. The venue of the meeting shall deemed to be Whistling Woods Institute, Dada Saheb Phalke Chitra Nagari, Goregaon (East), Mumbai – 400 065.

Ordinary Business:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon;

2. To re-appoint Mr. Rahul Puri (DIN 01925045), Managing Director who retires by rotation and being eligible, offers himself for re-appointment;

Special Business:

3. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152, 161 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and the Articles of Association of the Company, Mr. Kapil Bagla (DIN 00387814), who was appointed as Additional Non-Executive Independent Director of the Company with effect from August 9, 2022 be and is hereby appointed as an Non-Executive Independent Director of the Company for a period of 5 (five) consecutive years from August 9, 2022 to August 8, 2027, not liable to retire by rotation."

By Order of the Board

Parvez A. Farooqui
Director
(DIN 00019853)

Registered Office:
Mukta House,
Behind Whistling Woods Institute,
Filmcity Complex,
Goregaon (East), Mumbai- 400 065.
Tel. – (022) 33649400
Website: www.muktaarts.com
Email: investorrelations@muktaarts.com
CIN: L92110MH1982PLC028180

Place: Mumbai
Date: August 9, 2022

Notes:

1. The relevant Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ('Act'), in respect of the Special Business under Item No. 3 set out above and details as required under Regulation 36 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended from time to time ('SEBI LODR Regulations'), entered with the Stock Exchanges and Secretarial Standard on General Meetings (SS-2) in respect of the Directors seeking re-appointment at this Annual General Meeting is annexed hereto as "**Annexure 1**". An Explanatory Statement pursuant to Section 102 of the Act setting out material facts relating to Special Business to be transacted at the Annual General Meeting is annexed hereto.

2. In view of COVID-19 pandemic, the Ministry of Corporate Affairs, Government of India (MCA), vide its General Circular No. 20/2020 dated May 5, 2020 read with General Circular No. 14/2020 dated April 8, 2020 and General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 02/2021 dated January 13, 2021, Circular No. 20/2021 dated December 12, 2021, Circular No. 21/2021 dated December 14, 2021 and Circular No. 02/2022 dated May 5, 2022 and General Circular No. 03/2022 dated May 5, 2022 and other applicable circulars issued by the Securities and Exchange Board of India (SEBI), has allowed the Companies to conduct the AGM through Video Conferencing or Other Audio Visual Means during the calendar year 2022 and also provided relaxation from dispatching of physical copies of Notice of AGM and financial statements for the year 2022 and considering the above MCA Circulars, Securities Exchange Board of India(SEBI) vide its circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 in relation to "Relaxation from compliance with certain provisions of SEBI (listing Obligation and Disclosure Requirements)Regulations,2015"('SEBI Circular") provided relaxation upto December 31, 2022, from Regulation 36(1)(b) of SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015 which requires sending hard copy of the Annual Report containing Silent Features of all the documents prescribed in Section 136 of the Companies Act, 2013 to the Members who have not registered their email addresses. In accordance with the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI LODR Regulations, the 40th AGM of the Company shall be conducted through VC/ OAVM. National Securities Depositories Limited ('NSDL') will be providing facility for voting through remote e-voting, for participation in the AGM through VC / OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC/ OAVM is explained in the below paragraphs.

3. The Register of Members and Share Transfer Books of the Company will remain closed **from Wednesday, September 21, 2022 to Wednesday, September 28, 2022 (both days inclusive).**

4. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this

Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.

5. As per Regulation 40 of SEBI LODR 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 of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Link Intime India Private Limited having its office at C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai-400 083. Tel No: +91 22 49186000, Fax: +91 22 49186060, Email: nayna.wakle@linkintime.co.in for assistance in this regard.

6. 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. Members holding shares in physical form or transferees of Physical Shares must furnish their self-attested copy of the PAN card to the Company/Registrar and Transfer Agents.

7. Members are requested to intimate changes, if any, pertaining to their name, postal address, telephone/ mobile numbers, nominations, bank details, etc., to their Depository Participant ("DP") in case the shares are held by them in electronic form and to Link Intime India Private Limited in case the shares are held by them in physical form.

8. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

9. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

10. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company with Bank, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on https://www.iepf.gov.in/IEPF/corporates.html For details, please refer to corporate governance report which is a part of this Annual Report.

11. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.muktaarts.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL https://www.evoting.nsdl.com

ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT:

12. The AGM Notice and Annual Report are being sent in electronic mode to Members whose e-mail address is registered with the depository participant(s). Further, as per MCA General Circular no. 03/2022 dated May 5, 2022 and SEBI circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022. Physical copy of AGM Notice and Annual Report will be sent to the Members on their request, who have not registered their e-mail address with the Company or Depository Participant(s).

13. In case shares are held in physical mode please provide 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 parvez@muktaarts.com

PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

14. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at parvez@muktaarts.com ***Questions / queries received by the Company till 5.00 p.m. on Thursday, September 22, 2022*** shall only be considered and responded during the AGM.

15. Members who would like to express their views or ask questions during the AGM may register themselves as a **speaker** by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number at parvez@muktaarts.com latest by September 22, 2022 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:

16. Members are requested to join the AGM through VC/OAVM mode latest by 03.45 p.m. IST by clicking on the link https://www.evoting.nsdl.com/ under members login by using the remote evoting credentials and following the procedures mentioned later in these Notes. The E-voting on the AGM day shall commence at 4.00 p.m. and may be closed 15 minutes post conclusion of AGM.

17. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

18. Please note that participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM:

19. Pursuant to Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI LODR Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system on the date of the AGM will be provided by NSDL.

20. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Tuesday, September 20, 2022, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.

21. Members may cast their votes on electronic voting system from any place (remote e-voting). The remote e-voting period will commence at 9.00 a.m. IST on Saturday, September 24, 2022 and will end at 5.00 p.m. IST on Monday, September 26, 2022. In addition, the facility for voting through electronic voting system shall also be made available during the AGM. Members holding shares in physical form are requested to access the remote e-voting facility provided by the Company through NSDL e-voting system at https://www.evoting.nsdl.com/.

22. The Board of Directors has appointed Ms. Prerana Gupta (Membership No. FCS 8612) from M/s. AAS & Associates, Practicing Company Secretaries as the Scrutinizer to scrutinize the e-voting during the AGM and remote e-voting process in a fair and transparent manner.

23. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the September 20, 2022.

24. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as on September 20, 2022, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

25. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned below for remote e-voting.

26. Only those Members who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

27. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

PROCEDURE FOR REMOTE E-VOTING AND E-VOTING

28. The details of the process and manner for remote e-voting and voting during the AGM are explained herein below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual Members holding securities in demat mode

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”, e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process.

Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-Voting facility.

Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-Voting facility.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	**A. NSDL IDeAS facility** **If you are already registered, follow the below steps:** 1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. 2. Once the home page of e-Services is launched, click on the **"Beneficial Owner"** icon under "**Login**" which is available under **"IDeAS"** section. 3. 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. 4. Click on "Access to e-Voting" appearing on the left hand side under e-Voting services and you will be able to see e-Voting page. 5. Click on options available against company name or **e-Voting service provider - NSDL** and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the meeting. **If you are not registered, follow the below steps:** 1. Option to register is available at https://eservices.nsdl.com. 2. Select **"Register Online for IDeAS"** Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Please follow steps given in points 1-5. **B. e-Voting website of NSDL** 1. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile phone. 2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. 3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. 4. After successful authentication, you will be redirected to NSDL Depository website wherein you can see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their 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 https://web.cdslindia.com/myeasi/home/login/or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL portal. Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. 2. Once logged-in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. 3. Click on options available against company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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. NSDL and CDSL.

Login type	**Helpdesk details**
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 evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
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 helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can log-in at https://eservices.nsdl.com/ with your existing IDeAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

   Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical Your User ID is:

   a) For Members who hold shares in demat account with NSDL.

      8 Character DP ID followed by 8 Digit Client ID

      For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.

   b) For Members who hold shares in demat account with CDSL.

      16 Digit Beneficiary ID

For example if your Beneficiary ID is 12************** then your user ID is 12**************

c) For Members holding shares in Physical Form.

EVEN Number followed by Folio Number registered with the company

For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL to your mailbox. Open the email and open the attachment i.e. a .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.

      (ii) In case you have not registered your e-mail address with the Company / Depository, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

   a) Click on "**Forgot User Details/Password**?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) **Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to prerana.cs@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on **"Upload Board Resolution / Authority Letter"** displayed under **"e-Voting"** tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide 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 parvez@muktaarts.com

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to parvez@muktaarts.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A**) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.

3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING AGM THROUGH VC/OAVM ARE AS UNDER:

1. Members will be able to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. For convenience of the Members and proper conduct of AGM, Members can login and join at least 15 (fifteen) minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of AGM.

6. Members who need assistance before or during the AGM, can contact Mr. Anubhav Saxena, Assistant Manager, NSDL on evoting@nsdl.co.in or call at 1800 1020 990 / 1800 224 430.

Other Instructions

1. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as on September 20, 2022 may obtain the login ID and password by sending a request at evoting@nsdl.co.in.

2. Members are requested to note that SEBI vide its circular dated 30th May, 2022 have framed standard operating procedure (SOP) for resolving investor grievances through arbitration mechanism. Link of the SEBI circular is as follows:

   https://www.sebi.gov.in/legal/circulars/may-2022/standard-operating-procedures-sop-for-dispute-resolution-under-the-stock-exchange-arbitration-mechanism-for-disputes-between-a-listed-company-and-or-registrars-to-an-issue-and-share-transfer-agents-_59345.html

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-Voting (votes cast during the AGM and votes cast through remote e-Voting) and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.muktaarts.com and on the website of NSDL https://www.evoting.nsdl.com immediately. The Company shall simultaneously forward the results to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

Registered Office:
Mukta House,
Behind Whistling Woods Institute,
Filmcity Complex,
Goregaon (East), Mumbai- 400 065.
Tel. – (022) 33649400
Website: www.muktaarts.com
Email: investorrelations@muktaarts.com
CIN: L92110MH1982PLC028180

By Order of the Board

Parvez A. Farooqui
Director
(DIN 00019853)

Place: Mumbai
Date: August 9, 2022

ANNEXURE - 1 TO NOTICE

Additional Information to Item No. 2 and 3.

Name of Director	Mr. Rahul Puri	Mr. Kapil Bagla
Date of Birth	19-09-1977	09-10-1968
Date of first appointment	23/10/2007	09-08-2022
Qualifications	Graduate of Kings College London	Bachelor's degree in Mechanical Engineering
Expertise in specific functional areas	Business Development, Administration and Finance Worked with UBS Warbarg in London in corporate finance on international transactions. Worked with Ambit Corporate Finance and Nimbus Communications after moving to India. Joined Mukta Arts Limited in 2003 as Vice President- Finance and Strategy and later promoted as Executive Director. Currently he is holding the position of Managing director of the Company.	He has over 29 years of diverse experience in leadership positions in the areas of Financial Services in areas of Investment Banking, Corporate Advisory, Debt capital markets & Project Financing, Investment Management, Venture/ PE Investments and in Media & Entertainment in areas of Business management, Strategic and project Planning and Finance.
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	1. Mukta VN Films Limited 2. Mukta A2 Cinemas Limited 3. Mukta Creative Ventures Limited	1. Centrum Holding Limited 2. Centrum Alternative Investment Managers Limited 3. Centrum retail Services Limited
Memberships / Chairmanships of committees of other public companies	NIL	1. Centrum Retail Services Limited • Fund Raising Committee – Member • Audit Committee - Member
Number of shares held in the Company	NIL	NIL

For other details such as number of meetings of the board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel in respect of above directors, please refer to the Corporate Governance Report which is a part of this Annual Report.

ANNEXURE - 2 TO NOTICE

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Item No. 3:

Appointment of Mr. Kapil Bagla as a Non-Executive Independent Director.

The Board of Directors at its meeting held on August 9, 2022 appointed Mr. Kapil Bagla as an Additional Non-Executive Independent Director of the Company with effect from August 9, 2022 for a period of 5 (five) consecutive years from the said date, subject to approval of the Members.

Mr. Kapil Bagla has given declarations to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013 and a declaration in Form DIR-8 pursuant to Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that he is not disqualified to be appointed as a Director under section 164(2) of the said Act.

In compliance with the provisions of Section 149, 152 and 161 of the Companies Act, 2013, the appointment of Mr. Kapil Bagla as a Non-Executive Independent Director for a period of 5 (five) consecutive years August 9, 2022 to August 8, 2027, is now being placed before the Members in this Annual General Meeting for their approval.

A copy of the Letter of Appointment for Independent Director is available for inspection through electronic mode, by the request being sent on parvez@muktaarts.com

The brief profile of the Independent Director to be appointed is given below:

Kapil Bagla is presently the Managing Director at Centrum Retail Services Ltd, part of the diversified financial services and Banking conglomerate the Centrum Group.

He has over 29 years of diverse experience in leadership positions in the areas of Financial Services in areas of Investment Banking, Corporate Advisory, Debt capital markets & Project Financing, Investment Management, Venture/ PE Investments and in Media & Entertainment in areas of Business management, Strategic and project Planning and Finance.

He has extensive start-up experience incubating and establishing new businesses & building organizations within Business, finance and project environment in various publicly and privately held companies. Maintain excellent relationships with Promoters & Founders, Institutional stakeholders, Bankers and external stakeholders.

As the erstwhile CEO of Imagica world Entertainment Limited (erstwhile Adlabs Entertainment Ltd) he was instrumental in creation of Adlabs Imagica – India's first premier theme park destination. He was responsible for business management, strategic planning, project implementation, general management and corporate finance.

Prior to joining Adlabs Entertainment Limited he was working with Adlabs Films Limited as the Corporate Head – Strategic Planning and Acquisitions and Centrum Capital Limited as an Executive Director.

Mr. Bagla holds a bachelor's degree in Mechanical Engineering and a master's degree in Management Studies with specialization in Finance.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the Members.

None of the Directors, Key Managerial Personnel of the Company or their relatives, except Mr. Kapil Bagla to whom the resolution relates, are interested or concerned in the resolution.

By Order of the Board

Parvez A. Farooqui
Director
(DIN 00019853)

Registered Office:
Mukta House,
Behind Whistling Woods Institute,
Filmcity Complex,
Goregaon (East), Mumbai- 400 065.
Tel. – (022) 33649400
Website: www.muktaarts.com
Email: investorrelations@muktaarts.com
CIN: L92110MH1982PLC028180

Place: Mumbai
Date: August 9, 2022

BOARD'S REPORT

To

The Members,

Your Directors take pleasure in presenting the Fortieth Annual Report of your Company along with the Audited Statement of Accounts of the Company for the financial year ended March 31, 2022.

The financial performance of the Company for the year ended March 31, 2022 is summarised hereunder:

Particulars	**Year ending 31.03.2022 (Rs. in millions)**	**Year ending 31.03.2021 (Rs. in millions)**
Profit/(Loss) before interest, depreciation & tax	326.06	169.36
Less: Interest	58.90	58.46
Profit/(Loss) after interest, before depreciation & tax	267.16	110.90
Less: Depreciation	21.31	20.41
Profit/(Loss) before tax	245.85	90.49
Less: Provision for taxation	52.50	13.00
Deferred Tax Liability /(Asset)	4.51	2.72
Taxes for earlier years	(17.01)	4.96
Profit/(Loss) after Tax	205.85	69.81
Less: Interim / Final Dividend	-	-
Tax on Interim / Final Dividend	-	-
Profit/(Loss) for the year	205.85	69.81
Other comprehensive income	1.02	0.61
Ind As 116 adjustment	9.40	-
Add: Balance brought forward	309.28	238.86
Less: Transfer to general reserve	-	-
Profit/(Loss) Carried forward to Balance Sheet	525.55	309.28

Key Financial Ratios:

Particulars	**Year ending 31.03.2022**	**Year ending 31.03.2021**
Debt Equity Ratio (Total Debt/Total Equity)	0.32	0.38
Debt Service Coverage Ratio (see note 1) EBITDA / (Interest expenses + Principal repayments of long term borrowings due within 12 months from the balance sheet date)	4.00	2.11
Current Ratio (see note 2) (Total Current Assets / Total Current Liabilities)	6.75	2.44
Trade receivables turnover ratio (see note 3) (Sale of services/ Closing trade receivables)	3.31	0.97
Trade payables turnover (Total expenses less depreciation / Closing Trade payables)	11.75	10.57
Net Profit/ (Loss) Margin (%) (Profit / (Loss) After Tax / Revenue from operations)	0.43	0.37
Return on Equity Ratio [%] (see note 4) (Profit / (Loss) After Tax / Total equity)	0.12	0.05
Return on Capital Employed Ratio [%] (see note 5) (Earnings before Interest & Taxes (EBIT)/Total Capital Employed)	0.14	0.08
Net Capital Turnover Ratio (see note 6) (Total revenue from operations / (Total current asset- Derivative financial asset) - (Total current liability- Short term borrowings))	0.53	0.32

Reasons for variance exceeding 25%:-

Note 1- Due to increase in EBITDA for the year 2021-22.

Note 2- Due to increase in current assets and decrease in current liabilities.

Note 3- Due to increase in sales during FY 2021-22.

Note 4- Due to increase in profit for the year 2021-22

Note 5- Due to increase in EBIT for the year 2021-22.

Note 6- Due to increase in revenue and decrease in current liabilities.

The calculation for above ratios (including restatement of prior year ratios, wherever necessary) is in accordance with formula prescribed by Guidance note on Schedule III issued by the Institute of Chartered Accountants of India.

<u>Operations:</u>

During the year, the Company recorded an income of Rs. 628.55 million, an EBIDTA of Rs. 326.06 million and Profit after Tax of Rs. 205.85 million after finance cost of Rs. 58.90 million and depreciation and amortisation of Rs. 21.31 million.

The Company's performance and outlook has been discussed in detail in the Management Discussion and Analysis.

As at March 31, 2022, 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. 199.51 Million and loans and advances, deposits, interest receivable and rent receivable aggregate to Rs. 641.29 Million recoverable from WWIL.

As fully explained in Note 42 to the accompanying audited 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 MFSCDCL. Maharashtra Film Stage and Cultural Development Corporation ('MFSCDC') raised net demand of Rs. 591.97 million 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.100.04 million by January 2015 against payment of arrears of rent for the year 2000-01 to 2013-14 and payment of Rs.4.50 million 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. 113.54 million has been paid by the Holding Company and for financial year 2017-18 to 2021-22 Rs. 4.50 million 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 Consolidated 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 March 31, 2022. 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.

The net worth of Mukta A2 Cinemas Limited ('MA2CL') has been eroded, because of the small capital base and because it is funded mainly by shareholder's debt. In terms of operations, the Company is optimistic regarding the near term future of the film exhibition business in India. The financials have therefore been prepared on the Going Concern Concept.

Dividend

Even though the Company has earned profit during the year, the Directors have not recommended any dividend with a view to conserve the Cash looking at the difficult situation created by the pandemic.

Transfer to Reserves

No amount was transferred to reserves during the year under review.

Particulars of loans, guarantees or investments by company

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to Financial Statements.

Deposits

The Company has not accepted any fixed deposits from the public, within the meaning of section 73 of the Companies Act, 2013 read with the Companies (Acceptance of deposits) Rules, 2014. Therefore, as on March 31, 2022 there were no deposits which were unpaid or unclaimed and due for repayment.

Particulars of Contracts or arrangements made with related party (ies)

All Related Party Transactions entered during the year were in Ordinary Course of the Business and at Arm's Length basis. No Material Related Party Transactions, as per the materiality threshold adopted by the Board of Directors, were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013, in Form AOC-2 is not applicable.

The Company has developed a Related Party Transactions framework through Standard Operating Procedures for the purpose of identification and monitoring of such transactions.

All Related Party Transactions are placed before the Audit Committee as also before the Board for approval. The Policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company. The web link of the same has been provided in the Corporate Governance Report. None of the Directors vis-à-vis the Company had any pecuniary relationship or transactions.

Material changes and commitment, if any, affecting the financial position of the company occurred between the end of the financial year to which this financial statements relate and the date of this report.

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

Share Capital

During the year under review, the company has not issued any Equity shares or any other securities.

1. BUSINESS OVERVIEW

Your Company completed its production of the film "36 Farm house" which was released on Zee OTT Platform. Over the years, the Company has built up a dedicated clientele with its offering of affordable luxury where the patron gets a world class experience at par with any of India's other top multiplexes, but at a distinctly more affordable value.

Subsidiary and Joint Venture Companies

As on 31.03.2022 the Company has **six subsidiary Companies** namely, Whistling Woods International Limited, Connect.1 Limited, Mukta Tele Media Limited, Mukta Creative Ventures Limited (formerly known as Coruscant Tec Limited), Mukta A2 Cinemas Limited and Mukta A2 Multiplex WLL, Bahrain. The Company also has one Joint Venture Company namely, Mukta V N Films Limited. Whistling Woods International Limited and Mukta A2 Cinemas Limited are material subsidiaries of the company within the meaning of Regulation 16(1)(c) of SEBI (Listing Disclosure and Obligation Requirements) Regulation, 2015.

Whistling Woods International Limited ('WWI') has consolidated its reputation as India's premier Film Communication & Creative Arts Institute and continued to be acknowledged as one of the best in Asia by the world. In continuing expansion of its education spectrum, WWI also launched the WWI School of Sports & E-Sports with specialised BBA & MBA programs in Sports & E-Sports Operations & Management, making WWI India's first institute to launch degree programs in E-Sports management. Further, 2022 onwards, Virtual Production has also been included in WWI's filmmaking program, again making WWI the only institution in India to teach Virtual Production.

Mukta A2 Cinemas Limited (MA2) continued to open properties, even in challenging circumstances. During the year, we have launched new properties with 11 screens in total in Ahmedabad in Gujarat, Ropar in Punjab, Rayagada in Orissa and Bengaluru in Karnataka. With the additions of these screens, the screen count of Mukta A2 Cinemas goes upto 57 screens and 14 screens under its JV with Asian Cinemas. Although the business was severely affected during last two years, things have returned to normalcy and business is expected to again grow in the coming period.

Mukta A2 Multiplex WLL in Bahrain was largely affected by pandemic and theatres were shut for substantial part of the year. It opened in the month of May, 2021 and since then upto February, 2022, the occupancy allowed were between 30-50% and even the patrons had to be fully vaccinated. All this badly affected the revenue during the last financial year. We have entered into a management agreement with a 10 screen property at Dana Mall wherein we have provided our expertise in fitouts and will guide in management once it opens in F. Y. 2022-23. This will provide additional revenue to the Company.

Another subsidiary of the Company, **Connect.1 Limited** is monetising all of Whistling Woods' content catalogue on all digital platforms. While YouTube remained the primary platform on which this content was monetised in FY21, Connect.1 is in partnership with India's largest OTT platform - Disney+Hotstar and is a key content partner to it, for its AVoD business.

Mukta Tele Media Limited is another subsidiary of the Company. The main objects of the Company are to take up production of TV-serials, management of event shows and entertainment software.

One of the subsidiaries of the Company, **Mukta Creative Ventures Limited** (**formerly known as Coruscant Tec Limited)** is a mobile based solutions company with a focus on content, applications and commerce, having office in Mumbai.

The programming business of **Mukta VN Films Limited** had been temporarily affected due to pandemic but is now performing steadily during the year. Its business depends on the functioning of the exhibition sector and since the long term outlook of the exhibition sector is positive, this business is expected to remain steady.

During the year, the Board of Directors reviewed the affairs of its subsidiary Companies. Further, pursuant to provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is attached as ***Annexure - A*** to this Report.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available on our website, www.muktaarts.com.

2. CORPORATE GOVERNANCE

Maintaining high standards of Corporate Governance has been fundamental to the business of your Company since its inception. Our corporate governance practices are a reflection of our value system encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times. As per Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Corporate Governance along with the Certificate from Practicing Company Secretary confirming the compliance, is attached as ***Annexure - E*** to this Report.

The Board of Directors ('the Board') are responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long-term interests of Members and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and benchmark ourselves to best practices across the globe.

Number of meetings of the board

The details of the number of meetings of the Board held during the financial year 2021-22 forms part of the Corporate Governance Report. The Company had 4 meetings of the Board during the year. The intervening gap between any two meetings was within the period prescribed by Regulation 17(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

Committees of the Board

Currently the Board has five Committees namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Share Transfer Committee.

A detailed note on Board and its committees is provided under the corporate governance section to this annual report. The composition of Committees, as per the applicable provisions of the Act and Rules, are as follows:

Sr. No.	Name of the Committee	Composition of the Committee
1.	Audit Committee	1. Mrs. Paulomi Dhawan 2. Mr. Kewal Handa 3. Mr. Parvez A. Farooqui 4. Mr. Manmohan Shetty upto July 5, 2022 5. Mr. Kapil Bagla with effect from August 9,2022
2.	Nomination and Remuneration Committee	1. Mr. Kewal Handa 2. Mrs. Paulomi Dhawan 3. Mr. Manmohan Shetty upto July 5, 2022 4. Mr. Kapil Bagla with effect from August 9,2022
3.	Stakeholders Relationship Committee	1. Mrs. Paulomi Dhawan 2. Mr. Parvez A. Farooqui 3. Mr. Kewal Handa upto March 31, 2022 4. Mr. Manmohan Shetty upto July 5, 2022 5. Mr. Kapil Bagla with effect from August 9, 2022
4.	Corporate Social Responsibility	1. Mr. Kewal Handa 2. Mr. Rahul Puri 3. Mr. Parvez A. Farooqui
5.	Share Transfer Committee	1. Mr. Parvez A. Farooqui 2. Mr. Kewal Handa 3. Mr. Manmohan Shetty upto July 5, 2022 4. Mr. Kapil Bagla with effect from August 9, 2022

In Stakeholders Relationship Committee, Mr. Kewal Handa has resigned as the Chairman and Member with effect from April 1, 2022 and he also resigned as the Chairman of the Audit Committee with effect from May 17, 2022.

Mr. Manmohan Shetty was appointed as the Chairman of Audit Committee and Stakeholders Relationship Committee with effect from May 17, 2022.

Mr. Manmohan Shetty resigned from the Audit Committee of the Company on July 5, 2022 and in his place Mrs. Paulomi Dhawan has been appointed as the Chairperson of the Audit Committee and Stakeholders Relationship Committee with effect from August 9, 2022.

Mr. Kapil Bagla has been appointed as a member of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Share Transfer Committee with effect from August 9, 2022.

Board Diversity

The Company recognises and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage difference in thought, perspectives, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender that will help us retain our competitive advantage. The Board has adopted the Policy on Board Diversity which sets out the approach to diversity of the Board of Directors and the same is available on our website.

Remuneration and Nomination Policy

The Board of Directors of the Company has Independent Directors, who have in depth knowledge of the business and industry as the members of Nomination and Remuneration Committee. The composition of the Board is in conformity with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Policy Personnel and Senior Management of the Company. This Policy also lays down criteria for selection and appointment of Board Members. The policy is available on the Company's website on http://muktaarts.com/Aboutus/investorrelations.php

Declaration by Independent Directors

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

Board evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a structured questionnaire was prepared after taking into consideration of the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The performance evaluation of the Chairman and the Non- Independent Director(s) was carried out by the Independent Directors. The Board also evaluated the Independent Directors without their presence. The Board of Directors expressed their satisfaction with the evaluation process.

Directors

As per the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and in terms of the Articles of Association of the Company, Mr. Rahul Puri (DIN 01925045), Managing Director of the Company, retires by rotation at the forthcoming Annual General Meeting and, being eligible offers himself for re-appointment.

The Board of Directors based on the recommendation of the Nomination and Remuneration Committee appointed Mr. Kapil Bagla (DIN: 00387814) as an Additional Non-Executive Independent Director with effect from August 9, 2022, subject to approval of Members.

Mr. Manmohan Shetty (DIN 00013961), Non-Executive Independent Director of the Company resigned on July 5, 2022.

Key Managerial Personnel

The Company has following Key Managerial Personnel:

Sr. No.	Name of the Person	Designation
1	Mr. Subhash Ghai	Executive Chairman
2	Mr. Rahul Puri	Managing Director
3	Mr. Prabuddha Dasgupta	Chief Financial Officer
4.	Ms. Monika Shah	Company Secretary upto May 25, 2022
5.	Ms. Hemal N. Pankhania	Company Secretary w.e.f. August 22, 2022

Certificate on Corporate Governance

M/s. K. C. Nevatia & Associates, Company Secretaries has certified the Company's Compliance of the requirements of Corporate Governance in terms of Regulation 27 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2022 and the same is enclosed as an Annexure - C to this Report.

Director's responsibility statement

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013:

i. The financial statements have been prepared in conformity with Indian Accounting Standards (Ind As) and requirements of the Act and that of guidelines issued by SEBI, to the extent applicable to Company;

ii. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the year ended on that date;

iii. the directors have taken proper and sufficient care for the 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. that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

vi. that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

vii. the financial statements have been audited by M/s. Uttam Abuwala Ghosh & Associates (formerly known as M/s. Uttam Abuwala & Co.), Chartered Accountants, the Company's Auditors;

viii. the Audit Committee meets periodically with the Internal Auditors and the Statutory Auditors to review the manner in which the Auditors are discharging their responsibilities and to discuss audit, internal control and financial reporting issues.

3. AUDIT AND AUDITORS

Statutory Auditors

M/s. Uttam Abuwala Ghosh & Associates, Chartered Accountants bearing Firm Registration No. 111184W, were re-appointed as Statutory Auditors of your Company at the 39th Annual General Meeting of the Company held on September 23, 2021 and they hold office till the conclusion of the 43rd Annual General Meeting of the Company to be held in the year 2025.

Auditors' Report

The Company's explanation to the Auditors' observation in their Report have been detailed in Note No. 42 in the notes forming part of accounts which forms part of the Annual Report.

During the year under review, the Auditors of the Company have not reported to the Audit Committee of the Board under Section 143(12) of the Companies Act,2013, any instance of fraud committed against the Company by its officers and employees.

Secretarial Audit

Pursuant to provisions of Section 204(1) of the Companies Act, 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company has appointed M/s. K. C. Nevatia & Associates, Company Secretaries in Practice (C. P. No. 2348) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report of the Company for the year ended March 31, 2022 is attached as ***Annexure - B***.

The Secretarial Auditors have mentioned in their Report that the Company had paid Rs.1.25 million to Whistling Woods International Foundation (Section 8 Company) on March 21, 2022 as contribution towards Corporate Social Responsibility pursuant to Section 135 of the Companies Act, 2013 and as on the date of said contribution Whistling Woods International Foundation had not registered itself with the Registrar of Companies as required by CSR Policy Rules. However, it has got itself registered on May 10, 2022 by filing the requisite form and as such, the aforesaid contribution made by the Company shall still be treated as contribution towards Corporate Social Responsibility.

The other observations in their Report are self-explanatory. No further explanation is required from the Management.

Significant and material orders passed by the regulators or courts

There are no significant and material orders passed by the Regulators or Courts or Tribunals that would impact the going concern status of the Company and its future operations.

Internal Financial control systems and their adequacy

Your Company has a proper and adequate system of internal controls. These controls ensure transactions are authorised, recorded and reported correctly and assets are safeguarded and protected against loss from unauthorised use or disposition. In addition, there are operational controls and fraud risk controls, covering the entire spectrum of internal financial controls within the meaning of the Act.

The internal and operational audit is entrusted to M/s. Garg Devendra & Associates, a reputed firm of Chartered Accountants. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

Based on the report of Internal Auditors, Process Heads undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and the necessary corrective actions are presented to the Audit Committee. The Audit Committee actively reviews the adequacy and effectiveness of the internal financial control systems and suggests improvements to strengthen the same.

The Audit Committee and the Board are of the opinion that the Company has sound Internal Financial Control commensurate with the nature and size of its business operations and operating effectively and no material weaknesses exist during the financial year 2021-22.

Extract of Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2022 is available on the Company's website on http://muktaarts.com/Aboutus/investorrelations.php.

4. Human Resources

Human Resource is considered as one of the most critical resources in the business which can be continuously smoothened to maximise the effectiveness of the Organisation. Human Resources build the Enterprise and the sense of belonging would inculcate the spirit of dedication and loyalty amongst them towards strengthening the Company's Polices and Systems. All personnel continue to have healthy, cordial and harmonious approach thereby enhancing the contributory value of the Company.

Further statutory disclosures w.r.t. Human Resources are as under:

i) Your Company has in place a Prevention of Sexual Harassment (POSH) policy in accordance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The essence of the policy is communicated to all employees of the group companies as well at regular intervals through assimilation and awareness programs.

ii) Aligning with the guidelines prescribed under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013, we have constituted Complaints Committee and the composition of the said Committee is as under:

Ms. Saumya Dixit, Chairperson	Group Head, HR
Mr. Ravi Gupta	Advisor
Mr. Prabuddha Das Gupta	CFO
Mr. Prem Taparia	General Manager, Finance & Accounts
Ms. Pratima Jamwal	External Member

iii) During the year under review, no complaints were reported to the Board. Your company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Name	Designation	Ratio
Mr. Subhash Ghai	Executive Chairman	28.41:1
Mr. Rahul Puri	Managing Director	17.17:1

b. The percentage increase in remuneration of each director, chief financial officer, company secretary in the financial year:

Name	Designation	%increase / decrease
Mr. Subhash Ghai	Executive Chairman	27.30% increase
Mr. Rahul Puri	Managing Director	28.65% increase
Mr. Prabuddha Dasgupta	Chief Financial Officer	36.39% increase
Mrs. Monika Shah	Company Secretary	44.51% increase

In 2020-21 owing to the pandemic, salaries were reduced substantially and during 2021-22 the salary cut percentage was reduced and salaries increased and by year end, salaries have been restored to previous levels.

c. **The percentage increase in the median remuneration of employees in the financial year:**

Not applicable, since there has been no increase in remuneration during the financial year 2021-22.

d. **The number of permanent employees on the rolls of Company:** 64

e. **Average percentage 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:**

There being no increase in salaries during the financial year.

f. **Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms that the remuneration paid is as per the remuneration policy of the Company.

g. **Particulars of Employees**

Information as per Rule 5(2) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Top Ten Employees in terms of remuneration drawn during the year –

Sr. No.	Name	Designation / Nature of Duties	Remuneration (Rs.)	Qualification	Experience (in years)	Date of Commencement of Employment	Age (in years)	Last Employment Held	Relative of any Director and Manager of the Company
1	Subhash Krishandayal Ghai	Executive Chairman	6,250,000	B.Com	55	09.07.1982	79	Mukta Arts Since inception	*Yes
2	Rahul V Puri	Managing Director	3,932,690	Bsc- Business Management	23	01.04.2004	44	Nimbus Communications Ltd.	* Yes
3	Prabuddha Dasgupta	Chief Financial Officer	3,797,210	CA	30	07.07.2014	54	Neo Sports broadcast Pvt. Ltd.	No
4	Siraj Farooqui	COO Production & Studio	3,169,178	Inter Arts	46	01.11.2015	67	Mukta Arts Since inception	*Yes
5	Sanjay Ghai	Chief Operating Officer	2,608,625	Graduate	39	09.01.2008	56	Mukta Shakti Combine	No
6	Prem Taparia	General Manager, Finance & Accounts	2,424,467	CA	18	25.07.2007	43	Simplex Mills Co. Ltd.	No
7	Sameer Farooqui	Sr. Manager	1,009,152	B Com	30	17.09.1997	51	Cinerad Communication	*Yes
8	Monika Shah	Company Secretary	1,003,654	CS, LLB	16	25.01.2016	42	B. Raheja Builders	No
9	Seemant Raj	Web programmer	882,863	Diploma in Advance Computing	15	15.09.2007	45	Mukta Arts Ltd	No
10	Gopi Nair	Studio Manager	502,796	IXth	36	31.05.1998	59	Sumeet Films	No

Details of Employees who were :

(A) Due to the Covid impact, the employees of the Company were paid 50-75 % of their actual CTC for the financial year 2021-22. The above figures constitute the actual payment made during the year.

(B) Employed throughout the Financial Year under review and in receipt of remuneration for the Financial Year in the aggregate of not less than Rs. 10,200,000/- per annum: NIL

(C) Employed for the part of the Financial Year under review and in receipt of remuneration at the rate of not less than Rs. 850,000/- per month: NIL

There was no employee either throughout the financial year or part thereof who was in receipt of remuneration which in the aggregate was in excess of that drawn by the Managing Director or Whole-time Director and who held by himself or alongwith his spouse or dependent children two percent or more of the Equity Shares of the Company.

***** Mr. Rahul Puri is relative of Mr. Subhash Ghai, Executive Chairman of the Company.

* Mr. Siraj Farooqui and Mr. Sameer Farooqui are relatives of Mr. Parvez A. Farooqui, Director of the Company.

5. **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section forming part of the Annual Report.

6. **VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Agreement to report genuine concerns or grievances. The Vigil Mechanism/ Whistle Blower Policy may be accessed on the Company's website http://muktaarts.com/Aboutus/investorrelations.php

7. **RISK MANAGEMENT**

Your Company is well aware of risks associated with its business. The Company manages risk through a detailed Risk Management Policy framework which lays down guidelines in identifying, assessing and managing risks that the businesses are exposed to.

8. **HEALTH, SAFETY AND ENVIRONMENT**

As a responsible corporate citizen, your Company lays considerable emphasis on health, safety aspects of its human capital, operations and overall working conditions. Thus, being constantly aware of its obligation towards maintaining and improving the environment, all possible steps are being taken to meet the toughest environmental standards on pollution, effluents, etc. across various spheres of its business activities.

9. **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Company's CSR Policy is available on our website, at http://muktaarts.com/Aboutus/investorrelations.php

The annual report on our CSR activities is appended as ***Annexure - D*** to the Board's report.

10. **COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company has complied with the Secretarial Standards i.e. SS-1 and SS-2, relating to "Meetings of the Board of Directors" and "General Meetings", respectively issued by the Institute of Company Secretaries of India.

11. **MAINTENANCE OF COST RECORDS**

The maintenance of cost records has not been specified by the Central Government under Sub-Section (1) of Section 148 of the Companies Act, 2013 in respect of the activities carried on by the Company.

12. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Company is not engaged in manufacturing activities and as such the particulars relating to conservation of energy and technology absorption are not applicable. The Company makes every effort to conserve energy as far as possible in its post-production facilities, Studios, Offices, etc.

Particulars regarding Foreign Exchange earnings and outgo required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are given in the notes forming part of accounts which forms part of the Annual Report.

13. **STATUTORY INFORMATION**

The Business Responsibility Reporting as required by Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to your Company for the financial year ended March 31, 2022.

14. **ACKNOWLEDGEMENTS**

Your Directors express their deep sense of gratitude to the Artistes, Technicians, film distributors, exhibitors, Bankers, stakeholders and business associates for their co-operation and support and look forward to their continued support in future.

Your Directors also place on record, their appreciation for the contribution, commitment and dedication to your Company's performance by the employees of the Company at all levels.

For and on behalf of the Board of Directors of

Mukta Arts Limited

Subhash Ghai
Executive Chairman
DIN: 00019803

Place: Mumbai
Date: August 9, 2022

Annexure – A

Form AOC – 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures.

Part "A": Subsidiaries

(Currency: Indian Rupees)

Sr. No.	Particulars	Whistling Woods International Ltd	Connect.1 Limited	Mukta Tele Media Limited	Mukta Creative Ventures Limited (formerly known as Coruscant Tec Limited)	Mukta A2 Cinemas Limited	Mukta A2 Multiplex W.L.L
a)	Share Capital	200,000,000	600,000	500,000	7,500,000	15,000,000	40,269,040
b)	Reserves & Surplus	(827,277,276)	1,045,171	2,881,119	(5,963,348)	(542,150,313)	(277,952,015)
c)	Total Assets	603,008,599	3,278,460	5,609,719	1,548,452	977,407,034	(73,344,217)
d)	Total Liabilities	1,202,092,068	1,633,289	2,228,600	11,800	1,504,557,347	311,027,192
e)	Investments	500,000	NIL	NIL	NIL	45,000	NIL
f)	Turnover	491,516,158	21,270,080	17,695,408	86,042	405,819,041	71,177,059
g)	Profit /(Loss) before taxation	12,523,058	20,342,294	17,457,369	67,142	(148,252,119)	(43,081,128)
h)	Provision for taxation	NIL	NIL	1,815,000	2,774	(2,703,193)	NIL
i)	Profit /(Loss) after taxation	12,523,058	20,342,294	15,642,369	64,368	(145,548,926)	(43,081,128)
j)	Proposed dividend	NIL	NIL	NIL	NIL	NIL	NIL

Part "B": Joint Venture

(Currency: Indian Rupees)

Sr. No.	Particulars	Mukta V N Films Limited
a)	Share Capital	63,600,000
b)	Reserves & Surplus	(7,804,671)

Annexure – B

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Company's Financial Year from **1st April, 2021 to 31st March, 2022**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Mukta Arts Limited
Mumbai

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **Mukta Arts Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct / statutory compliances and expressing our opinion thereon.

We hereby state that physical verification of documents of **Mukta Arts Limited** could not be done by us. Therefore, based on our online verification of **Mukta Arts Limited's** books, papers, minute books, forms and returns filed and other records as maintained by the Company and produced electronically by the Company as also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended **March 31, 2022**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2022** according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder.
2. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, which were not applicable to the Company during the financial year under report.
3. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
4. 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;
   d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
5. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder
6. Employees Provident Fund and Miscellaneous Provisions Act, 1952
7. Employees State Insurance Act, 1948
8. Employers Liability Act, 1938
9. Equal Remuneration Act, 1976
10. Indian Contract Act, 1872
11. Income Tax Act, 1961 (our checking to the extent of Tax Deducted at Source under various Sections, payments made and T.D.S. Returns filed).
12. Indirect Tax Laws relating to collections, deductions, wherever applicable, payments made and returns filed (Our checking to the extent of GST payments made and Returns filed).
13. Indian Stamp Act, 1899
14. Maharashtra Stamp Act, 1958
15. Industrial Dispute Act, 1947
16. Maternity Benefits Act, 1961

17. Minimum Wages Act, 1948
18. Negotiable Instruments Act, 1881
19. Payment of Bonus Act, 1965
20. Payment of Gratuity Act, 1972
21. Payment of Wages Act, 1936
22. Contract Labour (Regulations & Abolition) Act, 1970
23. The Sexual Harassment of women at work place (Prevention, Prohibition and Redressal) Act,2013
24. The Copyright Act,1957
25. Trade Marks Act,1999
26. The Patents Act,1970
27. Shops and establishments Act
28. Cinematograph Act, 1952
29. Environment Protection Act, 1986 and other environmental laws
30. The Companies (Indian Accounting Standards) Rules, 2015

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(iii) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

(iv) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Secretarial Standards, etc. mentioned above to the extent applicable except our comments and observations as stated in Annexure to this report and forms part of this report.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Director and Independent Directors. There is no change in the composition of the Board of Directors during the financial year under review.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and notes on agenda at least seven days 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.

All the Board/Committee decisions are taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no instances of:

(i) Public / Rights / Preferential issue of shares / debentures / sweat equity.

(ii) Redemption / buy-back of securities.

(iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013

(iv) Merger / amalgamation / reconstruction etc.

(v) Foreign technical collaborations.

For K.C. NEVATIA & ASSOCIATES
COMPANY SECRETARIES

K.C.NEVATIA
Proprietor
FCS No.: 3963
C.P. No. 2348
UDIN: F003963D000331532

Place : Mumbai
Date : May 17, 2022

This Report is to be read with our letter of even date which is annexed and forms an integral part of this report.

Annexure

Annexure to our Secretarial Audit Report dated May 17, 2022

1. **Delisting from Calcutta Stock Exchange Limited**

   The Company had voluntarily applied for delisting from the Calcutta Stock Exchange Limited (CSE) w.e.f. 31st March, 2014. However on not receiving any official confirmation of being delisted, the company paid the listing fees for the financial year 2014-2015 and requested for delisting w.e.f. 31st March, 2015. On account of non-receipt of any response from Calcutta Stock Exchange, the Company has not paid listing fee to the said stock exchange and stopped filing any statement, returns and forms with it from the financial year 2015-16. However, the Company has not yet received any confirmation from CSE for delisting. Further, the trading in scrip of the Company remains suspended by CSE. The Company had filed with SEBI a written complaint in this regard and the matter of delisting still remains pending.

2. **Litigation at Bombay High Court**

   The High Court of Judicature at Bombay had quashed the Joint Venture Agreement between Mukta Arts Limited (MAL) and Maharashtra Film, Stage and Cultural Development Corporation Limited ('MFSCDCL') vide its order of 9th February 2012. In terms of the said order dated 9.02.2012 passed by the High Court of Judicature at Bombay, MFSCDCL raised net demand of Rs. 832,062,611/- and asked Whistling Woods International Limited (WWIL), a subsidiary company of MAL to vacate the premises. The MAL and WWIL filed Review Petitions before the High Court and the said Review Petitions were heard by High Court and a stay was granted on 30 July 2014. However, the High Court has ordered MAL/WWIL to pay against arrears of rent for the years 2000-01 to 2013-14 aggregating to Rs 100,038,000/- by January 2015 and pay rent of Rs 4,500,000/- per annum from the financial year 2014-15. As per the terms of the said order, MAL has paid an aggregate amount of Rs 113,538,000/- to MFSCDCL by 31st March, 2017 pending final hearing. The rent amount for the financial year 2017-18 to 2021-22 has been paid by WWIL to MFSCDCL. The State Government of Maharashtra and MFSCDCL challenged the order of the Bombay High Court in the Supreme Court which was dismissed by the Supreme Court on 22nd September, 2014 with recourse to the State Government of Maharashtra to make an application to Bombay High Court. Having regard to the circumstances explained above and pending final outcome of the matter under litigation, Mukta Arts Limited has not made any adjustment to the carrying value of investments in and amounts due from WWIL.

3. **Companies(CSR Policy)Rules,2014**

   The Company paid Rs.12,54,972/-to Whistling Wood International Foundation (Section 8 Company) on 21st March, 2022 as contribution towards Corporate Social Responsibility pursuant to Section 135 of the Companies Act, 2013. However, the said Section 8 Company to whom the amount was paid by Mukta Arts Limited was not registered with R.O.C. as required by Rule 4(2)(a) of Companies (CSR Policy) Rules, 2014. The said Section 8 Company got itself registered by filing Form No.CSR-1 with R.O.C. on 10th May, 2022.

For K.C. NEVATIA & ASSOCIATES
COMPANY SECRETARIES

K.C.NEVATIA
Proprietor
FCS No.: 3963
C.P. No. 2348
UDIN: F003963D000331532

Place : Mumbai
Date : May 17, 2022

To,

The Members

Mukta Arts Limited

Mumbai

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express as opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance 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 for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. 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.

For K.C. NEVATIA & ASSOCIATES
COMPANY SECRETARIES

K.C.NEVATIA
Proprietor
FCS No.: 3963
C.P. No. 2348
UDIN: F003963D000331532

Place : Mumbai
Date : May 17, 2022

Annexure - C

CERTIFICATE ON CORPORATE GOVERNANCE

To the Member of **Mukta Arts Limited**

We have examined the compliance of the conditions of Corporate Governance by Mukta Arts Limited ('the Company') for the year ended on March 31, 2022 as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2022.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For K.C. NEVATIA & ASSOCIATES
COMPANY SECRETARIES

K.C.NEVATIA
Proprietor
FCS No.: 3963
C.P. No. 2348
UDIN: F003963D000331554

Place : Mumbai
Date : 17/05/2022

Annexure - D

Annual report on Corporate Social Responsibility (“CSR”) activities

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended.]

1. Brief outline on CSR Policy of the Company

   Objectives: to contribute more and more to the social and economic development of the communities in which we operate. In doing so, the company will build a better, sustainable way of life for the weaker sections of society and raise the country’s human development index.

   Focus areas: eradicating hunger, poverty and malnutrition, promoting preventive health care, promoting education, promoting gender equality, empowering women, setting up homes and hostels for women and orphans, ensuring environmental sustainability, ecological balance, protection of national heritage, art and culture, measures for the benefit of armed forces veterans, training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports, rural development

2. Composition of CSR committee

Corporate Social Responsibility	1. Mr. Kewal Handa 2. Mr. Rahul Puri 3. Mr. Parvez A. Farooqui

3. CSR activities: Scholarships given to the students studying at Whistling Woods International Institute of Media via Whistling Woods International Foundation.

4. Web links where composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company at www.muktaarts.com for Composition of CSR Committee and CSR Projects.

5. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). – NA

6. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any. – NA

7. Average Net Profit of the Company for last three Financial Years for the purpose of computation of CSR: Rs. 62,748,620.00 (Rupees Six Crores Twenty Seven Lakhs Forty Eight Thousand Six Hundred and Twenty Only).

   a. Two percent of average net profit of the Company as per Section 135(5): Rs. 1,254,972.00 (Rupees Twelve Lakhs Fifty Four Thousand Nine Hundred and Seventy Two Only).

   b. Surplus arising out of the CSR projects or programs or activities of the previous financial years: Nil

   c. Amount required to be set-off for the financial year, if any: Nil

   d. Total CSR obligation for the financial year (7a+7b-7c): Rs. 1,254,972.00

   e. CSR amount spent or unspent for the financial year.:

      1. Amount spent in administrative overheads: NA

      2. Amount spent on impact assessment, if applicable: Not applicable

   f. Total amount spent for the financial year (7b+7c+7d+7e): 1,254,972.00

      1. Details of excess amount for set-off are as follows – NA

      2. Details of unspent CSR amount for the preceding three financial years: Nil

      3. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NA

      4. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: NA

      5. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per Section 135(5) - NA

Annexure - E

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Mukta Arts Limited considers Corporate Governance as an instrument to maximize value for all Stakeholders, i.e. investors, employees, members, customers, suppliers, environment and the community at large. Good governance practices emerge from the culture and mind-set of the organization. The Company emanates its values from the rich governance and disclosure practices followed by the group.

Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times. We are in compliance of all the applicable provisions of the Listing Regulations. Corporate Governance is one of the essential pillars for building an efficient and sustainable environment. Your Company follows the best governance practices with highest integrity, transparency and accountability. Company's Corporate Governance Philosophy is further strengthened by its adoption of Policies, Code of Conduct for the Board members and Senior Management, the Board process, Code of Conduct for Prevention of Insider Trading in Mukta Arts Securities.

Further, the Listing Regulation guidelines allow the Board to make independent decisions to bring objectivity and transparency in the management and in the dealings of the Company. The Governance Guidelines related to composition and role of the Board, Chairman and Directors, Board diversity, definition of independence, Director's term, retirement age and Committees of the Board are adhered to. These guidelines ensure that the Board will have the necessary authority and processes to review and evaluate our operations when required.

A Report on compliance with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is given below.

1. Board of Directors

A. Size and Composition of the Board

The composition of the Board is in conformity with Regulation 17(1) of the Listing Regulations read with Section 149 of the Companies Act, 2013.

As on March 31, 2022, the Board of the Company has an optimum combination of Executive Chairman, Managing Director**,** Non-Executive Director and Independent Directors and 50% of the Board of Directors comprises of independent directors including one woman director.

B. Attendance at Board Meetings

During the year under consideration four meetings of the Board were held on May 25, 2021, August 10, 2021, November 12, 2021 and February 11, 2022.

The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships held by them in other companies are given herein below other Directorships do not include directorships in Private Limited Companies, Section 8 Companies and Companies incorporated outside India.

Chairmanships / Memberships of Board Committees include only Audit Committee and Stakeholders Relationship Committee.

Sr. No.	Name of the Director	Category	Number of Board meeting during the Year 2021 - 2022		Number of Director ships in other Public Companies	Membership / Chairmanship of Committees in other Public Companies		Attendance at the A.G.M Held on September 23, 2021
			Held	Attended		Chairman	Membership	
1	Mr. Subhash Ghai	EC	4	4	1	Nil	Nil	Present
2	Mr. Rahul Puri	ED	4	4	0	Nil	Nil	Present
3	Mr. Parvez A Farooqui	NED	4	4	0	Nil	Nil	Present
4	Mr. Kewal Handa	ID	4	3	5	1	2	Present
5	Mr. Manmohan Shetty	ID	4	4	1	Nil	1	Absent
6	Mrs. Paulomi Dhawan	ID	4	4	0	Nil	Nil	Present

EC: Executive Chairman, ED: Executive Director, NED: Non-Executive Director, ID: Independent Director

C. Inter-se relationships among Directors:

Mr. Rahul Puri is son-in-law of Mr. Subhash Ghai and Mr. Parvez A. Farooqui is brother-in-law of Mr. Subhash Ghai. Except for this, there are no inter-se relationships among the Directors.

D. Number of shares and convertible instruments held by Non-Executive Directors:

Mr. Manmohan Shetty, Non-Executive Independent Director of the Company holds 800 Equity Shares of the Company and Mr. Parvez A. Farooqui, Non- Executive Director of the Company holds 77300 Equity Shares of the Company. None of the other Non-Executive Independent Directors hold any shares in the Company. Further, the Company has not issued any convertible instruments hence disclosure in this respect is not applicable.

E. Independent Directors:

The Independent Directors on the Board of the Company, upon appointment are given formal appointment letter inter alia containing the term of appointment, role, duties and responsibilities, time commitment, remuneration, insurance, code of conduct, training and development, performance evaluation process, disclosure, confidentiality, etc. The Company has received necessary declarations from all the independent directors under Section 149 (7) of the Companies Act, 2013 that he/she meets the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and Listing Regulations.

The terms and conditions of appointment of the Independent Directors and familiarisation programme of the Independent Directors both are disclosed on the website of the Company at http://muktaarts.com/Aboutus/investorrelations.php.

Performance Evaluation:

One of the Key functions of the Board is to monitor and review the board evaluation framework. The Board works with the Nomination and Remuneration Committee to lay down the evaluation criteria for the performance of executive/ non-executive/ independent directors through a peer- evaluation excluding the director being evaluated through a survey. The questionnaire of the survey is a key part of the process of reviewing the functioning and effectiveness of the Board and for identifying possible paths for improvement.

To improve the effectiveness of the Board and its committees, as well as that of each individual director, a formal and rigorous Board review is internally undertaken on an annual basis. Further, the evaluation process was based on the affirmation received from the independent directors that they met the independence criteria as required under the Companies Act, 2013 and Listing Regulations.

Separate Meeting of the Independent Directors:

The Independent Directors of the Company generally meet periodically without the presence of the Executive Directors/ Non-Executive Directors and members of the Management of the Company.

The purpose of these meetings is to promote open and candid discussion among the Independent Directors. During the financial year 2021-22, Independent Directors met among themselves, i.e. on February 11, 2022. In the said meetings, the Independent Directors reviewed the matters as required under the LODR Regulations and that of Companies Act, 2013. Items that needs action, if any, were communicated to the Executive management and tracked to closure to the satisfaction of Independent Directors. In the above said meetings the following issues were discussed in detail:

- Reviewed the performance of non-independent directors and the Board as a whole;
- Reviewed the performance of the Chairman of the Company, taking into account the views of Non-Executive Directors;
- Assessed the quality, quantity and timeliness of flow of information between the company management and the board that is necessary for the board to effectively and reasonably perform their duties;
- Discussion on the observance of the Corporate Governance by the Company;
- Reviewed the performance of the Company and risks faced by it.

2. COMMITTEES OF THE BOARD

(A) AUDIT COMMITTEE

The Company has an Audit Committee in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations.

The Audit Committee comprises of

1. Mrs. Paulomi Dhawan - Chairperson and Independent Director
2. Mr. Kewal Handa - Member and Independent Director
3. Mr. Parvez A. Farooqui - Member and Non-Executive Director
4. Mr. Manmohan Shetty - Member and Independent Director upto July 5, 2022
5. Mr. Kapil Bagla - Member and Independent Director with effect from August 9, 2022

Mr. Kewal Handa has resigned as the Chairman of the Audit Committee with effect from May 17, 2022 and Mr. Manmohan Shetty was appointed as the Chairman of Audit Committee with effect from May 17, 2022.

Mr. Manmohan Shetty resigned as Director of the Company on July 5, 2022 and in his place Mrs. Paulomi Dhawan has been appointed as the Chairperson of the Audit Committee with effect from August 9, 2022.

Mr. Kapil Bagla has been appointed as a member of Audit Committee with effect from August 9, 2022.

The meetings of audit committee are also attended by the Statutory Auditors and Chief Financial Officer of the company as special invitees. The committee also invites the Internal Auditors and such other Executives as it considers appropriate to be present at the meeting. The Company Secretary acts as the secretary to the audit committee. Minutes of each audit committee meeting are placed before, and when considered appropriate, are discussed in the meeting of the Board. All the members of the committee possess strong accounting and financial management knowledge. The primary objective of the audit committee is to monitor and provide an effective supervision of the Management's financial reporting process to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Audit Committee reports to the Board. The Chairperson and the members of Audit Committee are financially literate and have the required accounting and financial management expertise. The committee is responsible for recommending selection, evaluation and where appropriate, replacing the Auditors in accordance with the law.

Four meetings of the Audit Committee were held during the year on May 25, 2021, August 10, 2021, November 12, 2021 and February 11, 2022.

Details of meetings attended by its members till March 31, 2022 are given below:

Name of the Director	No. of Meetings held during the tenure of the Directors	No. of meetings attended
Mr. Kewal Handa	4	3
Mr. Manmohan Shetty	4	4
Mr. Parvez A. Farooqui	4	4
Mrs. Paulomi Dhawan	4	4

The erstwhile Chairman of the Audit Committee, Mr. Kewal Handa was present at the Annual General Meeting held on September 23, 2021 to address the members' queries pertaining to the Annual Accounts of the Company.

Powers and Terms of Reference of the Committee:

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audit of the Company's financial statements, the appointment, independence, performance and remuneration of the statutory auditors, the performance of internal auditors and the Company's risk management policies. The Committee, inter -alia, performs the following functions:

1	Overseeing of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.	
2	Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees.	
3	Approval of payment to statutory auditors for any other services rendered by them.	
4	Reviewing, with the management, the annual financial statements 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 Section 134 (5) of the Companies Act, 2013.
	b.	Changes, if any, in accounting policies and practices and reasons for the same.
	c.	Major accounting entries involving estimates based on the exercise of judgment by management.
	d.	Significant adjustments made in the financial statements arising out of audit findings.
	e.	Compliance with listing and other legal requirements relating to financial statements.
	f.	Disclosure of any related party transactions.
	g.	Qualifications in the draft audit report.
5	Reviewing, with the management, the quarterly financial statements before submission to the board for approval.	
6	Reviewing, with the management, the statement of uses / application of funds as and when raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.	

7	Reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
8	Reviewing the adequacy of internal audit function, if any, reporting structure coverage and frequency of internal audit.
9	Discussion with internal auditors on any significant findings and follow up thereon.
10	Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
11	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.
12	To look into the reasons for substantial defaults in the payment of dividend to shareholders and payment to creditors.
13	To review the functioning of the Whistle Blower mechanism, in case the same is existing.
14	Carrying out any other function as is assigned to the Audit Committee.
15	Such other powers and duties as may be required to be included in terms of Listing Regulations amended from time to time and as referred to the Audit Committee by the Board of Directors of the Company;

(B) NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of

1. Mr. Kewal Handa - Chairman and Independent Director
2. Mrs. Paulomi Dhawan - Member and Independent Director
3. Mr. Manmohan Shetty - Member and Independent Director upto July 5, 2022
4. Mr. Kapil Bagla - Member and Independent Director with effect from August 9, 2022

Mr. Kapil Bagla has been appointed as a member of Nomination and Remuneration Committee with effect from August 9, 2022 in place of Mr. Manmohan Shetty who had resigned as Director of the Company on July 5, 2022.

Two members are the quorum for the meeting of the said Committee. The Company Secretary is the Secretary of the Nomination and Remuneration Committee. The minutes of the Meeting of the Committee are placed at the meeting of Board of Directors.

During the year under review, the Nomination and Remuneration Committee met once on May 25, 2021.

Name of the Director	Meetings held during the tenure of the Directors	Meetings Attended
Mr. Kewal Handa	1	1
Mr. Manmohan Shetty	1	1
Mrs. Paulomi Dhawan	1	1

The broad terms of reference of the Nomination and Remuneration Committee are as under:

- To nominate persons who are qualified to become Directors and who may be appointed in a senior Management in accordance with the criteria laid down;
- Recommend to the Board their appointment and removal and shall carry out evaluation of every director’s performance;
- To determine the Company’s policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment, including recommendation for fixation and periodic revision of compensation policy (including performance bonus, incentives, perquisites and benefits) for senior management personnel.

Nomination and Remuneration Policy

The Nomination and Remuneration Policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) in compliance with Section 178 of the Companies Act, 2013 and provisions of Regulation 19 of SEBI Listing Regulations and has been approved by the Board of Directors.

The Nomination and Remuneration policy is available on the website of the Company at http://muktaarts.com/Aboutus/investorrelations.php

Criteria for performance evaluation of Directors

Performance evaluation of each Director was carried out based on the criteria as laid down by the Nomination and Remuneration Committee.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, promotion of participation by all directors and developing consensus amongst the directors for all decisions.

Remuneration paid to Directors

Your Company benefits from the professional expertise and invaluable experience of the Independent Directors in their individual capacity as competent professionals/business executives in achieving corporate excellence. The remuneration Policy is focused on ensuring that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully. During the period, there were no pecuniary relationships or transactions between the Company and any of its Non-Executive Directors. The Company has not granted any stock options to any of its Non-Executive and/or Independent Directors.

Details of Sitting Fees/Remuneration paid to Non-executive Independent Directors and Executive Directors for the year ended March 31, 2022 are given below:

i) Executive Chairman and Managing Director

The Agreements with the Executive Chairman and Managing Director are for a period of Three Years.

The total remuneration paid to the Executive Chairman, Managing Director and Executive Director during the year 2021-22 was as under:

Particulars	**Mr. Subhash Ghai Executive Chairman**	**Mr. Rahul Puri Managing Director**
Salary	6,250,000	3,932,690
Perquisites	337,400	47,400
Total	6,587,400	3,980,090

DETAILS OF SERVICE CONTRACT

Names	**Period of Contract**	**Dates of Appointment**
Mr. Subhash Ghai	3 Years	May 30, 2020
Mr. Rahul Puri	3 Years	May 30, 2020

ii) The Non-Executive Independent Directors are not entitled to any remuneration except payment of sitting fees for attending the meetings of Board of Directors of the Company. During the year 2021-22, the Company has paid total sitting fee of Rs. 225,000 to Non-Executive Director and Non-Executive Independent Directors as under:

Names	**Sitting fees (Rs.)**	**Salary & Perquisites (Rs.)**	**Commission (Rs.)**	**Total (Rs.)**
Mr. Kewal Handa	45,000	Nil	Nil	45,000
Mrs. Paulomi Dhawan	60,000	Nil	Nil	60,000
Mr. Manmohan Shetty	60,000	Nil	Nil	60,000
Parvez A. Farooqui	60,000	Nil	Nil	60,000
TOTAL				**225,000**

(C) STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee assists the Board and the Company to oversee the various aspects of the interests of stakeholders.

Stakeholders Relationship Committee comprises of:

1. Mrs. Paulomi Dhawan - Chairperson and Independent Director
2. Mr. Parvez A. Farooqui - Member and Non-Executive Director
3. Mr. Kewal Handa - Member and Independent Director upto March 31, 2022
4. Mr. Manmohan Shetty - Member and Independent Director upto July 5, 2022
5. Mr. Kapil Bagla - Member and Independent Director with effect from August 9, 2022

In Stakeholders Relationship Committee, Mr. Kewal Handa has resigned as the Chairman and Member with effect from April 1, 2022 and Mr. Manmohan Shetty was appointed as the Chairman of Stakeholders Relationship Committee with effect from May 17, 2022.

Mr. Manmohan Shetty resigned as Director of the Company on July 5, 2022 and in his place Mrs. Paulomi Dhawan has been appointed as the Chairperson of the Stakeholders Relationship Committee with effect from August 9, 2022.

Mr. Kapil Bagla has been appointed as a member of Stakeholders Relationship Committee with effect from August 9, 2022.

The Company promptly redresses the complaints of the members. Stakeholders Relationship Committee met twice during the year on May 25, 2021 and November 12, 2021.

Name of the Director	Meetings held during the tenure of the Directors	Meetings Attended
Mr. Kewal Handa	2	2
Mrs. Paulomi Dhawan	2	2
Mr. Parvez A. Farooqui	2	2

Role

The Committee is entrusted with the responsibility to resolve the grievances of security holders. The Committee monitors and reviews the performance and service standards of the Registrar and Transfer Agents of the Company and provides continuous guidance to improve the service levels for investors. The broad terms of reference of the Committee are as under:

- to deal and approve shares/securities transfers, request for split, issue of duplicate Shares certificate;
- to delegate Authority to the Senior Executives for approval of transfer and transmission of securities issued by the Company;
- to deal with the Investors complaints;
- to maintain, develop and improve relations with the investors;
- to appoint representatives to attend the General Meeting of other companies in which the Company is holding shares.

Details of investor complaints received and redressed during the year 2021- 22 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	0	0	0

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 ended on 31st March, 2022.

The Board has appointed Ms. Hemal N. Pankhania as Whole-time Company Secretary, KMP and Compliance Officer of the Company with effect from August 22, 2022 in place of Ms. Monika Shah who had resigned from the said position on May 25, 2022.

The Board has appointed Mr. Parvez A. Farooqui as a Deputy Nodal officer of the Company for the Purpose of Co-ordination with IEPF Authority with effect from May 17, 2022.

Name, designation and address of Compliance Officer:

Ms. Hemal N. Pankhania
Compliance Officer with effect from August 22, 2022
Mukta House, Behind Whistling Woods Institute,
Filmcity Complex, Goregaon (East),
Mumbai- 400 065
Telephone No. - (022) 33649460
Email – hemal@muktaarts.com

(D) SHARE TRANSFER COMMITTEE

Share Transfer Committee provides assistance to the Board of Directors in ensuring that the transfer of shares takes place within the stipulated period of thirty days from the date they are lodged with the Company or its Registrar and Transfer Agents. The Committee frames the policy for ensuring timely transmission, transposition, splitting of shares, consolidation, changing joint holding into single holding and vice versa and also for issuing duplicate share certificates in lieu of those torn/destroyed, lost or defaced.

Share Transfer Committee comprises of:

1. Mr. Parvez A. Farooqui - Chairman and Non- Executive Director
2. Mr. Kewal Handa - Member and Independent Director
3. Mr. Manmohan Shetty - Member and Independent Director upto July 5, 2022
4. Mr. Kapil Bagla - Member and Independent Director with effect from August 9, 2022

Mr. Kapil Bagla has been appointed as a member of Share Transfer Committee with effect from August 9, 2022 in place of Mr. Manmohan Shetty who had as Director of the Company on July 5, 2022.

The Share Transfer Committee Meeting was not held during the year as there was no matter to be dealt with by this Committee.

In view of 99.96% of the shares being held by the shareholders in demat form, the services of this Committee are sparingly required.

3. General Body Meetings

Details of General meetings and special resolutions passed:

Annual General Meetings ("AGM") held during the past 3 years and the Special Resolutions passed therein:

Financial Year ended	Date of AGMs	Time	Venue	Details of Special Resolutions
31.03.2021	23.09.2021	3.00 P.M	Meeting conducted through VC / OAVM pursuant to the MCA Circular.	NIL
31.03.2020	25.09.2020	3.00 P.M	Meeting conducted through VC / OAVM pursuant to the MCA Circular.	1. Special Resolution for re-appointment of Mrs. Paulomi Dhawan (DIN 01574580) as Independent Director for a further term of 5 years. 2. Special Resolution for re-appointment of Mr. Manmohan Shetty (DIN 00013961) as Independent Director for a further term of 5 years. 3. Special Resolution for re-appointment of Mr. Subhash Ghai (DIN 00019803) as Executive Chairman for a further period of 3 years and fix his remuneration. 4. Special Resolution for re-appointment of Mr. Rahul Puri (DIN 01925045) as Managing Director for a further period of 3 years and fix his remuneration.
31.03.2019	28.08.2019	4.00 P.M.	Whistling Woods Institution's Auditorium, Dada Saheb Phalke Chitra Nagari, Goregaon (East), Mumbai - 400 065	Special Resolution for re-appointment of Mr. Kewal Handa (DIN 00056826) as Independent Director for a further term of 5 years.

No Extra Ordinary General Meeting was held during the past 3 years.

Postal Ballot:

During the previous three years the Company has not passed any resolution by Postal Ballot.

4. Disclosures

(i) Related Party Transactions

During the year under review, besides the transactions reported elsewhere in the Annual Report, there were no materially significant transactions or arrangements entered into between the Company and the promoters, directors and management that may have potential conflict with the interest of the Company at large.

The Board of Directors has adopted the policy on materiality of and the manner of dealing with related party transactions. The copy of the same has been uploaded and is available at the website of the Company at http://muktaarts.com/Aboutus/investorrelations.php.

(ii) Compliances by the Company

There have been no instances of non-compliance on any matter with the rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to the capital market during the last three years.

(iii) Whistle Blower Policy

The Company has adopted Whistle Blower Policy (vigil mechanism) and employees are encouraged to report any contravention or suggestion for improved working of the Company.

The details of the policy has been uploaded at the website of the Company viz. http://muktaarts.com/Aboutus/investorrelations.php.

(iv) Policy for determining 'Material Subsidiaries'

Your company has formulated a policy for determining 'Material Subsidiaries' as defined in Regulation 16 of the Listing Regulations. This policy has also been posted on the website of the Company at http://muktaarts.com/Aboutus/investorrelations.php.

(v) Compliance with Mandatory Items

The Company has complied with the mandatory requirements regarding the Board of Directors, Audit Committees and other Board Committees and other disclosures as required under the provisions of SEBI (LODR) Regulations, 2015.

(vi) A certificate has been received from M/s. K. C. Nevatia & Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

(vii) M/s. Uttam Abuwala Ghosh & Associates (formerly known as Uttam Abuwala & Co.), Chartered Accountants bearing Firm Registration No. 111184W have been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditors fees, on consolidated basis is given below:

Particulars	Amount in Rupees (INR)
Payment to Statutory Auditors (including out of pocket expenses)	522,580/-
Other matters	35,000/-
Total	**557,580/-**

5. **Subsidiary Companies:** The Audit Committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies.

6. **Means of Communication:**

(i) Quarterly/Half-yearly and Yearly Financial Results

The quarterly/half-yearly and annual results along with the Segment Report of the Company are published in the newspapers and posted on the website of the Company at www.muktaarts.com. The quarterly and annual results are generally published in The Business Standard and Mumbai Lakshdeep which are national and local dailies respectively. The Company's financial results are sent in time to Stock Exchanges so that they may be posted on the Stock Exchanges' website.

(ii) Company's Corporate Website

The Company's website is www.muktaarts.com. The said website serves to inform the members, by giving complete financial details, corporate governance, composition of Board, contact information, etc.

(iii) Release of official news

Your Company from time to time and as may be required, communicates with its members through multiple channels of communications such as dissemination of information on the website of the Stock Exchanges, press releases, the Annual Reports and uploading relevant information on its websites also. Your company discloses to the Stock Exchanges, all the information required to be disclosed as per regulation 30 of the Listing Regulations including material information having a bearing on the performance/operations of the Company and other price sensitive information.

7. **General Shareholders Information**

A. Annual General Meeting

Date : September 27, 2022

Time : 4.00 p.m.

Venue : Deemed to be Whistling Woods Institute,
Dada Saheb Phalke Chitra Nagari,
Goregaon (East), Mumbai- 400 065.

B. Financial Calendar

For the year ending 31st March, 2023 the Financial Results will be announced on:

1st Quarter : Within 45 days from the end of the quarter

2nd Quarter : Within 45 days from the end of the quarter

3rd Quarter : Within 45 days from the end of the quarter

4th Quarter (Audited yearly results) : Within 60 days after the end of March, 2023

C. Date of Book Closure : Wednesday, the 21st September, 2022 to Wednesday, the 28th September, 2022 (both days inclusive)

D. Listing : **National Stock Exchange of India Limited (NSE)**
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (East), Mumbai 400 051

BSE Limited (BSE)
25th Floor, P. J. Towers, Dalal Street,
Mumbai 400 001

E. Corporate Identity Number : L92110MH1982PLC028180

F. ISIN NO. : INE374B01019

BSE **SCRIP CODE** : 532357

NSE Symbol : MUKTA ARTS –EQ

*Calcutta Stock Exchange Association Limited – 23922

*The Company had voluntarily applied for delisting from the Calcutta Stock Exchange Limited (CSE) w.e.f. 31st March, 2014. The trading in script of the Company remains suspended by CSE. The confirmation on the delisting is not still being received by the Company. The matter of delisting is still being followed up by the Company with CSE and a written complaint has been filed with the SEBI in this regard. Response from SEBI as well as CSE is still awaited.

The Listing fees for the year 2021-22 have already been paid to all the Stock Exchanges where the Company's shares are listed except the Calcutta Stock Exchange Association Limited.

G. Market Price Data: the monthly high and low prices and volumes of shares of the Company at BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) for the year ended 31st March, 2022 are as under:

i) Market Price Data and Performance in comparison to BSE SENSEX

Month	Company		No of equity shares Traded	BSE SENSEX	
	High	Low		High	Low
April 2021	32.45	25.60	29653	50375.77	47204.50
May 2021	40.30	26.60	137589	52013.22	48028.07
June 2021	39.65	33.40	142629	53126.73	51450.58
July 2021	41.70	35.70	126366	53290.81	51802.73
August 2021	42.30	34.35	99860	57625.26	52804.08
September 2021	43.50	36.15	175427	60412.32	57263.90
October 2021	48.60	39.25	219946	62245.43	58551.14
November 2021	54.00	40.15	285687	61306.56	56382.93
December 2021	65.35	44.35	250496	59203.37	55132.68
January 2022	51.80	41.65	102195	61475.15	56409.63
February 2022	47.60	38.75	58093	59618.51	54383.20
March 2022	49.70	40.25	62535	58890.92	52260.82

ii) Market Price Data and Performance in comparison to NSE NIFTY

Month	Company		No of shares Traded	NSE NIFTY	
	High	Low		High	Low
April 2021	31.35	27.00	138288	15044.35	14151.40
May 2021	40.45	27.95	1052866	15606.35	14416.25
June 2021	40.50	33.25	603944	15915.65	15450.90
July 2021	41.70	35.70	126366	15962.25	15531.45
August 2021	42.50	34.45	373507	17153.50	15834.65
September 2021	44.20	36.20	395721	17947.65	17055.05
October 2021	49.00	39.00	1216705	18604.45	17452.90
November 2021	54.60	40.30	1683589	18210.15	16782.40
December 2021	66.20	44.75	1304706	17639.50	16410.20
January 2022	51.95	40.65	571641	18350.95	16836.80
February 2022	47.95	38.70	317266	17794.60	16203.25
March 2022	49.40	39.65	368967	17559.80	15671.45

H. Name and Address of the Registrar and Transfer Agent

Link Intime India Private Limited
C 101, 247 Park,
L B S Marg, Vikhroli West,
Mumbai – 400 083.
Telephone No.: 22 49186000, Fax- 22 49186060
Email Id- Nayna Wakle nayna.wakle@linkintime.co.in

I. Share Transfer System

The Company has entrusted the administrative work of share transfers, transmissions, issuance of duplicate certificates, sub-division, demat and re-mat requisite etc., and all tasks related to shareholdings to Link Intime India Private Limited, the Registrars and Transfer Agents.

The requests for dematerialization of shares are processed by the Registrar and Transfer Agents and if all the documents are found to be in order, the same are approved by them within a period of 21 days.

J. (1) Distribution of Share Holding as on March 31, 2022

DISTRIBUTION SCHEDULE AS ON 31/03/2022					
Sr. No	**Shareholding of Shares**	**No. of Shareholders**	**% of Total Shareholders**	**Shares held**	**% of Share held**
1	1 - 500	7266	87.01	856716	3.79
2	501 - 1000	522	6.25	431308	1.91
3	1001 - 2000	246	2.95	385126	1.71
4	2001 - 3000	91	1.09	232066	1.03
5	3001 - 4000	34	0.41	121814	0.54
6	4001 - 5000	43	0.51	201919	0.89
7	5001 - 10000	58	0.69	427069	1.89
8	10001 and above	91	1.09	19929182	88.24
	Total	**8351**	**100.00**	**22585200**	**100.00**

(2) Distribution of shareholding according to categories of shareholders as on March 31, 2022

SHARE HOLDING PATTERN AS ON 31/03/2022				
Sr. no	**Description**	**Number of Shareholders**	**Total number of shares**	**% of Total shares**
1	Clearing Member	35	35315	0.16
2	Other Bodies Corporate	81	215324	0.95
3	Promoter & Promoter Group	8	15960590	70.67
4	Financial Institutions / Banks	0	0	0.00
5	Hindu Undivided Family	215	289562	1.28
6	Non Resident Indians	81	126806	0.56
7	Public	7924	5873753	26.01
8	Trusts	2	24950	0.11
9	Investor Education and Protection Fund	1	42719	0.19
10	Body Corporate - Limited Liability Partnership	4	16181	0.07
	Total:	**8351**	**22585200**	**100.00**

K. UNCLAIMED DIVIDEND

Pursuant to the provisions of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended (the 'Rules'), the shares pertaining to which dividend remains unclaimed/ unpaid for a period of seven years from the date of transfer to the unpaid dividend account is mandatorily required to be transferred to the Investor Education and Protection Fund ('IEPF') established by the Central Government.

Any person whose unclaimed dividend has been transferred to the IEPF Fund can claim their due amount from the IEPF Authority by making an electronic application in e-form IEPF-5. Upon submitting duly completed form, members are required to take print of the same and send physical copy duly signed along with requisite documents as specified in the form to the attention of Mr. Parvez A. Farooqui, Director and Deputy Nodal Officer, at the Registered Office of the Company. The e-form can be downloaded from website of Ministry of Corporate Affairs at Ministry of Corporate Affairs (iepf.gov.in).

Information in respect of each unclaimed dividend when due for transfer to the IEP Fund is given below:

Dividend Reference	Date of Declaration	Due Date for transfer to IEPF
Final Dividend 2019	28-08-2019	02-11-2026

Shareholders are requested to get in touch with the Company or its Registrar and Transfer Agents, Link Intime India Private Limited for encashing the unclaimed dividend, if any, standing to the credit of their account.

Details of unclaimed dividend and members whose shares are liable to be transferred to IEPF authority are uploaded on Company's website www.muktaarts.com.

There was no amount of unpaid dividend and shares liable to be transfered to IEPF during financial year 2021-22.

L. Details of Dematerialization and its liquidity

Since the Company's shares are traded in dematerialised form, the Company has entered into agreement with both the depositories i.e., National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). Shareholders can open account with any of the depository participants registered with any of these depositories.

As on March 31, 2022, 2,25,75,196 shares were held in dematerialized form, which is 99.96% of total paid up capital.

CONTROL REPORT AS ON 31/03/2022			
Sr. No.	**Name of Depository**	**No. of Shares**	**% of Total issued Capital**
1	NSDL	20368882	90.19
2	CDSL	2206314	9.77
3	PHYSICAL	10004	0.04
	Total:	**22585200**	**100.00**

M. The Company has not issued any GDR's/ ADR's, Warrants or any other convertible instruments.

N. Company's Branches/Locations

Registered and Corporate Office

Mukta House, Behind Whistling Woods Institute,
Filmcity Complex, Goregaon (East), Mumbai- 400 065.
Telephone No. - (022) 33649400
Fax No. - (022) 33649401
Email ID: investorrelations@muktaarts.com
Website: www.muktaarts.com

Premises Owned and/or Leased

- Flat Nos. 2 & 3, Bait-Ush-Sharaf,
  29th Road, Bandra, Mumbai- 400 050
- "Audeus" Plot No. A – 18, Opp. Laxmi Industrial Estate,
  Off Link Road, Andheri (West), Mumbai – 400 053
- Flat Nos. 1 & 5 Bashiron, 28th Road,
  TPS- III, Bandra (West)
  Mumbai- 400 050
- 1/A, Naaz Building,
  Lamington Road,
  Mumbai- 400004
- 607, Anushka Tower, Garg Tade Centre,
  Near G3s Multiplex, Sector - 11,
  Rohini, Delhi – 110 085
- Bhagirath Palace,
  3rd Floor, Main Road,
  Chandni Chowk,
  Delhi - 110 006.
- Dhupar Bldg, 1st Floor,
  Near Standard Hotel,
  Railway Road, Jalandar City- 144001

O. Address for Correspondence

Members can address their correspondence to the Registered Office of the Company at Mumbai and/or to Company's Registrar and Transfer Agents:

	Company	Registrar and Transfer Agents
Contact Person Address Telephone No. Fax No. Email:	Mr. Parvez A. Farooqui Mukta House, Behind Whistling Woods Institute, Filmcity Complex, Goregaon (East), Mumbai- 400065. (022) 33649400 (022) 33649401 investorrelations@muktaarts.com	Ms. Nayna Wakle Link Intime India Private Limited C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083. (022) 49186000 (022) 49186060 nayna.wakle@linkintime.co.in

SEBI toll-free helpline service for investors: 1800 22 7575/1800 266 7575 (available on all days from 9.30 a.m. to 5.30 p.m.)

P. Code of Conduct

The Company has laid down a code of conduct for all its Board Members and Senior Management Personnel of the Company which is posted on the Company's website http://muktaarts.com/Aboutus/investorrelations.php. All the Board Members and Senior Management Personnel have affirmed compliance with the said Code of Conduct. Affirmation with compliance of the Code of Conduct is enclosed as ***Annexure - 1***.

Q. Prevention of Insider Trading

The Company has framed and implemented a Code on Prevention of Insider Trading in accordance with the Code prescribed by SEBI (Prohibition of Insider Trading) Regulations, 2015

R. Reconciliation of Share Capital Audit

As stipulated by SEBI, a qualified Practicing Company Secretary carries out the Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and paid-up capital. This audit is carried out every quarter and the Report thereon is submitted to the stock exchanges and is placed before the board of directors of the Company. The Audit, inter alia, confirms that the listed and paid up capital of the company is in agreement with the aggregate of the total number of shares in dematerialized form held with NSDL and CDSL and the total number of shares in physical form.

S. CFO certification

The Certificate from CFO as required under Part D of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 containing declaration as to affirming compliance with the Code of Conduct, under SECC Regulations, 2012 for the financial year 2021-22 is attached as ***Annexure – 2*** to this Report.

T. Green initiative in the corporate governance

As part of the green initiative process, the company has taken an initiative of sending documents like notice calling Annual General meeting, Corporate Governance Report, Board's Report, Audited Financial Statements, Auditors Report, Dividend intimations etc., by email. Members are requested to register their email id with Registrar and Transfer Agent / concerned depository to enable the company to send the documents in electronic form or inform the company in case they wish to receive the above documents in paper mode.

For and on behalf of the Board of Directors

Subhash Ghai
Executive Chairman
DIN: 00019803

Place: Mumbai
Date: August 9, 2022

Annexure - 1

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

I, Rahul Puri, Managing Director of Mukta Arts Limited hereby declare that all Board members and Senior Management personnel have confirmed compliance with Code of Conduct as laid down by the Company during Financial Year 2021-2022.

For and on behalf of
Mukta Arts Limited

Rahul Puri
Managing Director
DIN: 01925045

Place: Mumbai
Date: May 17, 2022

Annexure – 2

CFO CERTIFICATION

I Prabuddha Dasgupta, Chief Financial Officer of the Company certify that:

(a) I have reviewed the Standalone and Consolidated Financial Results and the Cash Flow Statement of Mukta Arts Limited (the Company) for the year and that to the best of my knowledge and belief:

  (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of my knowledge and belief, no transactions entered into by the company during the year ended March 31, 2022, which are fraudulent, illegal or violative of the company's code of conduct.

(c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.

(d) I have indicated to the auditors and the Audit committee.

  (i) significant changes in internal control over financial reporting during the year;

  (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

  (iii) instances of significant fraud of which I become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For and on behalf of
Mukta Arts Limited

Prabuddha Dasgupta
Chief Financial Officer

Place: Mumbai
Date: May 17, 2022

INDEPENDENT AUDITORS' REPORT

To the Members of Mukta Arts Limited

Report on audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying Standalone financial statements of **Mukta Arts Limited** ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the standalone financial statements').

*In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis of Qualified Opinion paragraph below, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its **profit** (including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.*

Basis of Qualified Opinion

As at March 31, 2022, 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. 64,12,90,157/- recoverable from WWIL. As fully explained in Note 42 to the accompanying audited 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 Company and for financial year 2017-18 to 2021-22 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 March 31, 2022. Management of WWIL believes that it is appropriate to prepare the financial statements on a going concern basis based on its assessment of the merits of the case, plans for the future and support provided by its holding company.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

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

We have determined that there are no key audit matters to communicate in our report for the year ended 31 March 2022.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the 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

Independent Auditors' Report (Continued)

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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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 financial statements, including the disclosures, and whether the standalone 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Standalone Balance Sheet, Standalone Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Standalone Cash Flow Statement and the Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;

   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure B**, and

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (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, 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 as at March 31, 2022 on its financial position in its standalone financial statements – Refer Notes No. 39.

      ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer Note No. 44.

      iii. There was no amount required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022 – Refer Note No. 45.

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

CA. Subhash Jhunjhunwala
Partner
Membership No. 016331
UDIN: 22016331AJCDEF7236

Date: May 17, 2022
Place: Mumbai

Annexure A referred to in Report on Other Legal and Regulatory Requirements Paragraph of Independent Auditor's report of even date to the members of Mukta Arts Limited on the accounts for the year ended March 31, 2022

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1) a) The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipment.

b) The company has concluded physical verification of Plant and Equipment during the year.

c) According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company.

ii) As explained by the Management, Company does not have any inventory for physical verification. Accordingly, paragraph 3(ii) of the Order is not applicable to the Company.

iii) According to the information and explanations given to us, the company has not granted any loans secured or unsecured to the firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. The provisions of paragraph 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.

v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposit from public within the provision of section 73 to 76 and other relevant provisions of the Companies Act, 2013 and the rules framed there under.

vi) As informed to us by management, the Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 for any of services rendered by the company.

vii) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues except that there have been delays in depositing Goods and Services Tax, Professional Tax, Provident Fund, Show Tax, Income Tax and Employees' State Insurance with the appropriate authorities.

According to information and explanations given to us, there are no undisputed statutory dues payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Value Added Tax, GST and other material statutory dues, were in arrears as on March 31, 2022 for a period of more than 6 months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues payable in respect of value added tax, GST, customs duty and excise duty which have not been deposited with appropriate authorities on account of any disputes. The following dues of Service Tax & Income Tax have not been deposited by the company on account of dispute:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Chapter V of the Finance Act, 1994	Service Tax	8,75,000/-*	November 1996 – November 2001	Customs, Excise & Service Tax Appelate Tribunal
Income Tax Act, 1961	Income Tax	19,53,900/-	Asst year 2015-16	Commissioner of Income Tax (Appeals)
		1,55,77,380/-	Asst year 2014-15	
		88,08,700/-	Asst Year 2013-14	
		15,08,440/-	Asst Year 2012-13	
		5,24,938/-	Asst year 2011-12	Income Tax Appellate Tribunal (Appeals)

*Excludes Amount deposited under protest Rs. 8,00,000/-

viii) On the basis of verification of records and according to the information and explanations given to us and based on the records made available to us, the Company has not defaulted in repayment of any loans from Financial Institutions or from the Bank and has not issued Debentures.

ix) On the basis of verification of records and according to the information and explanations given to us and based on the records made available to us, the company has utilized the money raised by way of Term loan for the purpose for which they were raised. The Company did not raise any moneys by way of public issue/ follow-on offer including debt instruments.

x) Based upon the audit procedures performed and the information and explanations given to us, we report that no fraud by the Company or any fraud on the company by its officers or employees has been noticed or reported during the year.

xi) According to the information and explanations given to us and based on the examinations of the records of the company, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii) In our opinion, the company is not a Nidhi Company. Accordingly, the provisions of clause (xii) of Para 3 of the order are not applicable to the company.

xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 and the details of such transactions have been disclosed in the Financial Statements as required by the accounting standards and Companies Act, 2013.

xiv) On the basis of verification of records and according to the information and explanations given to us and based on the records made available to us, the company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review.

xv) In our opinion and according to the information and explanations given to us, the company has not entered into non-cash transactions with directors or persons connected with him.

xvi) The company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

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

CA. Subhash Jhunjhunwala
Partner
Membership No. 016331
UDIN: 22016331AJCDEF7236

Date: May 17, 2022
Place: Mumbai

Annexure B to the Independent Auditor's Report of even date on the Standalone Financial Statements of Mukta Arts Limited

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

(Referred to in paragraph 1(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We have audited the internal financial controls over financial reporting of **Mukta Arts Limited** ("the Company") for the year ended on March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and specified under sub-section 10 of Section 143 of the Companies Act, 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 reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls system over financial reporting as of March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India except for the effects/possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2022.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company for the year ended March 31, 2022, and the material weakness doesn't affects our opinion on the standalone financial statements of the Company.

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

CA. Subhash Jhunjhunwala
Partner
Membership No. 016331
UDIN: 22016331AJCDEF7236

Date: May 17, 2022
Place: Mumbai

Standalone Balance Sheet As At 31st March, 2022

(Rs. in '000)

Particulars		Note No.	As at 31 March 2022	As at 31 March 2021
I.	**ASSETS**			
	Non-current assets			
	(a) Property, plant and equipment	6 (a)	**123,207**	135,185
	(b) Right-of-use assets	6 (b)	**7,601**	8,971
	(c) Capital work-in-progress	6(c)	**1,287**	1,287
	(d) Investment property	7	**132,596**	137,128
	(e) Intangible assets	6 (d)	**-**	51,825
	(f) Intangible Assets under Development	6 (e)	**17,489**	46,652
	(g) Financial assets			
	(i) Investments	8 (a)	**286,096**	267,828
	(ii) Loans	8 (b)	**374,406**	374,406
	(iii) Others financial assets	8 (c)	**380,218**	374,473
	(h) Deferred tax assets (net)	9	**22,201**	26,709
	(i) Other non-current assets	10	**90,622**	114,817
	Total Non-current assets		**1,435,723**	1,539,281
	Current assets			
	(a) Financial assets			
	(i) Trade receivables	11 (a)	**145,953**	191,874
	(ii) Cash and cash equivalents	11 (b)	**12,580**	57,529
	(iii) Bank balances other than (ii) above	11 (c)	**65,897**	47,927
	(iv) Loans	11 (d)	**738,645**	566,256
	(v) Others financial assets	11 (e)	**67,831**	69,260
	(b) Other current assets	12	**42,312**	40,243
	Total Current assets		**1,073,218**	973,089
	Total Assets		**2,508,941**	2,512,370
II.	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity Share capital	13	**112,926**	112,926
	(b) Other Equity	14	**1,582,306**	1,366,044
	Total Equity		**1,695,232**	1,478,970
	Liabilities			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	15 (a)	**451,189**	466,949
	(ii) Lease Liabilities	15 (b)	**25,249**	28,355
	(iii) Other financial liabilities	15 (c)	**42,480**	39,389
	(b) Employee Benefits Obligations	16	**12,198**	13,542
	(c) Other non-current liabilities	17	**63,540**	14,090
	Total Non-Current Liabilities		**594,656**	562,325
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	18 (a)	**60,000**	72,000
	(ii) Lease Liabilities	18 (b)	**3,106**	2,456
	(iii) Trade payables	18 (c)	**30,767**	17,710
	(iv) Other financial liabilities	18 (d)	**40,399**	60,264
	(b) Short Term Provisions	19	**3,343**	43,121
	(c) Other current liabilities	20	**81,437**	275,524
	Total Current liabilities		**219,052**	471,075
	Total Equity and Liabilities		**2,508,941**	2,512,370

The above standalone balance sheet should be read in conjunction with the accompanying notes.

As per our report of even date.

For **Uttam Abuwala Ghosh & Associates**
Chartered Accountants
Firm's Registration No: 111184W

CA Subhash Jhunjhunwala
Partner
Membership No: 016331

Place : Mumbai
Date: 17 May 2022

For and on behalf of the Board of Directors of
Mukta Arts Limited
CIN: L92110MH1982PLC028180

Subhash Ghai
Chairman Director
DIN: 00019803

Rahul Puri
Managing Director
DIN: 01925045

Parvez A. Farooqui
Director
DIN: 00019853

Prabuddha Dasgupta
Chief Financial Officer

Monika Shah
Company Secretary
Membership No: FCS7964

Standalone Statement of Profit and Loss for the year ended on 31st March, 2022

(Rs. in '000)

	Particulars	Note No.	Year ended 31 March 2022	Year ended 31 March 2021
(I)	Revenue from operations	21	**483,429**	186,311
(II)	Other income	22	**145,121**	111,767
(III)	**Total Income (I+II)**		**628,550**	298,078
(IV)	**Expenses**			
	(a) Cost of production, distribution and exibition	23	**177,989**	25,585
	(b) Employee benefits expense	24	**38,255**	36,624
	(c) Finance costs (net)	25	**58,903**	58,458
	(d) Depreciation and amortisation expenses	26	**21,313**	20,409
	(e) Other expenses	27	**86,238**	66,508
	Total Expenses		**382,698**	207,584
(V)	**Profit/(Loss) before tax (III - IV)**		**245,852**	90,494
	Tax expense			
	Current tax		**52,500**	13,000
	Deferred tax		**4,508**	2,723
	Taxes for earlier years		**(17,008)**	4,963
(VI)	**Profit for the period after tax (VI+VII)**		**205,852**	69,809
(VII)	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	Less : Remeasurement gain on defined benefit plan		**1,027**	623
	Other comprehensive income for the year		**1,027**	623
(VIII)	**Total comprehensive income for the year (IX+X)**		**206,880**	70,432
(IX)	**Earnings per share**	31		
	Basic (in Rs) (nominal value Rs 5)		**9.16**	3.12
	Diluted (in Rs) (nominal value Rs 5)		**9.16**	3.12

The above standalone profit and loss account should be read in conjunction with the accompanying notes.

As per our report of even date.

For **Uttam Abuwala Ghosh & Associates**
Chartered Accountants
Firm's Registration No: 111184W

CA Subhash Jhunjhunwala
Partner
Membership No: 016331

Place : Mumbai
Date: 17 May 2022

For and on behalf of the Board of Directors of
Mukta Arts Limited
CIN: L92110MH1982PLC028180

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Director
DIN: 00019853

Prabuddha Dasgupta
Chief Financial Officer

Monika Shah
Company Secretary
Membership No: FCS7964

Statement of Changes in Equity as at 31 March 2022

(Rs. in '000)

	Number	Amount
Balance as at 1 April 2020	**22,585,200**	**112,926**
Add: Changes in equity share capital	-	-
Balance as at 31 March 2021	**22,585,200**	**112,926**
Add: Changes in equity share capital	-	-
Balance as at 31 March 2022	**22,585,200**	**112,926**

	Securities Premium	General Reserve	Capital Reserve	Retained Earnings	Total other equity
Balance as at 1 April 2020	**973,605**	**83,145**	**12**	**238,851**	**1,295,612**
Profit/(loss) for the year	-			69,809	**69,809**
Ind As 116 adjustments				-	
Dividend and dividend tax				-	
Other comprehensive income for the year	-			623	**623**
Total Comprehensive income for the year	**-**	**-**	**-**	**70,432**	**70,432**
Dividend and dividend tax	-			-	**-**
Employee stock option compensation expense	-			-	**-**
Balance as at 31 March 2021	**973,605**	**83,145**	**12**	**309,283**	**1,366,044**
Net profit after tax for the year	-			205,852	**205,852**
Ind As 116 adjustments				9,399	
Dividend and dividend tax				-	
Other comprehensive income for the year	-			1,027	**1,027**
Total Comprehensive income for the year	**-**	**-**	**-**	**216,278**	**216,278**
Transfer from/to share option outstanding account	-			-	**-**
Employee stock option compensation expense	-			-	**-**
Balance as at 31 March 2022	**973,605**	**83,145**	**12**	**509,812**	**1,566,573**

The above standalone statement of changes in equity account should be read in conjunction with the accompanying notes.

As per our report of even date.
For **Uttam Abuwala Ghosh & Associates**
Chartered Accountants
Firm's Registration No: 111184W

CA Subhash Jhunjhunwala
Partner
Membership No: 016331

Place : Mumbai
Date: 17 May 2022

For and on behalf of the Board of Directors of
Mukta Arts Limited
CIN: L92110MH1982PLC028180

Subhash Ghai
Chairman Director
DIN: 00019803

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Managing Director
DIN: 01925045

Parvez A. Farooqui
Director
DIN: 00019853

Prabuddha Dasgupta
Chief Financial Officer

Monika Shah
Company Secretary
Membership No: FCS7964

Standalone Cash Flow Statement for the year ended 31 March 2022

(Rs. in '000)

Particluars	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flow from operating activities		
Profit before tax	**245,852**	90,494
Non-cash adjustments to reconcile Profit before tax to net cash flows		
Depreciation and amortisation	**21,313**	20,409
Bad debts/ advances/ intangible assets under development written-off	**8,077**	1,772
Finance costs	**58,903**	58,458
Interest income	**(97,150)**	(81,269)
(Gain) on sale of tangible assets (net)	**(17,863)**	(3,021)
Operating profit before working capital changes	**219,131**	86,843
Movements in working capital:		
Increase/(Decrease) in other current liabilities	**(194,087)**	252,936
Increase/(Decrease) in other financial liabilities	**(19,865)**	1,101
Increase/(Decrease) in other non current liabilities	**49,450**	(5,400)
Increase/(Decrease) in other non current lease liabilities	**(3,106)**	-
Increase/(Decrease) in other non current financial liabilities	**3,091**	-
Increase/(Decrease) in current lease liabilities	**650**	-
Increase/(Decrease) in trade payables	**13,057**	(8,188)
Increase/(Decrease) in current provisions	**(39,778)**	16,370
Increase/(Decrease) in non current provisions	**(1,344)**	861
(Increase)/Decrease in trade receivables	**45,921**	(78,536)
(Increase)/Decrease in non current loans and advances	**-**	(25,000)
(Increase) /Decrease in other non- current assets	**24,195**	2,594
(Increase)/Decrease in short-term loans and advances	**(172,389)**	(186,332)
(Increase)/Decrease in other non current financial assets	**(5,745)**	16,797
(Increase) /Decrease in other current assets	**(2,069)**	(1,604)
(Increase)/Decrease in other current financial assets	**1,429**	827
Cash generated from (used in) operations	**(81,458)**	73,270
Taxes paid (net)	**(33,204)**	(24,567)
Net cash generated from (used in) operating activities (A)	**(114,662)**	48,703
Cash flow from investing activities		
Investments in equity shares of subsidiaries	**(18,268)**	-
Purchase of fixed assets (tangible and intangible)	**(5,204)**	(24,020)
Proceeds from maturity/ (reinvestment) of fixed deposits, net	**(17,970)**	(1,415)
Amortisation of intangible assets	**80,988**	-
Proceeds from sale of fixed assets	**19,684**	8
Interest income	**97,150**	81,269
Net cash used in investing activities (B)	**156,380**	55,841
Cash flow from financing activities		
Secured loan (repaid)/taken,net	**(15,760)**	4,244
Unsecured loan (repaid)/taken , net	**(12,000)**	(10,000)
Finance charges (net)	**(58,903)**	(58,458)
Net cash flow from / (used in) financing activities (C)	**(86,663)**	(64,214)
Net increase /(decrease) in cash and cash equivalents (A + B + C)	**(44,944)**	40,331
Cash and cash equivalents at the beginning of the year	**57,301**	16,970
Cash and cash equivalents at the end of the year (Refer note (b) below)	**12,357**	57,301

(Rs. in '000)

Particluars	For the year ended 31 March 2022	For the year ended 31 March 2021
Reconciliation of cash and cash equivalents as per the cash flow statement		
Notes:		
(a) 'The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard - 7 prescribed in the Companies (Accounting Standards) Rules, 2006, which continue to apply under Section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules 2014.		
(b) 'Cash and cash equivalents at year-end comprises:		
(i) Cash on hand	**150**	118
(ii) Balances with scheduled banks in		
- in current accounts	**12,207**	57,183
Balances per statement of cash flows	**12,357**	57,301

The above standalone cash flow statement should be read in conjunction with the accompanying notes.

As per our report of even date.

For **Uttam Abuwala Ghosh & Associates**
Chartered Accountants
Firm's Registration No: 111184W

For and on behalf of the Board of Directors of
Mukta Arts Limited
CIN: L92110MH1982PLC028180

CA Subhash Jhunjhunwala
Partner
Membership No: 016331

Subhash Ghai
Chairman Director
DIN: 00019803

Rahul Puri
Managing Director
DIN: 01925045

Parvez A. Farooqui
Director
DIN: 00019853

Place : Mumbai
Date: 17 May 2022

Prabuddha Dasgupta
Chief Financial Officer

Monika Shah
Company Secretary
Membership No: FCS7964

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

1 **Corporate information**

Mukta Arts Limited ('Mukta' or 'the Company') is a company incorporated in India under the Companies Act, 1956. The Company was incorporated on 7 September 1982 as Mukta Arts Private Limited and was converted to a public limited company on 30 September 2000 and renamed as Mukta Arts Limited. The Company is promoted by Mr. Subhash Ghai who holds 54.99% of the outstanding equity share capital as at 31 March 2022.

The Company is primarily engaged in the business of film production, distribution and exhibition (wherein it provides film content to multiplexes and single screen theatres across India). The Company also provides production equipment to other production houses and independent producers.

The shares of the Company are listed on Bombay Stock Exchange Limited, National Stock Exchange of India Limited and Calcutta Stock Exchange Association Limited.

2 Summary of significant accounting policies

2.1 **Basis of preparation**

(i) Compliance with Indian Accounting Standard (Ind AS)

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. The Company adopted Ind AS from April 1, 2016.

(ii) Historical Cost Convention

The financial statements have been prepared on an accrual basis and under the historical cost convention, except for certain financial assets and liabilities and defined benefit plan assets which have been measured at fair value.

2.2 **Current versus non-current classification**

The assets and liabilities reported in the balance sheet are classified as current or non-current. Current assets, which include cash and cash equivalents, are assets that are intended to be realised during the normal operating cycle of the Company or within 12 months of the balance sheet date; current liabilities are expected to be settled during the normal operating cycle of the Company or within 12 months of balance sheet date. The deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.3 **Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The chief operating decision maker of the Company assesses the financial performance and position of the Company and makes strategic decisions on the advice of the Managing Director of the Company.

2.4 **Foreign Currency Transactions**

The financial statements are presented in Indian rupee (INR), which is the functional and presentation currency of the Company.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.In case of Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

2.5 **Revenue Recognition**

Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after April 1, 2018, replaced the existing revenue recognition requirements. Under the modified retrospective approach there were no adjustments required to the retained earnings at April 1, 2018. The application of Ind AS 115 has been considered and transactions entered into during the current year have been recorded accordingly.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company, revenue can be reliably measured and recoverability is reasonably certain and the goods or services have been transferred to the Customer. The amount recognised as income is exclusive of goods and services tax and net of trade discounts. Revenue from fixed rate contracts is recognised over the period as per the cotractual agreement. Unbilled revenue represents costs incurred and revenues recognised on contracts to be billed in subsequent periods as per the terms of the contract.

Film/content production and related income

Revenue from sale of content/ motion pictures is recognised on assignment/sale of the rights in the concerned content/ motion picture from the date of their availability for exploitation or on the date of release of the content/ movie, as applicable.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (CONTD.)

Revenue from other rights in motion pictures such as satellite rights, overseas rights, music rights, video rights, etc., is recognised on assignment/ sale of the rights in the concerned motion picture from the date of their availability for exploitation.

Income from distribution and exhibition

Distribution/ sub-distribution commission is recognised as it is earned based on intimation by the theatre owners/ distributors.

Revenue from management of theatres is recognised on an accrual basis as per the contractual arrangement entered into with the theatre owners.

Revenue from equipment hire/ facility rental

Income from equipment hire/ facility rental is recognised on a straight-line basis over the period of the relevant agreement/ arrangement.

Revenue from business support service

Revenue from business support service is recognised on rendering of service as per the terms and conditions of the agreement.

Dividend & Interest income

Dividend income from investments is recognised when the shareholder’s right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably). Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition. Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. Interest income is recorded using the Effective Interest rate.

2.6 **Employee benefits**

Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include salaries and wages, bonus, Compensated absences such as paid annual leave and seekness leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is charged to the Statement of profit and loss in the period in which such services are rendered.

Post-employment benefits

Defined contribution plan:

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity/fund and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards Provident Fund. The Company’s contribution is recognised as an expense in the Statement of profit and loss during the period in which employee renders the related service.

Defined benefit plan:

The Company has calculated the gratuity liability for fifteen days per month based on the last basic salary drawn by the employee for every completed year of service or part thereof in excess of six months. The gratuity liability recognised in the Balance sheet represents the gratuity liability and as reduced by the fair value of the said assets. The scheme is funded with an insurance company in form of qualify insurance policy.

Contributions are made to LIC in respect of gratuity based upon actuarial valuation done at the end of every financial year using ‘Projected Unit Credit Method’. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Gains and losses on changes in actuarial assumptions are accounted in the statement of profit and loss.

Other long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability. The Company calculates the liability based on the total leave hour balance as at the year end restricted to forty two days and the last salary drawn by the employees.

2.7 **Borrowing Costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2.8 **Leases**

Assets taken on operating lease

The Company has various operating leases, principally for office space, with various renewal options. Rental expense in agreements with scheduled rent increases is recorded on a straight-line basis over the lease term.

In case of certain cinema properties, rent is accounted as a certain percentage of revenue generated from the cinema property or fixed minimum guarantee amount, whichever is higher, as provided for in the lease agreements.

Assets given on operating lease

Lease rentals in respect of assets given on operating lease are recognised on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit received.

2.9 **Taxation**

Income-tax expense comprises current tax expense and deferred tax charge or credit.

Current tax

Provision for current tax is recognised in accordance with the provisions of the Income-tax Act, 1961 and is made based on the tax liability after taking credit for tax allowances and exemptions.

Minimum Alternative Tax Credit entitlement

Minimum Alternative Tax ('MAT') credit is recognised only to the extent there is convincing evidence that the Company will pay normal income tax in excess of MAT during the specified period.

MAT credit entitlement is reviewed as at each Balance sheet date and written down to the extent there is no longer convincing evidence that the Company will pay normal income tax during the specified period.

Deferred tax

Deferred tax liability or asset is recognised for timing differences between the profits or losses offered for income taxes and profits/losses as per the financial statements. Deferred tax assets and liabilities and the corresponding deferred tax credit or charge are measured using the tax rates and tax laws that have been enacted or substantively enacted as at the Balance sheet date.

Deferred tax asset is recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain to be realised.

2.10 **Property, plant and equipment (PPE)**

Items of Property, plant and equipment (PPE) are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes freight, duties, taxes (other than those recoverable from tax authorities) and other expenses directly attributable to the acquisition/ construction and installation of the fixed assets for bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of PPE which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Cost incurred on fixed assets not ready for their intended use is disclosed under capital work-in-progress. Capital work-in-progress includes estimates of work completed, as certified by the management.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment, except for certain properties, the fair market value of which had appreciated substantially and the increase in their carrying amounts, supported by reports of independent valuers, was therefore recognised in profit and loss account and accumulated in reserves in shareholders' equity.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (CONTD.)

Depreciation methods, estimated useful lives and residual value

The Company applies depreciation rates as per the useful lives of the assets as specified in Part 'C' of Schedule II to the Companies Act 2013, except for the following class of assets where the useful life is higher than the useful life prescribed in Schedule II based on management estimates which is supported by assessment carried out by technical experts.The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Asset class	Useful life
Plant and equipment	10-14 years
Furniture and fixtures	5 years

Leasehold improvements/ premises are depreciated at the lower of the estimated useful lives of the assets and the lease term, on a straight-line basis.

2.11 **Investment properties**

Property that is held for long-term rental yields or for capital appreciation or both, is classified as investment property. Investment property is measured initially at cost, including related transaction costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the entity and the cost of the item can be measured reliably.

Investment properties are depreciated using the written down value method over their estimated useful lives. Investment properties generally have a useful life of 30 years. The useful life has been determined based on technical evaluation performed by techinical experts.

Transition to Ind AS

On transition to Ind AS, the entity has elected to continue with the carrying value of all of its investment properties recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties, the fair value of investment property is disclosed in notes.

2.12 **Intangible assets**

Film rights comprising negative rights and distribution rights

Negative film rights are generally exploited through media such as theatrical exhibition, television/ satellite, cable, etc. Negative film rights in respect of films produced are recorded at cost, which is determined on specific identification basis. Acquired negative rights are recorded at the purchase price paid to acquire the rights plus any additional cost incurred which is determined on specific identification basis. Cost incurred on films-in-progress is reported as Intangible assets under development.

Distribution rights in films are for a contractually specified mode of exploitation, period and territory and are stated at cost. Cost of distribution comprises original purchase price/ minimum guarantee, which is ascertained on specific identification basis. In case multiple films/ rights are acquired for a consolidated amount, cost is allocated to each film/ right based on the agreement or where it is not specified in the agreement, based on management's best estimates. In respect of unreleased films, payments towards distribution rights are classified under capital advances as the amounts are refundable in the event of non-release of the film.

Costs are amortised in the proportion that gross revenue realised bears to management's estimate of total gross revenue expected to be received. If estimates of the total revenue and other events or changes in circumstances indicate that the realisable value of a right is less than its unamortised cost, a loss is recognised for the excess of unamortised cost over the film rights' realisable value.

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2.13 **Impairment of Non Financial Asset**

In accordance with Ind AS 36 – intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. An impairment loss is recognised whenever the carrying amount of an asset or the cash generating unit to which it belongs exceeds its recoverable amount. Impairment loss is recognised in the Statement of profit and loss or against revaluation surplus, where applicable.

If at the Balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is re-assessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciated historical cost.

Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life.

2.14 **Inventory**

Inventories of food and beverages are valued at the lower of cost and net realisable value. Cost of inventories comprises all cost of purchases, cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on First-In, First-Out (‘FIFO’) basis.

2.15 **Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.16 **Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Asset

The entity 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.

Initial recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, and transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets that are carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement

Subsequent measurement of financial asset depends on the Company’s business model for managing the asset and the contractual cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its financial assets as below:

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Financial Assets measured at amortised cost

A ‘financial asset’ is measured at the amortised cost if both the following conditions are met.

a) Asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. EIR amortisation is included in finance income in the Statement of Profit and Loss. Losses arising from impairment are recognised in the Statement of Profit and Loss.

Financial Assets measured at fair value through other comprehensive income (FVTOCI)

A ‘financial asset’ is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (CONTD.)

b) The contractual cash flows of the assets represent SPPI: Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

Financial Assets measured at fair value through profit and loss (FVTPL)

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109, "Financial Instruments" are measured at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition which is irrevocable. If the company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.The Company has elected to measure its investment in subsidiaries at its previous GAAP carrying value which shall be the deemed cost as at the date of transition.

Derecognition of Financial Assets

A financial asset is primarily derecognised when: a) Rights to receive cash flows from the asset have expired, or b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either(a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset, where the entity retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Impairment of financial assets :

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 36 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables, only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Trade receivables

The company evaluates the concentration of risk with respect to trade receivables as low, as its customers operate in largely independent markets and their credit worthiness is monitored at periodical intervals. The company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days for which the receivables are due and is rated as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing	Expected Credit loss(%)
0 - 1 years	0%
1 - 2 years	25%
2 - 3 years	40%
More than 3 years	100%

Financial Liabilities

(i) Initial recognition and measurement

All financial liabilities are recognised initially at fair value, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described herein:

Financial liabilities at fair value through Profit or Loss:

Financial liabilities at fair value through Profit or Loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial Liabilities measured at amortised cost:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of Profit and Loss.

Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting :

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liablity simultanesously.

2.17 **Measurement of fair values**

The Company measures financial instruments, such as derivatives, at fair value at each balance sheet date. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

Management uses its judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market participants are applied. Other financial instruments are valued using a discounted cash flow method based on assumptions supported, where possible, by observable market prices or rates.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (CONTD.)

Further information about the assumptions made in measuring fair values is included in the following notes on financial instruments.

2.18 **Provisions**

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of funds will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for future operating losess.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3 **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 or a reliable estimate of the amount cannot be made.

4 **Earnings per share ('EPS')**

The basic earnings per equity share is computed by dividing the net profit or loss attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which may be issued on the conversion of all dilutive potential shares, unless the results would be anti-dilutive.

5 **Critical estimates and judgements**

The preparation of financial statements requires the use of accounting estimates which, may not equal the actual results. Management also needs to exercise judgement in applying the entity's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Recognition and measurement of defined benefit obligations:

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

Estimation of useful life:

Useful lives of PPE and intangible assets are based on the estimation by the management. The useful lives as estimated are the same as prescribed in Schedule II of the Companies Act, 2013. In such cases, where the useful lives are different from that prescribed in Schedule II, they are based on management estimates, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset and past history of replacement. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (CONTD.)

6(a) - Property, plant and equipment **(Rs. in '000)**

	Ownership Premises	Leasehold Premises	Plant & Machinery	Motor Vehicles	Fixtures & Fittings	Computers	Total
Cost or deemed cost (Gross Carrying Amount)							
As at 1 April 2020	106,072	127,767	198,434	84,402	34,527	14,074	**565,276**
Additions	-	-	-	-	-	19	**19**
Disposals	-	-	-	8	-	-	**8**
Other adjustment							
As at 31 March 2021	**106,072**	**127,767**	**198,434**	**84,394**	**34,527**	**14,092**	**565,286**
As at 1 April 2021	106,072	127,767	198,434	84,394	34,527	14,092	565,286
Additions	-	-	225	4,590	140	248	5,204
Disposals	-	-	-	1,010	-	-	1,010
Other adjustment							
As at 31 March 2022	**106,072**	**127,767**	**198,659**	**87,974**	**34,668**	**14,340**	**569,480**
Accumulated Depreciation/ Amortisation							
As at 1 April 2020	48,166	68,073	185,674	68,231	31,242	13,226	**414,613**
Charge for the year	2,520	6,303	1,393	4,231	707	334	**15,489**
Deduction	-	-	-	-	-	-	**-**
Other adjustment	-	-	-	-	-	-	**-**
As at 31 March 2021	**50,687**	**74,376**	**187,067**	**72,463**	**31,949**	**13,560**	**430,101**
As at 1 April 2021	50,687	74,376	187,067	72,463	31,949	13,560	**430,101**
Charge for the year	4,527	6,303	1,099	3,671	511	116	**16,227**
Deduction	-	-	-	114	-	-	**114**
Other adjustment	58	-	-	-	-	-	**58**
As at 31 March 2022	**55,272**	**80,678**	**188,167**	**76,020**	**32,460**	**13,675**	**446,273**
Carrying amounts (Net)							
At 1 April 2020	57,906	59,694	12,760	16,171	3,285	848	150,663
At 31 March 2021	55,386	53,391	11,366	11,931	2,578	533	135,185
At 31 March 2022	**50,800**	**47,088**	**10,492**	**11,954**	**2,208**	**665**	**123,207**

6(b) Right-of-use assets

	Amount (in '000)		Amount (in '000)	Net (in '000)
Cost or deemed cost (Gross Carrying Amount)		**Accumulated Depreciation/ Amortisation**		
As at 1 April 2020	11,713	***As at 1 April 2020***	1,373	**10,340**
Additions	-	Charge for the year	1,369	
Disposals	-	Deduction	-	
As at 31 March 2021	**11,713**	***As at 31 March 2021***	**2,743**	**8,971**
As at 1 April 2021	11,713	***As at 1 April 2021***	2,743	8,971
Additions	-	Charge for the year	1,369	
Disposals	-	Deduction	-	
As at 31 March 2022	**11,713**	***As at 31 March 2022***	**4,112**	**7,601**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (CONTD.)

6(c) Capital Work in Progress **(Rs. in '000)**

	Amount
As at 1 April 2020	1,287
Additions	-
Disposals	-
As at 31 March 2021	**1,287**
As at 1 April 2021	1,287
Additions	-
Disposals	-
As at 31 March 2022	**1,287**

6(d) - Intangible Assets

	Distribution Rights	**Negative Rights**	**Exhibition Rights**	**Total**
Cost or deemed cost				
As at 1 April 2020	240,000	789,153	2,500	**1,031,653**
Additions	-	20,575	-	**20,575**
Disposals	-	-	-	**-**
Other adjustment	-	-	-	**-**
As at 31 March 2021	**240,000**	**809,728**	**2,500**	**1,052,229**
As at 1 April 2021	240,000	809,728	2,500	**1,052,229**
Additions	-	-	-	**-**
Disposals	-	-	-	**-**
Other adjustment	-	-	-	**-**
As at 31 March 2022	**240,000**	**809,728**	**2,500**	**1,052,229**
Accumulated amortisation and impairment losses				
As at 1 April 2020	240,000	744,666	2,500	**987,166**
Charge for the year	-	13,238	-	**13,238**
Deduction	-	-	-	**-**
Other adjustment	-	-	-	**-**
As at 31 March 2021	**240,000**	**757,903**	**2,500**	**1,000,404**
As at 1 April 2021	240,000	757,903	2,500	**1,000,404**
Charge for the year	-	51,825	-	**51,825**
Deduction	-	-	-	**-**
Other adjustment	-	-	-	**-**
As at 31 March 2022	**240,000**	**809,728**	**2,500**	**1,052,229**
Carrying amount (Net)				
At 1 April 2020	-	44,487	-	**44,487**
At 31 March 2021	-	51,825	-	**51,825**
At 31 March 2022	-	-	-	**-**

6(e) Intangible assets under development **(Rs. in '000)**

	Amount
As at 1 April 2020	**58,964**
Additions	3,426
Disposals	15,737
Other adjustment	-
As at 31 March 2021	**46,652**
As at 1 April 2021	**46,652**
Additions	-
Disposals	29,163
Other adjustment	-
As at 31 March 2022	**17,489**

Note : 1. During the year ended on 31 March 2022 and 31 March 2021, there is no impairment loss determined at each level of CGU. The recoverable amount was based on value in use and was determined at the level of CGU.

Note : 2. Refer Note - 15(a) for information on moveable property, plant and equipment pledged as security by the Company.

Note : 3. The Company has availed the deemed cost exemption and used the previous GAAP net carrying amount of property, plant and equipment as deemed cost except few PPE which is measured at fair value.

Note : 4. Tangible/Intangible assets are subject to first charge to secure the Company's term loan and cash credit loans (refer note 15(a))

7 Investment property

Particular	Building	Land	Total
As at 1 April 2020	124,176	66,389	**190,565**
Additions	-	-	**-**
Disposals	-	-	**-**
Other adjustment	-	-	**-**
As at 31 March 2021	**124,176**	**66,389**	**190,565**
As at 1 April 2021	124,176	66,389	**190,565**
Additions	-	-	**-**
Disposals	1,208	-	**1,208**
Other adjustment	-	-	**-**
As at 31 March 2022	**122,968**	**66,389**	**189,357**
Accumulated Depreciation/Amortisation			
As at 1 April 2020	49,887	-	**49,887**
Charge for the year	3,551		**3,551**
Deduction	-	-	**-**
Other adjustment	-	-	**-**
As at 31 March 2021	**53,438**	**-**	**53,438**
As at 1 April 2021	53,438	-	**53,438**
Charge for the year	3,382		**3,382**
Deduction	-	-	**-**
Other adjustment	(58)	-	**(58)**
As at 31 March 2022	**56,761**	**-**	**56,761**
Carrying amounts (Net)			
At 1 April 2020	74,289	66,389	**140,679**
At 31 March 2021	70,739	66,389	**137,128**
At 31 March 2022	66,207	66,389	**132,596**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (CONTD.)

(Rs. in '000)

(i) Information regarding Income and expenditure of Investment properties

	As at 31-Mar-2022	As at 31-Mar-2021
Rental income derived from Investment properties	**37,784**	39,113
Direct operating expenses	**4,078**	4,078
Profit arising from investment properties before depreciation and indirect expenses	**33,706**	35,036
Less: Depreciation	**3,382**	3,551
Profit arising from investment properties before indirect expenses	**30,324**	31,485

(ii) Fair Value

Particulars	Valuation Techniques (See note below)	Fair Value Hierarchy (See note below)	As at 31 March 2022	As at 31 March 2021
Investment properties	Stamp duty Reckoner rate	Level 2	**1,301,375**	1,301,375

Estimation of fair value

The Company has obtained independent valuation of its flats located at Bandra West based on current prices in an active market for properties of similar nature. The fair values of such investment flats have been determined by an independent valuer as on 1st April 2016. The main inputs used are the rental growth rates and a study of the micro market in discussion with industry experts. Resulting fair value estimate for investment property are included in level 2. Rest all investment properties are in accordance with the Ready Reckoner rates prescribed by the Government of Maharashtra for the purpose of levying stamp duty. The Independent Valuer has referred to the publications and government website for Ready Reckoner rates. Suitable adjustments have been made to account for availability of FSI in land parcels in Mumbai in accordance with the guidelines prescribed by the Department of Registrations and Stamps. Since the valuation is based on the published Ready Reckoner rates, the company has classified the same under Level 2.

8 Non Current Financial Asset

8(a) Investments

		As at 31 March 2022	As at 31 March 2021
A	**Non current investments**		
	Unquoted equity shares		
i)	**Investment in equity shares of subsidiaries at FVTPL**		
	Connect 1 Limited		
	600 (31 March 2021 : 600) equity shares of ₹ 1000 each, fully paid-up (6 shares are jointly held with individuals)	**600**	600
	Whistling Woods International Limited		
	169,997 (31 March 2021 : 169,997) equity shares of ₹ 1000 each, fully paid-up	**169,997**	169,997
	Mukta Tele Media Limited		
	4,996 (31 March 2021 : 4,996) equity shares of ₹ 100 each, fully paid-up	**500**	500
	Coruscant Tec Private Limited		
	750,000 (31 March 2021 : 750,000) equity shares of ₹ 10 each, fully paid-up	**9,900**	9,900
	Mukta A2 Multiplex SPC		
	1500 (31 March 2021 : 500) equity shares of BHD 100 each, fully paid-up	**26,898**	8,631
	Mukta A2 Cinemas Ltd		
	10,50,000 (31 March 2021 : 10,50,000) equity shares of ₹ 10 each 'fully paid-up	**10,500**	10,500
	Deemed Investment in Subsidiary		
	Whistling Woods International Ltd	**1,320**	1,320
	Preference Share - Interest	**28,194**	28,194

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (CONTD.)

(Rs. in '000)

	As at 31 March 2022	As at 31 March 2021
ii) Investment in equity shares of joint venture at FVTPL		
Mukta VN Films Limited		
27,500 (31 March 2021 : 27,500) equity shares of '₹ 10 each, fully paid-up	**33,000**	33,000
Deemed Investment in Joint Venture		
Mukta VN Films Limited	**5,185**	5,185
Total (i+ii)	**286,095**	267,827
iii) Investment in equity instruments-others at FVTPL (un-quoted)		
Bashiron Co. Op. Housing Society Limited 10 Shares (2021: 10) of Rs 50 each	**1**	1
Bait-Ush-Sharaf Co. Op. Housing Society Limited 10 Shares (2021: 15) of Rs 50 each	**1**	1
Total (iii)	**1**	1
Total (i+ii+iii)	**286,096**	267,828

8(b) Loans

	As at 31 March 2022	As at 31 March 2021
Unsecured		
Amounts due from related parties Whistling Woods International Limited	**202,600**	202,600
ii) Investment in preference shares of subsidiary (un-quoted)		
200,000 (2021: 200,000) 8% Redeemable cumulative preference shares of Whistling Woods International Limited of Rs 1,000 each, fully paid-up (note 3.41). These preference shares were issued on 27 August 2007 and are redeemable at par at any time on or after 21 June 2012 and before 21 June 2027.	**171,806**	171,806
Total	**374,406**	374,406

8(c) Other financial assets

	As at 31 March 2022	As at 31 March 2021
Security deposits to		
- Related parties	**-**	300
- Others	**5,128**	4,517
Other advances	**128,402**	140,864
Interest receivables Account (Preference Dividend)	**246,688**	228,792
Total	**380,218**	374,473

9 Deferred tax assets (net)

	As at 31 March 2022	As at 31 March 2021
Deferred tax liability on		
Arising on account of timing differences in:	-	-
Total	-	-
Deferred tax asset on		
Provision for leave encashment and gratuity	**4,041**	4,745
Provision for doubtful debts and advances	**954**	2,257
Rent straightlining	**-**	2,444
Property, Plant and Equipment and intangible assets	**6,854**	12,293
Others	**10,352**	4,970
Total	**22,201**	26,709
Deferred tax assets (net)	**22,201**	26,709

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (CONTD.)

(Rs. in '000)

Movement in deferred tax assets	Employee Benefits Obligations	Allowance for doubtful debts – trade receivables	Property, Plant and Equipment and intangible assets	Others	Total
At April 1, 2020	4,745	2,257	12,293	7,414	26,709
(Charged)/credited:					
- to profit or loss	(705)	(1,302)	(5,439)	2,938	(4,508)
- to other comprehensive income	-				
At March 31, 2022	4,041	954	6,854	10,352	22,201
(Charged)/credited:					
- to profit or loss	-	-	-	-	-
- to other comprehensive income					
At March 31, 2022	**4,041**	**954**	**6,854**	**10,352**	**22,201**

10 Other non- current assets

	As at 31 March 2022	As at 31 March 2021
Advance tax (including TDS)	**89,766**	113,844
Service tax Input Credit	**322**	322
Deferred Income Account	**534**	651
Total	**90,622**	114,817

11 Current Financial Assets

11 (a) Trade receivables

	As at 31 March 2022	As at 31 March 2021
Trade receivables - Billed	**23,215**	106,249
Trade receivables - Unbilled	**-**	-
Receivables from related parties	**126,409**	94,305
Less: Loss allowance	**(3,670)**	(8,679)
Total trade receivables	**145,953**	191,874
Current portion	**145,953**	191,874
Non-current portion	**-**	-
Total	**145,953**	191,874
Break-up of security details		
Secured, considered good	**149,624**	200,553
Unsecured, considered good	**-**	-
	149,624	200,553
Loss Allowance	**(3,670)**	(8,679)
Total trade receivables	**145,953**	191,874

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (CONTD.)

(Rs. in '000)

As on 31st March 2022

Particulars	**Outstanding for the following periods from due date of payment**						
	Unbilled	**Less than 6 months**	**6 months 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed Trade Receivables-Considered good	-	77,694	14,096	38,721	9,148	9,964	149,624
Undisputed Trade Receivables-Which have significant credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables-Credit Impaired	-	-	-	-	-	-	-
	-	-	-	-	-	-	
Disputed Trade Receivables-Considered good	-	-	-	-	-	-	-
Disputed Trade Receivables-Which have significant credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables-Credit Impaired	-	-	-	-	-	-	-
Gross trade receivables	-	77,694	14,096	38,721	9,148	9,964	149,624
Loss allowance	-	-	-	42	4	3,624	3,670
Net trade receivables	-	77,694	14,096	38,678	9,144	6,340	145,953

As on 31st March 2021

Particulars	**Outstanding for the following periods from due date of payment**						
	Unbilled	**Less than 6 months**	**6 months-1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed Trade Receivables-Considered good	-	103,888	5,482	40,213	43,492	7,478	200,553
Undisputed Trade Receivables-Which have significant credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables-Credit Impaired	-	-	-	-	-	-	-
	-	-	-	-	-	-	
Disputed Trade Receivables-Considered good	-	-	-	-	-	-	-
Disputed Trade Receivables-Which have significant credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables-Credit Impaired	-	-	-	-	-	-	-
Gross trade receivables	-	103,888	5,482	40,213	43,492	7,478	200,553
Loss allowance	-	-	-	4	1,197	7,478	8,679
Net trade receivables	-	103,888	5,482	40,209	42,295	-	191,874

11 (b) Cash and cash equivalents

		As at 31 March 2022	As at 31 March 2021
a.	Cash on hand	**150**	118
b.	Balances with banks		
	In current account	**12,207**	57,183
	Balance in dividend account	**223**	228
	Total	**12,580**	57,529

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (CONTD.)

(Rs. in '000)

11 (c) Bank balances other than Cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
Interest accrued on FD	1,559	2,513
Deposits with original maturity of more than 3 months and less than 12 months	64,338	45,414
Total	65,897	47,927

11 (d) Loans

	As at 31 March 2022	As at 31 March 2021
Amounts due from related parties	1,704	1,794
Staff Advances	1,553	1,059
Inter-corporate deposit:		
- Related parties	686,650	514,865
- Others	48,739	48,539
Total	738,645	566,256

11 (e) Other financial assets

	As at 31 March 2022	As at 31 March 2021
Interest receivables Account (Preference Dividend)	17,730	17,730
Security deposits	40,583	40,561
Interest Accrued on Investments:		.
Related Parties	344	1,794
Others	6,677	6,677
Other receivable from related parties	2,498	2,498
Total	67,831	69,260

12 Other current assets

	As at 31 March 2022	As at 31 March 2021
Prepaid expenses	6,819	8,291
Advances	6,926	7,790
Deferred Income Account	117	117
Service Tax Input	5,894	5,771
VAT input	20,926	18,273
GST input	1,630	-
Total	42,312	40,243

13 Equity share capital

	As at 31 March 2022		As at 31 March 2021	
	Number	Amount	Number	Amount
Authorised share capital				
Equity shares of ₹ 5 each	24,000,000	120,000	24,000,000	120,000
	24,000,000	120,000	24,000,000	120,000
Issued, subscribed and fully paid- up				
Equity shares of ₹ 5 each	22,585,200	112,926	22,585,200	112,926
Total	22,585,200	112,926	22,585,200	112,926

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (CONTD.)

(Rs. in '000)

Terms and rights attached to equity shares

The Company has one class of equity shares having a par value of Rs. 5 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to shareholding.

Reconciliation of paid- up share capital (Equity Shares)

	As at 31 March 2022		As at 31 March 2021	
	Number	**Amount**	Number	Amount
Balance at the beginning of the year	**22,585,200**	**112,926**	22,585,200	112,926
Add: Issued during the year	**-**	**-**	-	-
Add: Acquisition of a subsidiary	**-**	**-**	-	-
Balance at the end of the year	**22,585,200**	**112,926**	22,585,200	112,926

Details of Shareholders holding more than 5% of the shares in the Company

	As at 31 March 2022		As at 31 March 2021	
	Number	**% holding in the class**	Number	% holding in the class
Equity shares of ₹ 5 each				
1. Mr. Subhash Ghai	**12,497,990**	**55.00%**	12,497,990	55.00%
2. Ms. Meghna Ghai Puri	**1,650,000**	**7.31%**	1,650,000	7.31%
3. Ms. Mukta Ghai	**1,650,000**	**7.31%**	1,650,000	7.31%

14 Other equity

	As at 31 March 2022	As at 31 March 2021
Securities premium		
Balance at the beginning of the year	**973,605**	973,605
Add: Transfer during the year	**-**	-
Balance at the end of the year	**973,605**	973,605
General reserve		
Balance at the beginning of the year	**83,145**	83,145
Add: Transfer during the year	**-**	-
Balance at the end of the year	**83,145**	83,145
Capital reserve		
Balance at the beginning of the year	**12**	12
Add: Transfer during the year	**-**	-
Balance at the end of the year	**12**	12
Retained earnings		
Balance at the beginning of the year	**309,283**	238,851
Add: Net profit after tax for the year	**205,852**	69,809
Add : Ind As 116 adjustments	**9,399**	-
Less : Dividend and dividend tax	**-**	-
Other comprehensive income	**1,027**	623
Balance at the end of the year	**525,545**	309,283
Total	**1,582,306**	1,366,044

Nature and purpose of other reserves

Securities premium reserve :

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Capital reserve :

Capital Reserve is the part of the profit or surplus, maintained as an account in the Balance Sheet that can be used only for special purposes.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (CONTD.)

Shares held by promoters at the end of the year

Name of the Promoters	No. of Shares as on March 31, 2022	% of Total Shares on March 31, 2022	No. of Shares as on March 31, 2021	% of Total Shares on March 31, 2021	% Change during the year
Subhash Ghai	**12,497,990**	**78%**	12,497,990	78%	Nil
Meghna Ghai Puri	**1,650,000**	**10%**	1,650,000	10%	Nil
Mukta Ghai	**1,650,000**	**10%**	1,650,000	10%	Nil
Parvez Akhtar Farooqui	**77,300**	**0%**	77,300	0%	Nil
Siraj Farooqui	**44,000**	**0%**	44,000	0%	Nil
Ashok K. Ghai	**37,000**	**0%**	37,000	0%	Nil
Nargis Parvez Farooqui	**4,300**	**0%**	4,300	0%	Nil
Total	**15,960,590**		15,960,590		

15 Non Current Financial Liabilities

15 (a) Long-term borrowings **(Rs. in '000)**

	As at 31 March 2022	As at 31 March 2021
Secured		
Term loan from banks and others		
LIC Housing Finance Ltd*	**429,725**	442,229
Hero Fincorp Ltd**	**28,289**	31,566
Motor vehicle finance loans***	**15,766**	14,842
Less: current maturity of term loan	**(22,590)**	(21,688)
Total	**451,189**	466,949

* Loan against property is secured against entire Commercial Property located at Sharyans Audeus, Survey No.41, Fun Republic Cinema, Off Veera Desai Road, Oshiwara Village, Andheri West, Mumbai 400053. Repayable in 180 monthly installments of Rs. 48,63,756.

** Term loan against property is secured against two flats of the Company by way mortage of the property located in Bandra West. Repayable in 120 monthly installments of Rs. 5,37,225/-. (June 2017 to July 2018) and Rs. 5,47,276/- (Aug-2018 to Oct 2027)

*** The motor vehicle finance loans taken by the Company are secured against the related vehicles. Repayment schedule is as detailed below:

Lendor	Repayment schedule and other terms
Axis Bank Ltd	Outstanding amount of loan Rs. 37,87,579/- (2021: Rs 8,85,947/-) is repayable in 36 equated monthly installments of Rs 155,622 till February 2025. Interest rate 13.50%.
ICICI Bank Limited	Outstanding amount of loan Rs. 1,99,130/- (2021:Rs Rs. 33,21,125/-) is repayable in 36 monthly installments of Rs 672,774/- till July 2019 and Rs. 76,521/- there after. Interest rate 14.50%
BMW India Financial Services Pvt Ltd	Outstanding amount of loan Rs. 77,31,686/- (2021:Rs 94,96,026/-) is repayable in 48 monthly installments of Rs 2,20,997/- May 2023. Interest rate 10.20%
HDFC Bank Limited	Outstanding amount of loan Rs. 40,47,214/- (2021: Rs 11,39,094/-) is repayable in 60 equated monthly installments of Rs 1,44,810 till October 2022 and Rs. 80,910/- there after. Interest rate 10.50%

15 (b) Lease Liabilities **(Rs. in '000)**

	As at 31 March 2022	As at 31 March 2021
Lease Liability	**25,249**	28,355
Total	**25,249**	28,355

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (CONTD.)

(Rs. in '000)

15 (c) Other financial liabilities

	As at 31 March 2022	As at 31 March 2021
Security deposits	**42,480**	39,389
Total	**42,480**	39,389

16 Employee Benefits Obligations

	As at 31 March 2022	As at 31 March 2021
Provision for Leave Salary	**3,105**	3,461
Provision for gratuity	**9,093**	10,081
Total	**12,198**	13,542

17 Other non-current liabilities

	As at 31 March 2022	As at 31 March 2021
Rent straight lining	**-**	8,841
Income Received in advance	**62,642**	5,142
Deferred Expense Account	**898**	107
Total	**63,540**	14,090

18 Currrent Financial Liabilities

18 (a) Short-term borrowings

	As at 31 March 2022	As at 31 March 2021
Repayable on demand		
Unsecured		
Inter corporate deposits - Others	**60,000**	72,000
Total	**60,000**	72,000

Deposit of Rs. 60,000,000 (31st March, 2021: Rs. 72,000,000) accepted at interest rate of 4% p.a. repayable on demand.

18 (b) Lease Liabilities

	As at 31 March 2022	As at 31 March 2021
Lease Liabilities	**3,106**	2,456
Total	**3,106**	2,456

18 (b) Trade payable

	As at 31 March 2022	As at 31 March 2021
Other than micro and small enterprises	**30,767**	17,710
Micro and small enterprises	**-**	-
Total	**30,767**	17,710

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (CONTD.)

(Rs. in '000)

18 (c) Other financial liabilities

	As at 31 March 2022	As at 31 March 2021
Current maturities of long term borrowings	**22,590**	21,688
Interest accrued but not due on borrowings		
Interest on loan taken	**5,755**	5,678
Employee benefits expense payable		
Bonus Payable	**386**	525
Sundry advances received		
From related party	**645**	645
Others	**10,800**	31,500
Unclaimed dividend	**223**	228
Security deposits received	**-**	-
Total	**40,399**	60,264

19 Short Term Provisions

	As at 31 March 2022	As at 31 March 2021
Provision For Taxation	**-**	38,412
Provision For Employee benefit:		
Provision for leave salary	**1,888**	1,862
Provision for gratuity	**1,455**	2,847
Total	**3,343**	43,121

20 Other current liabilities

	As at 31 March 2022	As at 31 March 2021
Advances from customers- others	**-**	5,855
Deferred Expense Account	**813**	539
Income Received in advance	**74,143**	259,635
Rent straight lining	**-**	558
Statutory dues payable		
Provident fund	**128**	89
ESIC	**3**	3
TDS payable	**1,664**	2,189
Profession tax	**8**	9
VAT / GST	**4,678**	6,647
Total	**81,437**	275,524

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (CONTD.)

(Rs. in '000)

21 Revenue from operations (net)

	As at 31 March 2022	As at 31 March 2021
(a) Sale of products/ film rights		
Own Film/ Content production	**396,917**	104,883
	396,917	104,883
(b) Distribution, Exhibition, Theatrical and Film Production Income		
Distribution and exhibition	**1**	993
Equipment hire income	**1,271**	1,119
	1,272	2,112
(c) Other operating revenue		
Rent and amenities charges	**79,120**	73,196
Business support services	**6,120**	6,120
	85,240	79,316
Total	**483,429**	186,311

22 Other income

	As at 31 March 2022	As at 31 March 2021
Interest income on bank deposits	**3,663**	3,296
Interest income on others	**93,487**	77,972
Other Non Operating Income		
Profit on sale of assets, (net)	**17,863**	3,021
Corporate guarantee Commission income	**1,313**	1,976
Sundry balances written back	**646**	224
Miscellaneous income (net)	**28,149**	25,278
Total other income	**145,121**	111,767

23 Cost of production, distribution, exibition and theatrical operation

	As at 31 March 2022	As at 31 March 2021
	120,392	22,932
Cost of Production of films	**57,597**	2,653
Expenses for old Films		
Total Distributor and producer's share	**177,989**	25,585

24 Employee benefits expense

	As at 31 March 2022	As at 31 March 2021
Salaries and bonus	**35,884**	33,397
Contribution to provident and other funds	**1,509**	1,600
Gratuity expense	**814**	1,614
Staff welfare expenses	**48**	13
Total employee benefit expense	**38,255**	36,624

(i) Defined Contribution Plan

The Company's contributions to Defined Contribution Plans namely Employees Provident Fund and Employee's State Insurance Fund (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952), which are Defined Contribution Plans, are charged to Statement of Profit and Loss on accrual basis. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Amount of Rs. 1,508,982 (Previous year : Rs. 1,574,256) is recognised as expense and included in the above Note 24.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (CONTD.)

(Rs. in '000)

(ii) Post Employment Obligations:

Gratuity : The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and it is recognised by the Income-tax authorities and administered through LIC. Liability for Gratuity is provided on the basis of Valuations, as at Balance Sheet date, carried out by an independent actuary.

The assumptions used for the actuarial valuation are as under:

Particulars	Gratuity	
	31 March 2022	31 March 2021
Discount Rate (per annum)	**6.90%**	6.35%
Salary growth rate	**8.00%**	8.00%

(A) Present Value of Obligation as at Balance Sheet date

Particulars	Gratuity	
	31 March 2022	31 March 2021
Present Value of Obligation as at the beginning	**14,921**	14,343
Interest cost	**794**	759
Current Service Cost	**606**	755
Past Service cost	**-**	-
Total amount recognised in statement of profit and loss	**1,400**	1,514
Re-measurement (or Actuarial) (gain) / loss arising from:		
change in demographic assumption	**-**	-
change in financial assumption	**(489)**	(101)
experience changes	**(285)**	(320)
Total amount recognised in Other Comprehensive Income	**(774)**	(421)
Benefits Paid	**(1,404)**	(515)
Liabilities assumed / (settled)	**-**	-
Present Value of Obligation as at the end	**14,143**	14,921

(B) Changes in the Fair value of Plan Assets

Particulars	Gratuity	
	31 March 2022	31 March 2021
Fair Value of Plan Assets as the beginning	**1,993**	1,656
Interest on plan assets	**20**	13
Total amount recognised in statement of profit and loss	**20**	13
Re-measurement (or Actuarial) gain / (loss) arising from:		
Actual return on plan assets less interest on plan assets	**253**	202
Total amount recognised in Other Comprehensive Income	**253**	202
Employer's contribution	**781**	637
Benefits Paid	**(1,404)**	(515)
Transfer In / (Out)	**1,950**	-
Fair value of plan assets at the end	**3,594**	1,993

(C) Amount recognised in the Balance sheet

Particulars	Gratuity	
	31 March 2022	31 March 2021
Present Value of obligations as at Balance Sheet date	**14,143**	14,921
Fair Value of Plan Assets as at the end of the period	**3,594**	1,993
Net (asset)/ liability recognised as at year end	**10,549**	12,928

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (CONTD.)

(Rs. in '000)

(D) Constitution of Plan Assets

Particulars	Gratuity	
	31 March 2022	31 March 2021
Adminstered by Life insurance Corporation of India	**100%**	100%
Total of the Plan Assets	**100%**	100%

(E) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Partculars		
Defined benefit obligation (base)	**Gratuity**	
As on March 31, 2022	**Decrease**	**Increase**
Discount Rate (- / + 0.5%)	443	-414
(% change compared to base due to sensitivity)	3.13%	-2.93%
Salary Growth Rate (- / + 0.5%)	-294	313
(% change compared to base due to sensitivity)	-2.08%	2.21%

Partculars	**Gratuity**	
Defined benefit obligation (base)		
As on March 31, 2021	**Decrease**	**Increase**
Discount Rate (- / + 0.5%)	541	-502
(% change compared to base due to sensitivity)	3.49%	-3.24%
Salary Growth Rate (- / + 0.5%)	-361	384
(% change compared to base due to sensitivity)	-2.33%	2.48%

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Expected contributions to post employment benefit plan for the year ending March 31, 2022 is Rs. 20 Lakhs (March 31, 2021 : Rs. 20 Lakhs)

(F) Defined benefit liability and employer contributions

The weighted average duration of the Benefit Obligation is 6.72 years

Particulars	Gratuity	
	31 March 2022	31 March 2021
Weighted average duration (based on discounted cashflows)		
Year 1	**5,049**	4,840
Year 2	**187**	998
Year 3	**2,030**	186
Year 4	**1,148**	1,978
Year 5	**348**	1,070
Thereafter	**15,693**	16,831

(iii) Other Long Term Benefit Plans:

Compensated absences : The leave obligations cover the Company's liability for earned leave. The amount of provision of Rs. (330,043) (March 31, 2021: Rs. 15,00,378)

Liability for Leave Obligation is provided on the basis of Valuations, as at Balance Sheet date, carried out by an independent actuary.

(G) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (CONTD.)

(Rs. in '000)

Asset volatility - The plan liabilities are calculated on the basis of the market yields at the valuation date on government bonds for the expected term. If plan assets underperform this yield, this will create a deficit.

Changes in bond yields - A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's assets.

25 Finance costs

	Year ended 31 March 2022	Year ended 31 March 2021
Interest cost on:		
Car loan	**1,801**	2,036
Inter corporate deposits	**86**	78
Others	**1,863**	1,985
Term loan	**51,363**	49,650
Corporate Guarantee Commission expenses	**-**	644
Lease Liability	**3,672**	3,940
Processing cost and other charges	**119**	125
Total Finance Cost	**58,903**	58,458

26 Depreciation and amortisation expense

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation of property, plant and equipment	**17,930.68**	16,858
Depreciation on investment property	**3,382**	3,551
Total Depreciation and amortisation expense	**21,313**	20,409

27 Other expenses

	Year ended 31 March 2022	Year ended 31 March 2021
Power and fuel	**29,978**	28,569
Rent	**4,392**	4,848
Repairs and maintenance	**1,822**	1,670
Insurance	**2,495**	3,236
Rates and taxes	**14,440**	9,335
Legal and professional	**13,866**	9,320
Communication expenses	**498**	492
Travelling and conveyance	**164**	103
Bad debts/ advances/ intangibles under development written-off	**8,077**	1,772
Security charges	**834**	1,261
Business promotion	**879**	653
CSR Activity Expenses	**1,255**	788
Motor vehicle expenses	**1,058**	742
Printing and stationery	**225**	204
Bank charges	**981**	285
Payment to auditor (Refer details below)	**523**	500
Miscellaneous expenses	**4,753**	2,729
Total	**86,238**	66,508

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (CONTD.)

(Rs. in '000)

27 a - Payment to auditor

	Year ended 31 March 2022	Year ended 31 March 2021
Audit Fees	**500**	500
Reimbursement of Expenses	**23**	-
	523	500

28 Income Tax

(A) Income Tax Expense

This note provides an analysis of the Company's income tax expense and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions

Income Tax Expense	31 March 2022	31 March 2021
Current tax		
Current tax on profits for the year	**52,500**	13,000
Total Current Tax Expense	**52,500**	13,000
Deferred Tax		
Decrease (increase) in deferred tax assets	**4,508**	2,723
(Decrease) increase in deferred tax liabilities	**-**	-
Total Deferred Tax Expense	**4,508**	2,723
Income Tax Expense	**57,008**	15,723

(B) Reconciliation of tax expense:

	31 March 2022	31 March 2021
Profit before income tax expense	**245,852**	90,494
Add: Net Disallowances		
Permanent Disallowances	**-**	-
Temporary Disallowances	**2,985**	3,395
Total Taxable Income	**248,837**	93,890
Income Tax Expense	**52,500**	13,000

(C) Amounts Recognised directly in Equity - Nil (31 March 2021 - Nil)

29 Lease disclosure under Ind AS 116 – 'Leases'

Operating lease : Company as lessee

The Company is obligated under non-cancellable leases primarily for office and residential premises which is renewable thereafter as per the terms of the respective agreement.

Lease rent expenses of Rs 4,392,318 (2021: Rs 4,848,135) have been included under 'Rent' in the Statement of profit and loss.

Future minimum rental payable under non-cancellable operating leases are as follows :

Particulars	31 March 2022	31 March 2021
Amounts due within one year	**6,462**	6,154
Amounts due after one year but not later than five years	**32,925**	27,852
Amounts due later than five years	**-**	11,535
	39,387	45,542

Operating lease : Company as lessor

The Company has given office premises on lease which is renewable thereafter as per the terms of the respective agreement

Lease rent income of Rs 37,783,660 (2021: Rs 39,113,152) has been included under 'Rent and amenities charges' in the Statement of profit and loss.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (CONTD.)

(Rs. in '000)

Future minimum rental receivable under non-cancellable operating leases are as follows :

Particulars	31 March 2022	31 March 2021
Amounts due within one year	-	-
Amounts due after one year but not later than five years	-	-
	-	-

The carrying amount of assets is as follows :

Particulars	31 March 2022	31 March 2021
Gross block	172,281	172,281
Accumulated depreciation	57,112	53,730
Net block	115,168	118,550
Depreciation for the year	3,382	3,551

Operating lease : Company as sub-lessor

The Company has subleased part of the office premises taken on lease which is renewable thereafter as per the terms of the respective agreement

Sublease rent income of Rs 41,335,892 (2021: Rs 34,082,658) has been included under 'Rent and amenities charges' in the Statement of profit and loss.

The carrying amount of assets is as follows :

Particulars	31 March 2022	31 March 2021
Gross block	85,536	85,536
Accumulated depreciation	70,005	63,702
Net block	15,531	21,833
Depreciation for the year	6,303	6,303

30 Capitalisation of expenditure

During the year, the Company has capitalised the salaries, wages and bonus amounting to Rs Nil (2021: Rs Nil) to the cost of Fixed asset/ Capital work in progress (CWIP). Consequently, expenses disclosed under note no. 30 are net of amount capitalised by the Company.

31 Earnings per equity share:

	Year ended 31 March 2022	Year ended 31 March 2021
Net (loss)/ profit after tax attributable to shareholders	206,880	70,432
Weighted average number of equity shares outstanding during the year for basic EPS	22,581,200	22,581,200
Weighted average number of equity shares outstanding during the year for dilutive EPS	22,581,200	22,581,200
Basic EPS	0.01	0.00
Dilutive EPS	0.01	0.00
Nominal value per share	5	5

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (CONTD.)

(Rs. in '000)

32 Fair value measurement

The carrying value/ Fair value of the Financial instruments by category

	31 March 2022			31 March 2021		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Other Financial Assets	-	-	448,049	-	-	443,733
Trade Receiveables	-	-	145,953	-	-	191,874
Cash and cash equivalents	-	-	12,580	-	-	57,529
Loans	-	-	1,113,051	-	-	940,662
Investment	286,096	-	-	267,828	-	-
Othe bank balance			65,897			47,927
Total financial assets	**286,096**	**-**	**1,785,530**	267,828	-	1,681,725
Financial liabilities						
Borrowings	-	-	511,189	-	-	538,949
Trade Payables	-	-	30,767	-	-	17,710
Other Financial Liabilities	-	-	82,879	-	-	99,653
Total financial liabilities	**-**	**-**	**624,835**	-	-	656,312

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair value of financial instruments that are (a) recognised and measured at fair value (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three level prescribed under the accounting standard. An explanation each level follows underneath the table.

Financial instruments measured at Fair value

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices, for example listed equity instruments, traded bonds and mutual funds that have quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques that maximise 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.

There are no recurring fair value measurements for any financial instruments as at March 31, 2021 and March 31, 2022.

(ii) Fair value of financial assets measured at amortised cost

	Level	31 March 2022		31 March 2021	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets					
Other Financial Assets	Level 2	158,280	448,049	171,881	443,733
Trade Receiveables	Level 2	145,953	145,953	191,874	191,874
Cash and cash equivalents	Level 2	12,580	12,580	57,529	57,529
Loans	Level 2	424,698	1,113,051	424,004	940,662
Investments	Level 2	251,396	286,096	233,128	267,828
Financial liabilities					
Borrowings	Level 2	511,189	511,189	538,949	538,949
Trade Payables	Level 2	30,767	30,767	17,710	17,710
Other Financial Liabilities	Level 2	82,879	82,879	99,653	99,653

The carrying amounts of trade receivables, cash and cash equivalents, loan to employees, interest accrued on fixed deposits, receivables from related party, unbilled revenue, other receivables, current maturity of borrowing, bank overdraft, book overdraft, interest accrued on borrowings, payable to related parties, capital creditors, trade payables and other financial liabilities are considered to be the same as fair values, due to their short term nature.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (CONTD.)

(Rs. in '000)

33 Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the Company is exposed to and how it manages those risks.

(A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including cash and cash equivalents and deposits with banks.

(i) Credit risk management

(a) Trade receivable related credit risk

The Company evaluates the concentration of risk with respect to trade receivables as low. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.The Company provides for expected credit loss on trade receivables based on expected credit loss method**.** Each outstanding customer receivables are regularly monitored and if outstanding is above due date the further shipments are controlled and can only be released if there is a proper justification.

Reconciliation of loss allowance provision

	Amount
Loss allowance on April 1, 2020	7,178
Written-off	-
Provision for allowances	1,501
Loss allowance on March 31, 2021	**8,679**
Written-off	
Provision for allowances	(5,009)
Loss allowance on March 31, 2022	**3,670**

(b) Others Financial Asset

Credit risk from balances with banks is managed by Company in accordance with the Company policy. The other financial assets are from various forum of Government authorities and are released by Government authorities on completion of relevant terms and conditions for the release of outstanding.

(B) Liquidity risk

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows on daily, monthly and yearly basis. The Company ensures that there is a free credit limit available at the start of the year which is sufficient for repayments getting due in the ensuing year. Loan arrangements, credit limits with various banks including working capital and monitoring of operational and working capital issues are always kept in mind for better liquidity management

(i) Financing arrangements

The Company did not had any undrawn borrowing facilities at the end of the reporting period:

(i) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

The amounts disclosed in the table are the contractual cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	Less than 1 year	More than 1 year	Total
as at March 31, 2022			
Borrowings	60,000	451,189	511,189
Trade payables	30,767	-	30,767
Other financial liabilities	40,399	42,480	82,879
Total liabilities	131,166	493,669	624,835

(Rs. in '000)

Contractual maturities of financial liabilities	Less than 1 year	More than 1 year	Total
as at March 31, 2021			
Borrowings	72,000	466,949	538,949
Trade payables	17,710	-	17,710
Other financial liabilities	60,264	39,389	99,653
Total liabilities	149,974	506,338	656,312

Contractual maturities of financial Assets	Less than 1 year	More than 1 year	Total
as at March 31, 2022			
Trade Receivables	145,953	-	145,953
Cash & bank balance	12,580	-	12,580
Other bank Balance	65,897	-	65,897
Loans	738,645	374,406	1,113,051
Investments	-	286,096	286,096
Other finacial assets	67,831	380,218	448,049
Total Assets	1,030,906	1,040,720	2,071,626

Contractual maturities of financial Assets	Less than 1 year	More than 1 year	Total
as at March 31, 2021			
Trade Receivables	191,874	-	191,874
Cash & bank balance	57,529	-	57,529
Other bank Balance	47,927	-	47,927
Loans	566,256	374,406	940,662
Investments	-	267,828	267,828
Other finacial assets	69,260	374,473	443,733
Total Assets	932,846	1,016,707	1,949,553

(C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of two types of risks – interest rate risk & currency risk. Financial instrument affected by market risks includes loans and borrowings, deposits and other financials assets.

The Company has designed risk management frame work to control various risks effectively to achieve the business objectives. This includes identification of risk, its assessment, control and monitoring at timely intervals.

(i) Foreign currency risk

The Indian Rupee is the Company's functional and reporting currency. The Company has limited foreign currency exposure which are mainly in cash. Foreign currency transaction exposures arising on internal and external trade flows are not material and therefore not hedged. Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. This is the risk that the Company may suffer losses as a result of adverse exchange rate movement during the relevant period.

The carrying amounts of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the year, which are not hedged are as follows

Financial Assets	31 March 2022 (BHD)	31 March 2021 (BHD)
Investment in shares	**150,000**	50,000
Loans	**633,993**	596,093
Receivable	**132,904**	184,877

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in BHD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives.The Company's exposure to foreign currency changes for all other currencies is not material.

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(Rs. in '000)

Particulars	Currency	Change in rate	Net effect on profit before tax (Increamental amount)
31 March 2022	**BHD**	**+5%**	**45,845**
	BHD	**-5%**	**(45,845)**
31 March 2021	**BHD**	**+5%**	41,548
	BHD	**-5%**	(41,548)

(ii) Interest rate risk exposure

The Company manages interest rate risk by having a balanced portfolio of fixed and variable rate of interest on loans and borrowings. To manage this, Company has issued fixed rate bonds and loans taken from banks are linked to MCLR rate of the bank, which are variable. The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows

Below are borrowings excluding debt component of compound financial instruments and including current maturity of non current borrowings:

	31 March 2022	31 March 2021
Variable rate borrowings	**-**	-
Fixed rate borrowings	**533,780**	560,637
Total Borrowing	**533,780**	560,637

As at the end of the reporting period, the entity did not had any variable rate borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Currency	Increase / decrease in basis points	Effect on profit before tax
31 March 2022	**INR**	**+50**	**266**
	INR	**-50**	**(266)**
31 March 2021	**INR**	**+50**	258
	INR	**-50**	(258)

The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings.

34 Capital management

For the purpose of the Company's capital management, equity includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.The Company's Capital Management objectives are to maintain equity including all reserves to protect economic viability and to finance any growth opportunities that may be available in future so as to maximize shareholders' value. The Company is monitoring capital using debt equity ratio as its base, which is debt to equity. The company's policy is to keep debt equity ratio below three and infuse capital if and when required through issue of new shares and/or better operational results and efficient working capital management. In order to achieve the aforesaid objectives, the Company has not sanctioned any major capex on new expansion projects in last two to three years There is constant endeavour to reduce debt as much as feasible and practical by improving operational and working capital management.

Particulars	**31 March 2022**	31 March 2021
Net debt	**539,535**	566,316
Total equity attributable to owners	**1,695,232**	1,478,970
Net Debt to equity ratio	**32%**	38%

Risk management

The Company's objective when managing capital are to:

(i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

(ii) Maintain an optimal capital structure to reduce the cost of capital

The Company currently has loans from holding company and banks.

(i) Loan covenants:

Under the terms of its major borrowing facilities, the Company is required to comply with the following financial covenants:

- all collections should be routed through the bank of the provider of the facility.

The Company has complied with the covenants throughout the reporting period. As at 31 March 2022.

36 Related party disclosures

Details of related parties including summary of transactions entered into by the Company during the year ended 31 March 2022 are summarized below:

A) Parties where control exists

(i) Shareholders holding more than 20%

• Subhash Ghai

(ii) Subsidiary companies

• Whistling Woods International Limited
• Connect.1 Limited
• Mukta Tele Media Limited
• Mukta Creative Venture Ltd (Formerly known as Coruscant Tec Private Limited)
• Mukta A2 Cinemas Limited
• Mukta A2 Multiplex WLL

(iii) Joint Venture

• Mukta VN Films Limited

(iv) Step Down Subsidiary Company

• Whistling Woods International Education Foundation

(v) Key management personnel and relatives of such personnel

• Subhash Ghai - Chairman Director (and shareholder)
• Parvez Farooqui - Non-Executive Director (and shareholder)
• Rahul Puri - Managing Director
• Mukta Ghai - Wife of Subhash Ghai (and shareholder)
• Ashok Ghai - Brother of Subhash Ghai
• Siraj Farooqui - Brother of Parvez Farooqui
• Sameer Farooqui - Brother of Parvez Farooqui
• Sajid Farooqui - Brother of Parvez Farooqui
• Meghna Ghai Puri - Daughter of Subhash Ghai (and shareholder)

(v) Enterprise over which key management personnel have control/ substantial interest/ significant influence

• Mukta Arts – Proprietary concern of Subhash Ghai
• Mukta Tele Arts Private Limited – Enterprise in which Subhash Ghai exercises significant influence

B Transactions with related parties for the year ended 31 March 2022 are as follows:- **(Rs. in '000)**

Transactions	Subsidiary companies		Key Management Personnel and relatives of such personnel		Enterprises over which key management personnel have control/ substantial interest/ significant influence	
	2022	2021	**2022**	2021	**2022**	2021
Rendering of services - Sale of products						
Mukta A2 Cinemas Ltd - Rent & Maintenance Charges	**1,409**	1,409	-	-	-	-
Whistling Woods International Ltd - Rent & Maintenance Charges	**8,287**	7,973	-	-	-	-
Mukta VN Films Limited	-	-	-	-	**6,120**	6,120
Receiving of services						
Ashok Ghai - Professional fees paid	-	-	**2,726**	2,319	-	-
Connect. 1 Limited - Rent	-	240	-	-	-	-
Mukta Tele Media Ltd	-	300	-	-		
Mukta Arts - Rent	-	-	-	-	-	60

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (CONTD.)

(Rs. in '000)

Transactions	Subsidiary companies		Key Management Personnel and relatives of such personnel		Enterprises over which key management personnel have control/ substantial interest/ significant influence	
	2022	2021	**2022**	2021	**2022**	2021
Interest income						
Whistling Woods International Limited	**22,286**	23,066	-	-	-	-
Mukta Tele Media Limited	**32**	409	-	-	-	-
Connect.1 Limited	**168**	1,654	-	-	-	-
Mukta A2 Multiplex WLL	**6,688**	6,077	-	-	-	-
Mukta A2 Cinemas Ltd	**45,154**	27,974	-	-	-	-
Mukta VN Films Limited	**-**	-	-	-	**1,262**	-
Corporate Gurantee Commision income						
Mukta A2 Cinemas Ltd	**976**	1,301				
Interest expenses						
Mukta Creative Venture Ltd	**86**	78	-	-	-	-
Rent expenses						
Subhash Ghai	**-**	-	**2,400**	2,400	-	-
Salaries and other benefit						
Siraj Farooqui	**-**	-	**2,914**	2,397	-	-
Sameer Farooqui	**-**	-	**887**	725	-	-
Managerial remuneration						
Subhash Ghai	**-**	-	**5,061**	5,175	-	-
Subhash Ghai - Film Director fees	**-**	-	**16,000**	-	-	-
Rahul Puri	**-**	-	**3,491**	3,094	-	-
Reimbursement of expenses received by the Company						
Whistling Woods International Limited	**437**	331	-	-	-	-
Mukta VN Films Limited	**-**	-	-	-	**747**	9,990
Mukta A2 Cinemas Ltd	**7,409**	266				
Reimbursement of expenses paid by the Company						
Mukta A2 Cinemas Ltd	**2,345**	-	-	-	-	-
Loan given during the year						
Mukta A2 Multiplex WLL	**7,485**	10,105	-	-	-	-
Mukta A2 Cinemas Ltd	**144,300**	193,500	-	-	-	-
Whistling Woods International Limited	**-**	35,000	-	-	-	-
Loan repaid during the year						
Whistling Woods International Limited	**-**	10,000	-	-	-	-
Advances given during the year						
Mukta Tele Media Ltd	**95**	475				
Connect.1 Ltd	**341**	2,591	-	-	-	-
Mukta VN Films Ltd	**-**	-	-	-	**20,000**	-
Advances repaid during the year						
Mukta Tele Media Ltd	**-**	3,878	-	-	-	-
Connect.1 Ltd	**1,886**	15,744	-	-	-	-
Loan receivable						
Whistling Woods International Limited	**202,600**	202,600	-	-	-	-
Mukta A2 Multiplex WLL	**114,150**	106,665	-	-	-	-
Mukta A2 Cinemas Ltd	**552,500**	408,200	-	-	-	-
Amount receivable						

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (CONTD.)

(Rs. in '000)

Transactions	Subsidiary companies		Key Management Personnel and relatives of such personnel		Enterprises over which key management personnel have control/ substantial interest/ significant influence	
	2022	2021	**2022**	2021	**2022**	2021
Whistling Woods International Limited	**763**	919	-	-	-	-
Mukta A2 Cinemas Ltd	**94,638**	47,911	-	-	-	-
Mukta VN Films Ltd	-	-	-	-	**5,057**	8,508
Interest receivable						
Whistling Woods International Limited	**1,704**	1,794	-	-	-	-
Payables						
Siraj Farooqui	-	-	-	199	-	-
Sameer Farooqui	-	-	-	62	-	-
Subhash Ghai	-	-	**1,422**	290	-	-
Rahul Puri	-	-	-	194	-	-
Advances receivable						
Mukta Tele Media Ltd	**344**	250	-	-	-	-
Connect.1 Limited	-	1,545	-	-	-	-
Advances payable						
Mukta Creative Venture Ltd	**932**	855	-	-	-	-
Security given towards loan (Mortgage of immovable property)						
Mukta VN Films Limited	-	-	-	-	-	40000
Letter of support to Whistling Woods International Limited						

37 **Disclosure as per Clause 32 of the Listing agreement**

Name of the Company		Balance as at		Maximum outstanding during the year	
		2022	2021	**2022**	2021
(a)	**Particulars in respect of loans and advances in the nature of loans to subsidiary/ associate companies**				
	- Whistling Woods International Limited	**202,600**	202,600	**202,600**	202,600
	- Mukta Tele Media Ltd	**344**	250	**3,749**	3,749
	- Mukta A2 Multiplex WLL	**114,150**	106,665	**114,150**	106,665
	- Mukta A2 Cinemas Ltd	**552,500**	408,200	**552,500**	408,200
	- Mukta VN Films Ltd	**20,000**	-	**20,000**	-
(b)	**Particulars of Loans and advances to Companies in which director (s) is a Director or member:**				
	None	**-**	-	-	-
(c)	**Particulars in respect of loans and deposits to subsidiary / associate companies where there is no repayment schedule**				
	- Whistling Woods International Limited	**202,600**	202,600	**202,600**	202,600
	- Mukta Tele Media Limited	**344**	250	**3,749**	3,749
	-Mukta A2 Multiplex WLL	**114,150**	106,665	**114,150**	106,665
	- Mukta A2 Cinemas Ltd	**552,500**	408,200	**552,500**	408,200
	- Mukta VN Films Ltd	**20,000**	408,200	**20,000**	408,200

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (CONTD.)

38 Commitments

Estimated amounts of contracts remaining to be executed on capital account and not provided for aggregate to Rs Nil (31 March 2021: Rs Nil).

39 Contingent liabilities **(Rs. in '000)**

		31 March 2022	31 March 2021
a)	Service tax liability in appeal (note 1)	**1,675**	1,675
b)	Corporate guarantee given by the Company on behalf of its joint venture	**-**	40,000
c)	Corporate guarantee given by the Company against a loan facility taken by its subsidiary company Mukta A2 Cinemas Ltd.	**69,900**	57,823
d)	Support letter provided to Whistling Woods International Limited, a subsidiary of the Company and to Mukta VN Films Limited.		

Notes

1) Unless specified, the amounts are excluding penalty and interest, if any, that would be levied at the time of final conclusion.

2) The Company is party to various legal proceedings in the normal course of business and does not expect the outcome of these proceedings to have any adverse effect on the financial conditions, results of operations or cash flows.

3) In addition, the Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability, where applicable in its financial statements. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect of the Company's results of operations or financial condition.

4) The Company has availed the benefit of payment of customs duty and other duties at a concessional rate on import of capital goods, under the Export Promotion Capital Goods ('EPCG') Scheme, against fulfillment of export commitment over eight years from the date of issue of the license. The Company's bankers have provided guarantees amounting to Rs 18,750,362 (31 March 2021: Rs 18,125,007) to the Customs and other statutory authorities, on behalf of the Company, towards fulfilment of these commitments. The Company believes that the export commitment obligations will be fulfilled and accordingly does not expect any custom and other duties, penalty or interest to be levied with respect to non-fulfillment of the terms and conditions of the EPCG scheme.

40 Expenditure in foreign currency (on accrual basis)

During the year, no expenditure incurred in foreign currency.

41 Earnings in foreign exchange (on accrual basis)

Earnings in foreign currency for the year ended 31 March 2022 is Rs. Nil (31 March 2021 Rs Nil).

42 Public Interest Litigations ('PIL') had been filed alleging that the Maharashtra Film, Stage and Cultural Development Corporation Limited ('MFSCDCL') had not followed proper procedure while entering into a Joint Venture Agreement ('JVA') with the Company and in the subsequent allotment of 20 acres of land to the said joint venture, Whistling Woods International Limited ('WWI'), a subsidiary of the Company. During the year 2011-2012, pursuant to the Order of the Hon'ble High Court of Judicature at Bombay ('High Court') dated 9 February 2012, inter-alia, the JVA with MFSCDCL was quashed / rendered cancelled, WWI was ordered to return the land to MFSCDCL and pay rent (and interest on arrears) retrospectively on the entire land since the date of the JVA. Of the total land admeasuring 20 acres, 14.5 acres vacant unused land was handed over to MFSCDCL on 18 April 2012 and the balance was to be handed over on or before 31 July 2014. Pending discussion and / or agreement with MFSCDCL and / or clarifications to be sought from the concerned parties, no adjustments have been made to the Share Capital structure of WWI and the carrying value of the land rights in its books of account. However, in terms of the Order of the High Court, the said amount together with future rent till the date of vacation of the premises is adjustable against the market price of the Institute building of WWI on the said land. The valuation is to be carried out by an expert valuer to be appointed by the Government. During the year 2013-2014, the PWD Engineer has given his valuation report based on the Balance Sheet of WWI as at 31 March 2011. Further, the Company made an application to the Government of Maharashtra in February 2013 to appoint expert valuers to determine the market price. WWI's petition for special leave to file appeal with the Supreme Court of India was dismissed. However, the Company and WWI filed review petitions with the High Court. In terms of Order dated 9 February 2012 passed by the High Court, MFSCDC raised net demand of Rs. 591,966,210 and asked WWI to vacate the premises. The Company's and WWI's Review Petitions were heard by High Court and a stay was granted on 30 July 2014. The High Court ordered the Company / WWI to pay arrears of rent for the years 2000-2001 to 2013-2014 aggregating to Rs 100,038,000 by January 2015 and to pay rent of Rs 4,500,000 per annum from the financial year 2014-2015. As per the terms of the said Order, till 31 March 2022 Rs 113,538,000 has been paid by the Company and Rs 18,000,000 has been paid by WWIL. The State Government of Maharashtra and MFSCDCL challenged the Order of the Bombay High Court in the Supreme Court which was dismissed by the court on 22nd September 2014 with recourse to the State Government of Maharashtra to make an application to the

High Court. Pending final disposal of the review petitions and valuation of the building, and in view of the future plans for WWI which are being evaluated, management believes that the Company's investments in WWI aggregating Rs 399,511,218 and amounts due therefrom aggregating Rs 441,290,157 are good and recoverable as management is hopeful of reliefs based on the issues involved and on merits of the case, as also of a high valuation of the building. The amounts so paid/ being paid by the Company have been treated as Deposits in the standalone financial statements to be adjusted on the settlement of the case.

43 Disclosure pursuant to Section 186 of the Companies Act, 2013

a) Details of loan given:

Name of the the entity and relation with the Company, if applicable	**Terms and conditions of the loan and purpose for which it will be utilised**
Whistling Woods International Limited, subsidiary of the Company	Unsecured loan given @11% for the purpose of financial support to subsidiary which is repayable on mutual consent.
Mukta Tele Media Ltd, subsidiary of the Company	Unsecured loan given @11% for the purpose of financial support to subsidiary which is repayable on mutual consent
Connect. Ltd, subsidiary of the Company	Unsecured loan given @11% for the purpose of financial support to subsidiary which is repayable on mutual consent
Mukta A2 Multiplex WLL, subsidiary of the Company	Unsecured loan given @6% for the purpose of financial support to subsidiary which is repayable on mutual consent.
Mukta A2 Cinemas Limited, subsidiary of the Company	Unsecured loan given @10% till December 2020 and @9% from 1st January 2021 for the purpose of financial support to subsidiary which is repayable on mutual consent

Movement of loan during the finanical years ended 31 March 2022 and 31 March 2021 is given below:

(Rs. in '000)

Name of Party	**Financial year**	**Opening balance (excluding accrued interest)**	**Loan given**	**Loan repaid/ Adjustment**	**Closing balance (excluding accrued interest)**
Whistling Woods International Limited, subsidiary of the Company	Year ended 31 March 2022	202,600	-	-	202,600
	Year ended 31 March 2021	177,600	35,000	10,000	202,600
Mukta Tele Media Ltd	Year ended 31 March 2022	250	95	-	344
	Year ended 31 March 2021	3,652	475	3,878	250
Mukta A2 Cinemas Ltd, subsidiary of the Company	Year ended 31 March 2022	408,200	144,300	-	552,500
	Year ended 31 March 2021	214,700	193,500	-	408,200
Mukta A2 Multiplex WLL, subsidiary of the Company	Year ended 31 March 2022	106,665	7,485	-	114,150
	Year ended 31 March 2021	96,560	10,105	-	106,665
Om Films Private Limited	Year ended 31 March 2022	17,600	-	-	17,600
	Year ended 31 March 2021	17,600	-	-	17,600

b) Details of guarantee/security given:

The Company has provided security during the year by way of exclusive charge on mortgage of immovable property of the Company of Rs. Nil (2021 : Rs 1,257,041) for the overdraft facility availed by Mukta V N Films Limited, a joint venture company, as at 31 March 2022. The overdraft limit as per the arrangement is Rs 20,000,000 (31 March 2021: Rs 40,000,000). The subsidiary has accounted for book overdraft amounting to Rs Nil as on 31 March 2022. The overdraft facility is being utilised by the subsidiary for its business.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (CONTD.)

44 Disclosure of Ratios **(Rs. in '000)**

Particulars	As at March 31, 2022	As at March 31, 2021	% of Variance	Reason for variance for more than 25%
i) **Debt Equity ratio - [no. of times]** Total debt/ Total equity	**0.32**	0.38	**(17)**	
ii) **Debt service coverage ratio ('DSCR') - [no. of times]** EBITDA / (Interest expenses** + Principal repayments of long term borrowings due within 12 months from the balance sheet date)	**4.00**	2.11	**89**	Due to increase in EBITDA for the year 2021-22.
iii) **Current ratio [no. of times]** (Total current assets - Derivatives financial assets) / (Total current liabilities - Short term borrowings****)	**6.75**	2.44	**177**	Due to increase in current assets and decrease in current liabilities.
iv) **Trade receivables turnover ratio (times)** (Sale of services/ Closing trade receivables)	**3.31**	0.97	**241**	Due to increase in sales during FY 2021-22.
v) **Net profit/(loss) margin [%][2]** Profit/(Loss) after tax / Revenue from operations	**0.43**	0.37	**14**	
vi) **Return on Equity Ratio [%][3]** Profit/(Loss) after tax / Total equity	**0.12**	0.05	**157**	Due to increase in profit for the year 2021-22
vii) **Net Capital Turnover Ratio [no. of times][4]** (Total revenue from operations / (Total current asset- Derivative financial asset)- (Total current liability- Short term borrowings****))	**0.53**	0.32	**63**	Due to increase in revenue and decrease in current liabilities.
viii) **Return on Capital Employed Ratio [%]** {Earnings before Interest & Taxes (EBIT)}***** / Total Capital Employed******)	**0.14**	0.08	**79**	Due to increase in EBIT for the year 2021-22.
ix) **Return on Investment [%]** (Current market value of Investment - Cost of investment)/Cost of investment	**-**	-		
x) **Trade payables turnover - [no. of times]** Total expenses less depreciation / Closing Trade payables	**11.75**	10.57	**11**	

** Interest expenses exclude notional interest and other finance charges.

*** Total debt represents Total borrowings + Interest accrued but not due.

****Short term borrowings represents current borrowings including current maturities of long term debt + Interest accrued but not due.

*****Earning before interest and taxes (EBIT) = EBT+ Interest)

******Total Capital employed represents Tangible net worth + total debt + deferred tax liability.

45 The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed that there are no long-term contracts including derivative contracts for which there were any material foreseeable losses.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (CONTD.)

46 Pursuant to the provisions of the Companies Act, 2013 read with Investor Education Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, the shares pertaining to which dividend remains unclaimed/ unpaid for a period of seven years from the date of transfer to unpaid dividend account are mandatorily required to be transferred to the Investor Education and Protection Fund ('IEPF') established by the Central Government.

Accordingly, during the year, the Company has transferred to the IEPF an amount of Rs. Nil (2021 : Rs. 38,214) on account of unclaimed dividend and Nil (2021 : 17,538) shares to which this dividend relates.

47 Other information

Information with regard to other matters specified in Schedule III to the Act is either nil or not applicable to the Company for the year/period.

48 Prior period comparatives

The figures for the previous year have been reentityed/ rearranged as necessary to conform to the current year's presentation.

As per our report of even date.

For **Uttam Abuwala Ghosh & Associates**
Chartered Accountants
Firm's Registration No: 111184W

For and on behalf of the Board of Directors of
Mukta Arts Limited
CIN: L92110MH1982PLC028180

CA Subhash Jhunjhunwala
Partner
Membership No: 016331

Subhash Ghai
Chairman Director
DIN: 00019803

Rahul Puri
Managing Director
DIN: 01925045

Parvez A. Farooqui
Director
DIN: 00019853

Place : Mumbai
Date: 17 May 2022

Prabuddha Dasgupta
Chief Financial Officer

Monika Shah
Company Secretary
Membership No: FCS7964

Independent Auditor's Report on Consolidated Financial Results

To

The Board of Directors Mukta Arts Limited

Report on the Audit of the Consolidated Annual Financial Statement

Qualified Opinion:

We have audited the accompanying consolidated annual financial results of Mukta Arts Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its Joint Ventures for the year ended 31 March 2022, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulation').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements of the subsidiaries and joint venture, except the possible effects of the matters described in "Basis for Qualified Opinion" Para below, the aforesaid consolidated annual financial results:

a) include the annual financial results of the following entities

i. Subsidiaries:

1. Mukta Creative Ventures Limited
2. Whistling Woods International Limited
3. Mukta A2 Cinemas Limited
4. Mukta Tele Media Limited
5. Connect.1 Limited
6. Mukta A2 Multiplex WLL (incorporated in Bahrain)
7. Whistling Woods International Education Foundation (100% Subsidiary of Whistling Woods International Limited)

ii. Joint Ventures:

1. Mukta VN Films Limited

b) are presented in accordance with requirements of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 as amended; and

c) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, of the consolidated net loss, total comprehensive income (loss) and other financial information of the group and its joint venture, for the year ended March 31, 2022.

Basis for Qualified Opinion:

1. As at March 31, 2022, 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. 64,12,90,157/- recoverable from WWIL. As fully explained in Note 44 to the accompanying audited 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 Holding Company and for financial year 2017-18 to 2021-22 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 Consolidated 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 March 31, 2022. 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.

2. 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 periods beginning on or after April 1, 2019. Pending final outcome of the matter under litigation as mentioned above, no adjustment has been made in WWIL's Financial Statements with respect to Ind AS 116 on the land rights.

Emphasis of Matter

1. We draw attention to Note no. 42 of the consolidated financial statements for the year ended 31st March, 2022 wherein the group has reported on the impact of COVID-19 Pandemic on the operations of the company. 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 company.
2. During the year ended March 31, 2022, Mukta A2 Cinemas Ltd (Subsidiary) has incurred loss before tax (including other comprehensive income) of Rs 14,68,57,461/- and has accumulated losses of Rs. 54,21,50,313/- as on March 31, 2022. Further the company's net worth has been fully eroded and there is a deficit of Rs. 52,71,50,313/- in the shareholder's equity as on March 31, 2022. 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, management believes that it is appropriate to prepare financial statements on a going concern basis.
3. There is an emphasis of matter with regards to the financial statements of Mukta A2 Multiplex WLL on account of deficit in the Shareholder's Equity and the company's current liability exceeding its current assets as on March 31, 2022. These conditions indicate the existence of material uncertainty which may cast a significant doubt about the Company's ability to continue as a going concern.

Our report is not modified in respect of these matters.

Management's Responsibility for the audit of the Financial Statements:

These Consolidated annual financial results have been prepared on the basis of the Consolidated annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these Consolidated annual financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated annual financial results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results

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

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

Independent Auditors' Report (Continued)

- Identify and assess the risks of material misstatement of the Consolidated annual financial results, 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 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 control 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 through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements 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 in the financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors 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 appropriateness of this assumption. 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 Consolidated annual financial results 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 Consolidated annual financial results, including the disclosures, and whether the Consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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.

Other Matter

(a) The Statement include the audited financial results of six subsidiary whose financial statements reflect total assets of Rs. 68,66,32,497/- as at 31 March 2022, total revenue of Rs. 60,17,44,748/- and total net profit after tax of Rs.63,40,814/- for the year ended 31 March 2022 and for the period from 1 April 2021 to 31 March 2022 respectively, as considered in the Statement, which have been audited by its independent auditors. The independent auditors' report on the financial statements/results of this entity have been furnished to us and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this entity, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

(b) We did not audit the financial statements / financial information of one Joint Venture, for the year ended 31st March, 2022, as considered in the consolidated financial statements of Mukta Arts Limited. The consolidated financial statements also include the Group's share of net loss of Rs. 35,56,436/- for the year ended 31st March, 2022, as considered in the consolidated financial statements. These financial statements / financial information are yet to be audited and the Independent Audited Report have not been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the same is solely based upon the management certified Financial Statements provided to us, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid Joint Venture, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, this financial statements / financial information is not material to the Group.

Our opinion on the statements is not modified in respect of above matters.

Independent Auditors' Report (Continued)

(c) We report that the figures for the quarter ended March 31, 2022 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2022 and the published unaudited year-to-date figures up to December 31, 2021 being the date of the end of the third quarter of the current financial year, which were subjected to a limited review by us.

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

CA Subhash Jhunjhunwala
Partner
Membership No.: 016331
UDIN: 22016331AJCCZW7267

Date: May 17, 2022
Place: Mumbai

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2022

(Rs. in '000)

	Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
I.	**ASSETS**			
	Non-current assets			
	(a) Property, plant and equipment	6 (a)	**677,602**	665,439
	(a) Right of use Asset	6 (d)	**433,583**	235,265
	(b) Capital work-in-progress	6(b)	**18,814**	46,071
	(c) Investment property	7	**132,596**	139,688
	(d) Intangible assets	6 (c)	**55,619**	96,275
	(e) Intangible Assets under Development	6 (e)	**47,848**	82,348
	(f) Financial assets			
	(i) Investments	8 (a)	**40,631**	35,872
	(ii) Others financial assets	8 (b)	**220,118**	223,190
	(g) Deferred tax assets (net)	9	**24,904**	26,709
	(h) Other non-current assets	10	**108,303**	131,839
	Total Non-current assets		**1,760,020**	1,682,695
	Current assets			
	(a) Inventories	11	**9,446**	7,587
	(b) Financial assets			
	(i) Current investments	12 (a)	**20,012**	-
	(ii) Trade receivables	12 (b)	**112,093**	207,391
	(iii) Cash and cash equivalents	12 (c)	**92,930**	140,142
	(iv) Bank balances other than (iii) above	12 (d)	**70,961**	47,927
	(v) Loans	12 (e)	**152,257**	126,369
	(vi) Others financial assets	12 (f)	**90,210**	82,164
	(c) Other current assets	13	**183,160**	143,508
	Total Current assets		**731,070**	755,089
	Total Assets		**2,491,089**	2,437,784
II.	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity Share capital	14	**112,926**	112,926
	(b) Other Equity	15	**(67,302)**	(144,355)
	Equity attributable to the owner of the Company		**45,624**	(31,429)
	Non Controlling Interest		**50,605**	40,837
	Total Equity		**96,229**	9,408
	Liabilities			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	16 (a)	**557,774**	559,140
	(ii) Lease liabilities	16 (b)	**420,352**	203,545
	(ii) Other financial liabilities	16 (c)	**122,579**	175,507
	(b) Long Term Provisions	17	**50,549**	51,483
	(c) Other non-current liabilities	18	**67,209**	20,603
	Total Non-Current Liabilities		**1,218,463**	1,010,279
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	19 (a)	**79,524**	113,489
	(ii) Lease liabilities	19 (b)	**71,602**	90,517
	(ii) Trade payables	19 (c)	**300,103**	283,431
	(iii) Other financial liabilities	19 (d)	**183,438**	265,148
	(b) Other current liabilities	20	**430,943**	565,086
	(c) Short Term Provisions	21	**110,786**	100,426
	Total Current liabilities		**1,176,397**	1,418,098
	Total Equity and Liabilities		**2,491,089**	2,437,784

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

As per our report of even date.

For **Uttam Abuwala Ghosh & Associates**
Chartered Accountants
Firm's Registration No: 111184W

CA Subhash Jhunjhunwala
Partner
Membership No: 016331

Place : Mumbai
Date: 17 May 2022

For and on behalf of the Board of Directors of
Mukta Arts Limited
CIN: L92110MH1982PLC028180

Subhash Ghai
Chairman Director
DIN: 00019803

Rahul Puri
Managing Director
DIN: 01925045

Parvez A. Farooqui
Director
DIN: 00019853

Prabuddha Dasgupta
Chief Financial Officer

Monika Shah
Company Secretary
Membership No: FCS7964

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

(Rs. in '000)

		Notes	As at 31-Mar-2022	As at 31-Mar-2021
(I)	Revenue from operations	22	**1,317,327**	728,853
(II)	Other income	23	**214,980**	148,021
(III)	**Total Income (I+II)**		**1,532,307**	876,873
(IV)	**Expenses**			
	(a) Changes in inventory of food & beverages	24	**(1,662)**	3,213
	(b) Purchase of food & beverages		**20,936**	6,470
	(c) Cost of production, distribution, exibition and theatrical operation	25	**311,899**	44,015
	(d) Other direct operation expenses	26	**8,511**	5,971
	(e) Employee benefits expense	27	**234,055**	210,842
	(f) Finance costs (net)	28	**124,047**	136,834
	(g) Depreciation and amortisation expenses	29	**177,405**	191,949
	(h) Other expenses	30	**552,242**	385,563
	Total Expenses		**1,427,433**	984,857
(V)	**Profit/(Loss) before share in joint venture and tax (III - IV)**		**104,873**	(107,983)
(VI)	Share in Joint Venture		**(3,556)**	(4,761)
(VII)	**Profit/(Loss) before tax (V + VI)**		**101,317**	(112,744)
	Tax expense			
	Current tax		**54,332**	17,980
	Deferred tax		**1,804**	(7,708)
	Taxes for earlier years		**(17,022)**	-
(VIII)	**Profit/(Loss) for the year**		**62,202**	(123,016)
(IX)	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	Less : Remeasurement gain on defined benefit plan		**3,308**	(448)
	Other comprehensive income for the year		**3,308**	(448)
(X)	**Total comprehensive income for the year (VII+VIII)**		**65,510**	(123,464)
	Profit/(Loss) is attributable to :			
	Owners		**62,202**	(123,016)
	Non Controlling Interest		**-**	-
			62,202	(123,015)
	Other comprehensive income is attributable to :			
	Owners		**3,308**	(448)
	Non Controlling Interest		**-**	-
			3,308	(448)
	Total comprehensive income is attributable to :			
	Owners		**65,510**	(123,464)
	Non Controlling Interest		**-**	-
			65,510	(123,464)
(X)	**Earnings per share**	32		
	Basic (nominal value Rs. 5)		**0.00**	(0.01)
	Diluted (nominal value Rs. 5)		**0.00**	(0.01)

The above consolidated profit and loss account should be read in conjunction with the accompanying notes.

As per our report of even date.

For **Uttam Abuwala Ghosh & Associates**
Chartered Accountants
Firm's Registration No: 111184W

For and on behalf of the Board of Directors of
Mukta Arts Limited
CIN: L92110MH1982PLC028180

CA Subhash Jhunjhunwala
Partner
Membership No: 016331

Subhash Ghai
Chairman Director
DIN: 00019803

Rahul Puri
Managing Director
DIN: 01925045

Parvez A. Farooqui
Director
DIN: 00019853

Place : Mumbai
Date: 17 May 2022

Prabuddha Dasgupta
Chief Financial Officer

Monika Shah
Company Secretary
Membership No: FCS7964

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2022

	Number	Amount
Balance as at 1 April 2020	**22,585,200**	**112,926**
Add: Changes in equity share capital	-	-
Balance as at 31 March 2021	**22,585,200**	**112,926**
Add: Changes in equity share capital	-	-
Balance as at 31 March 2022	**22,585,200**	**112,926**

	Reserves & Surplus					Total other equity
	Securities Premium	General Reserve	Capital Reserve	Foreign Currency Reserve	Retained Earnings	
Balance as at 1 April 2020	**973,605**	**83,145**	**12**	**1,724**	**(1,084,654)**	**(26,169)**
Profit/(loss) for the year	-	-		-	(123,016)	**(123,016)**
Transfer during the year	-	-	-	5	-	**5**
Other comprehensive income for the year	-				(448)	**(448)**
Other adjustment					5,272	**5,272**
Total Comprehensive income for the year	**-**	**-**	**-**	**5**	**(118,191)**	**(118,187)**
Dividend and dividend tax	-					**-**
Employee stock option compensation expense	-				-	**-**
Balance as at 31 March 2021	**973,605**	**83,145**	**12**	**1,729**	**(1,202,846)**	**(144,355)**
Profit for the year	-				62,202	**62,202**
Transfer during the year				427		**427**
Other comprehensive income for the year	-				3,308	**3,308**
Other adjustment					11,116	**11,116**
Total Comprehensive income for the year	**-**	**-**	**-**	**427**	**76,626**	**77,053**
Transfer from/to share option outstanding account	-				-	**-**
Employee stock option compensation expense	-				-	**-**
Balance as at 31 March 2022	**973,605**	**83,145**	**12**	**2,156**	**(1,126,219)**	**(67,302)**

The above consolidated statement of changes in equity account should be read in conjunction with the accompanying notes.

As per our report of even date.

For **Uttam Abuwala Ghosh & Associates**
Chartered Accountants
Firm's Registration No: 111184W

CA Subhash Jhunjhunwala
Partner
Membership No: 016331

Place : Mumbai
Date: 17 May 2022

For and on behalf of the Board of Directors of
Mukta Arts Limited
CIN: L92110MH1982PLC028180

Subhash Ghai
Chairman Director
DIN: 00019803

Rahul Puri
Managing Director
DIN: 01925045

Parvez A. Farooqui
Director
DIN: 00019853

Prabuddha Dasgupta
Chief Financial Officer

Monika Shah
Company Secretary
Membership No: FCS7964

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

(Rs. in '000)

Particluars	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flow from operating activities		
Loss before tax	**104,873**	(107,983)
Non-cash adjustments to reconcile Profit before tax to net cash flows		
Depreciation and amortisation	**177,405**	191,949
Bad debts/ advances/ intangible assets under development written-off	**41,968**	6,173
Finance costs	**124,047**	136,834
Interest income	**(9,721)**	(9,071)
(Gain) on sale of tangible assets (net)	**(63,901)**	(4,527)
Operating profit before working capital changes	**374,671**	213,374
Movements in working capital:		
Increase/(Decrease) in other current liabilities	**10,360**	(4,552)
Increase/(Decrease) in other financial liabilities	**(81,710)**	11,976
Increase/(Decrease) in other non current liabilities	**46,607**	(3,557)
Increase/(Decrease) in other non current lease liabilities	**216,807**	-
Increase/(Decrease) in other non current financial liabilities	**(52,929)**	-
Increase/(Decrease) in lease liabilities	**(18,915)**	-
Increase/(Decrease) in trade payables	**(16,672)**	57,823
Increase/(Decrease) in Current Provisions	**(134,143)**	120,339
Increase/(Decrease) in Non current Provisions	**(934)**	
(Increase)/Decrease in inventories	**(1,860)**	4,020
(Increase)/Decrease in trade receivables	**95,298**	(49,045)
(Increase) /Decrease in other non- current assets	**23,536**	4,567
(Increase)/Decrease in short-term loans and advances	**(25,888)**	(5,024)
(Increase)/Decrease in other non current financial assets	**3,072**	(6,015)
(Increase) /Decrease in other current assets	**(39,652)**	(1,376)
(Increase)/Decrease in other current financial assets	**(8,045)**	3,189
Cash generated from (used in) operations	**389,603**	345,719
Taxes paid (net)	**(30,691)**	(13,526)
Net cash generated from (used in) operating activities (A)	**358,912**	332,192
Cash flow from investing activities		
Investments in equity shares of subsidiaries	**(24,772)**	(3,562)
Purchase of fixed assets (tangible and intangible)	**(227,385)**	(11,225)
Proceeds from maturity/ (reinvestment) of fixed deposits, net	**(23,988)**	(1,415)
Proceeds from sale of fixed assets	**19,684**	8
Interest income	**9,721**	9,071
Net cash used in investing activities (B)	**(246,741)**	(7,123)
Cash flow from financing activities		
Secured loan (repaid)/taken,net	**(1,366)**	(25,377)
Unsecured loan (repaid)/taken , net	**(33,965)**	(55,038)
Finance charges (net)	**(124,047)**	(136,834)
Net cash flow from / (used in) financing activities (C)	**(159,378)**	(217,248)

(Rs. in '000)

Particluars	For the year ended 31 March 2022	For the year ended 31 March 2021
Net increase /(decrease) in cash and cash equivalents (A + B + C)	**(47,207)**	107,821
Cash and cash equivalents at the beginning of the year	**139,914**	32,093
Cash and cash equivalents at the end of the year (Refer note (b) below)	**92,707**	139,914
Reconciliation of cash and cash equivalents as per the cash flow statement		
	31 March 2022	31 March 2021
Notes:		
(a) 'The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard - 7 prescribed in the Companies (Accounting Standards) Rules, 2006, which continue to apply under Section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules 2014.		
(b) 'Cash and cash equivalents at year-end comprises:		
(i) Cash on hand	**3,012**	905
(ii) Balances with scheduled banks in		
-in current accounts	**89,696**	139,009
Balances per statement of cash flows	**92,707**	139,914

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

As per our report of even date.
For **Uttam Abuwala Ghosh & Associates**
Chartered Accountants
Firm's Registration No: 111184W

CA Subhash Jhunjhunwala
Partner
Membership No: 016331

Place : Mumbai
Date: 17 May 2022

For and on behalf of the Board of Directors of
Mukta Arts Limited
CIN: L92110MH1982PLC028180

Subhash Ghai
Chairman Director
DIN: 00019803

Rahul Puri
Managing Director
DIN: 01925045

Parvez A. Farooqui
Director
DIN: 00019853

Prabuddha Dasgupta
Chief Financial Officer

Monika Shah
Company Secretary
Membership No: FCS7964

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1 **Corporate information**

Mukta Arts Limited ('Mukta' or 'the Company') is a company incorporated in India under the Companies Act, 1956. The Company was incorporated on 7 September 1982 as Mukta Arts Private Limited and was converted to a public limited company on 30 September 2000 and renamed as Mukta Arts Limited. The Company is promoted by Mr. Subhash Ghai who holds 54.99% of the outstanding equity share capital as at 31 March 2022.

The Company is primarily engaged in the business of film production, distribution and film exhibition (wherein it provides film content to multiplexes and single screens across India and also manages/ runs theatres). The Company also provides production facilities to other production houses and independent producers. The Company has six subsidiaries , Whistling Woods International Limited (which is an education institute which imparts training in various skills related to films, television and media industry), Mukta Creative Ventures Ltd (Formerly known as Coruscant Tec Limited) (which is a wireless solutions company with a focus on wireless content), Connect1 Limited (which is involved in marketing of film content), Mukta Tele Media Limited (which is involved in production of television serials) and one Joiint venture, Mukta V N Films Limited (which is involved in the business of distribution and exhibition of films), Mukta A2 Cinemas Limited (which is involved in business of exhibition of films) and Mukta A2 Multiplex SPC (which is involved in business of exhibition of films).

The shares of the Company are listed on Bombay Stock Exchange Limited, National Stock Exchange of India Limited and Calcutta Stock Exchange Association Limited.

2 Summary of significant accounting policies

2.1 **Basis of preparation**

The consolidated financial statements relate to Mukta Arts Limited ('the Company/ Parent Company') and its subsidiary companies. The Company along with its subsidiaries constitute 'the Group'.

The audited financial statements of the subsidiaries used for the purpose of consolidation are drawn upto the same reporting period as that of the parent Company, i.e. 31 March 2019. These financial statements are audited by the auditors of the respective entities.

The consolidated financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and comply with the Accounting Standards ('AS') prescribed in the Companies (Accounting Standards) Rules, 2006 which continue to apply under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act, to the extent notified and applicable and guidelines issued by the Securities and Exchange Board of India ('SEBI'). The consolidated financial statements are presented in Indian Rupees, except where mentioned otherwise. Accounting policies have been consistentely applied except where a newly issued accounting standard is initialy adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of the services and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

(i) Compliance with Indian Accounting Standard (Ind AS)

The financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. The group adopted Ind AS from April 1, 2016.

(ii) Historical Cost Convention

The financial statements have been prepared on an accrual basis and under the historical cost convention, except for certain financial assets and liabilities and defined benefit plan assets which have been measured at fair value.

2.2 **Current versus non-current classification**

The assets and liabilities reported in the balance sheet are classified as current or non-current. Current assets, which include cash and cash equivalents, are assets that are intended to be realised during the normal operating cycle of the Group or within 12 months of the balance sheet date; current liabilities are expected to be settled during the normal operating cycle of the Group or within 12 months of balance sheet date. The deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.3 **Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The chief operating decision maker of the Group assesses the financial performance and position of the Group and makes strategic decisions on the advice of the Managing Director of the Group.

2.4 **Foreign Currency Transactions**

The financial statements are presented in Indian rupee (INR), which is the functional and presentation currency of the Group.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.In case of Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

2.5 **Revenue Recognition**

Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after April 1, 2018, replaced the existing revenue recognition requirements. Under the modified retrospective approach there were no adjustments required to the retained earnings at April 1, 2018. The application of Ind AS 115 has been considered and transactions entered into during the current year have been recorded accordingly.

Film/content production and related income

Revenue from sale of content/ motion pictures is recognised on assignment/sale of the rights in the concerned content/ motion picture from the date of their availability for exploitation or on the date of release of the content/ movie, as applicable.

Revenue from other rights in motion pictures such as satellite rights, overseas rights, music rights, video rights, etc., is recognised on assignment/ sale of the rights in the concerned motion picture from the date of their availability for exploitation.

Income from distribution and exhibition

Distribution/ sub-distribution commission is recognised as it is earned based on intimation by the theatre owners/ distributors.

Revenue from management of theatres is recognised on an accrual basis as per the contractual arrangement entered into with the theatre owners.

Theatrical exhibition and related income

Sale of tickets

Revenue from theatrical exhibition is recognised on the date of the exhibition of the films and comprises proceeds from sale of tickets, net of entertainment tax. As the Group is the primary obligor with respect to exhibition activities, the share of distributors in these proceeds is separately disclosed as distributors' share.

Sale of food and beverages

Revenue from sale of food and beverages is recognised upon sale and delivery at the counter.

Advertisement/ sponsorship revenue

Revenue from advertisements, sponsorship and events is recognised on the date of the exhibition of the advertisement/ event, over the period of the contract or on completion of the Group's obligations, as applicable.

Revenue from equipment hire/ facility rental

Income from equipment hire/ facility rental is recognised on a straight-line basis over the period of the relevant agreement/ arrangement.

Revenue from business support service

Revenue from business support service is recognised on rendering of service as per the terms and conditions of the agreement.

Consultancy fees/ tuition fees income/ infrastructure fees/ facilitation charges

(a) Revenue from Non-refundable acceptance fees is recognised equally over the period of services rendered (i.e. course duration).

(b) Revenue from tuition fees and infrastructure fees are recognised equally over the period of services rendered (i.e. course duration)

(c) Revenue from institutional affiliation is recognised over the period of the course as per the contractual agreement.

(d) Revenue from Business Support Services is recognised over the period as per the contractual agreement.

(e) Revenue from sale of prospectus and application forms is recognised on delivery to the student.

(f) Royalty fees from content usage is recognised as per the terms of the agreement.

(g) Revenue from hire of premises and equipment is recognised over the period of hire.

The student pays the fees based on a payment schedule. If the services rendered by the Company exceeds the payment, balance is disclosed as Contract Assets. If the payments exceed the services rendered, balance is disclosed as Deferred Revenue/ Advance fees received from students under Contract Liabilities.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The Company does not expect to have any contracts where the period between the transfer of the promised services to the customer/ student and payment by the customer/ student exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money

Dividend & Interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably). Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. Interest income is recorded using the Effective Interest rate.

2.6 **Employee benefits**

Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include salaries and wages, bonus, Compensated absences such as paid annual leave and seekness leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is charged to the Statement of profit and loss in the period in which such services are rendered.

Post-employment benefits

Defined contribution plan:

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity/fund and has no obligation to pay any further amounts. The Group makes specified monthly contributions towards Provident Fund. The Group's contribution is recognised as an expense in the Statement of profit and loss during the period in which employee renders the related service.

Defined benefit plan:

The Group has calculated the gratuity liability for fifteen days per month based on the last basic salary drawn by the employee for every completed year of service or part thereof in excess of six months. The gratuity liability recognised in the Balance sheet represents the gratuity liability and as reduced by the fair value of the said assets. The scheme is funded with an insurance Group in form of qualify insurance policy.

Contributions are made to LIC in respect of gratuity based upon actuarial valuation done at the end of every financial year using 'Projected Unit Credit Method'. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Gains and losses on changes in actuarial assumptions are accounted in the statement of profit and loss.

Other long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability. The Group calculates the liability based on the total leave hour balance as at the year end restricted to forty two days and the last salary drawn by the employees.

2.7 **Borrowing Costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2.8 **Leases**

Assets taken on operating lease

The Group has various operating leases, principally for office space, with various renewal options. Rental expense in agreements with scheduled rent increases is recorded on a straight-line basis over the lease term.

In case of certain cinema properties, rent is accounted as a certain percentage of revenue generated from the cinema property or fixed minimum guarantee amount, whichever is higher, as provided for in the lease agreements.

Assets given on operating lease

Lease rentals in respect of assets given on operating lease are recognised on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit received.

2.9 **Taxation**

Income-tax expense comprises current tax expense and deferred tax charge or credit.

Current tax

Provision for current tax is recognised in accordance with the provisions of the Income-tax Act, 1961 and is made based on the tax liability after taking credit for tax allowances and exemptions.

Minimum Alternative Tax Credit entitlement

Minimum Alternative Tax ('MAT') credit is recognised only to the extent there is convincing evidence that the Group will pay normal income tax in excess of MAT during the specified period.

MAT credit entitlement is reviewed as at each Balance sheet date and written down to the extent there is no longer convincing evidence that the Group will pay normal income tax during the specified period.

Deferred tax

Deferred tax liability or asset is recognised for timing differences between the profits or losses offered for income taxes and profits/losses as per the financial statements. Deferred tax assets and liabilities and the corresponding deferred tax credit or charge are measured using the tax rates and tax laws that have been enacted or substantively enacted as at the Balance sheet date.

Deferred tax asset is recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain to be realised.

2.10 **Property, plant and equipment (PPE)**

Items of Property, plant and equipment (PPE) are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes freight, duties, taxes (other than those recoverable from tax authorities) and other expenses directly attributable to the acquisition/ construction and installation of the fixed assets for bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of PPE which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Cost incurred on fixed assets not ready for their intended use is disclosed under capital work-in-progress. Capital work-in-progress includes estimates of work completed, as certified by the management.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment, except for certain properties, the fair market value of which had appreciated substantially and the increase in their carrying amounts, supported by reports of independent valuers, was therefore recognised in profit and loss account and accumulated in reserves in shareholders' equity.

Depreciation methods, estimated useful lives and residual value

The Group applies depreciation rates as per the useful lives of the assets as specified in Part 'C' of Schedule II to the Companies Act 2013, except for the following class of assets where the useful life is higher than the useful life prescribed in Schedule II based on management estimates which is supported by assessment carried out by technical experts.The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Asset class	Useful life
Plant and equipment	10-14 years
Furniture and fixtures	5 years
Cinematography equipment	10 years
Computers and IT equipment	6 years

Leasehold improvements/ premises are depreciated at the lower of the estimated useful lives of the assets and the lease term, on a straight-line basis.

2.11 **Investment properties**

Property that is held for long-term rental yields or for capital appreciation or both, is classified as investment property. Investment property is measured initially at cost, including related transaction costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the entity and the cost of the item can be measured reliably.

Investment properties are depreciated using the written down value method over their estimated useful lives. Investment properties generally have a useful life of 30 years. The useful life has been determined based on technical evaluation performed by techinical experts.

Transition to Ind AS

On transition to Ind AS, the entity has elected to continue with the carrying value of all of its investment properties recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties, the fair value of investment property is disclosed in notes.

2.12 **Intangible assets**

Film rights comprising negative rights and distribution rights

Negative film rights are generally exploited through media such as theatrical exhibition, television/ satellite, cable, etc. Negative film rights in respect of films produced are recorded at cost, which is determined on specific identification basis. Acquired negative rights are recorded at the purchase price paid to acquire the rights plus any additional cost incurred which is determined on specific identification basis. Cost incurred on films-in-progress is reported as Intangible assets under development.

Distribution rights in films are for a contractually specified mode of exploitation, period and territory and are stated at cost. Cost of distribution comprises original purchase price/ minimum guarantee, which is ascertained on specific identification basis. In case multiple films/ rights are acquired for a consolidated amount, cost is allocated to each film/ right based on the agreement or where it is not specified in the agreement, based on management's best estimates. In respect of unreleased films, payments towards distribution rights are classified under capital advances as the amounts are refundable in the event of non-release of the film.

Costs are amortised in the proportion that gross revenue realised bears to management's estimate of total gross revenue expected to be received. If estimates of the total revenue and other events or changes in circumstances indicate that the realisable value of a right is less than its unamortised cost, a loss is recognised for the excess of unamortised cost over the film rights' realisable value.

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2.13 **Impairment of Non Financial Asset**

In accordance with Ind AS 36 – intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. An impairment loss is recognised whenever the carrying amount of an asset or the cash generating unit to which it belongs exceeds its recoverable amount. Impairment loss is recognised in the Statement of profit and loss or against revaluation surplus, where applicable.

If at the Balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is re-assessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciated historical cost.

Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life.

2.14 **Inventory**

Inventories of food and beverages are valued at the lower of cost and net realisable value. Cost of inventories comprises all cost of purchases, cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on First-In, First-Out ('FIFO') basis.

2.15 **Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.16 **Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Asset

The entity 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.

Initial recognition and measurement

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, and transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets that are carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement

Subsequent measurement of financial asset depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its financial assets as below:

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Financial Assets measured at amortised cost

A 'financial asset' is measured at the amortised cost if both the following conditions are met.

a) Asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. EIR amortisation is included in finance income in the Statement of Profit and Loss. Losses arising from impairment are recognised in the Statement of Profit and Loss.

Financial Assets measured at fair value through other comprehensive income (FVTOCI)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The contractual cash flows of the assets represent SPPI: Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

Financial Assets measured at fair value through profit and loss (FVTPL)

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind-AS 109, "Financial Instruments" are measured at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition which is irrevocable. If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.The Group has elected to measure its investment in subsidiaries at its previous GAAP carrying value which shall be the deemed cost as at the date of transition.

Derecognition of Financial Assets

A financial asset is primarily derecognised when: a) Rights to receive cash flows from the asset have expired, or b) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either(a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset, where the entity retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Impairment of financial assets :

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 36 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Trade receivables

The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers operate in largely independent markets and their credit worthiness is monitored at periodical intervals. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days for which the receivables are due and is rated as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing	Expected Credit loss(%)
0 - 1 years	0%
1 - 2 years	25%
2 - 3 years	40%
More than 3 years	100%

Financial Liabilities

(i) Initial recognition and measurement

All financial liabilities are recognised initially at fair value, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described herein:

Financial liabilities at fair value through Profit or Loss:

Financial liabilities at fair value through Profit or Loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial Liabilities measured at amortised cost:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of Profit and Loss.

Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting :

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liablity simultanesously.

2.17 **Measurement of fair values**

The Group measures financial instruments, such as derivatives, at fair value at each balance sheet date. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

Management uses its judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market participants are applied. Other financial instruments are valued using a discounted cash flow method based on assumptions supported, where possible, by observable market prices or rates.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes on financial instruments.

2.18 **Provisions**

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of funds will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for future operating losess.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3 **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 Group 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 or a reliable estimate of the amount cannot be made.

4 **Earnings per share ('EPS')**

The basic earnings per equity share is computed by dividing the net profit or loss attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which may be issued on the conversion of all dilutive potential shares, unless the results would be anti-dilutive.

5 **Critical estimates and judgements**

The preparation of financial statements requires the use of accounting estimates which, may not equal the actual results. Management also needs to exercise judgement in applying the entity's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Recognition and measurement of defined benefit obligations:

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

Estimation of useful life:

Useful lives of PPE and intangible assets are based on the estimation by the management. The useful lives as estimated are the same as prescribed in Schedule II of the Companies Act, 2013. In such cases, where the useful lives are different from that prescribed in Schedule II, they are based on management estimates, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset and past history of replacement. Assumptions also need to be made, when the Group assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

The useful lives and residual values of Group's assets are determined by the management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTD.)

6 (a) Property, plant and equipment

(Rs. in '000)

	Tangible assets									
	Land rights	Ownership premises	Institute building	Leasehold premises	Plant and machinery	Motor vehicles	Furniture fixtures and office equipment	Libarary books	Computers	Total
Gross block										
As at 1 April 2020	**30,000**	**114,264**	**181,013**	**431,564**	**381,418**	**105,503**	**126,887**	**3,481**	**114,071**	**1,488,201**
Additions	-	-	480	1,089	508	-	273	5	3,163	5,519
Disposals	-	-	-	-	-	8	-	-	-	8
Other adjustment	-	-		-	(2,544)	-	(28)	-	(58)	(2,630)
As at 31 March 2021	**30,000**	**114,264**	**181,493**	**432,653**	**379,382**	**105,495**	**127,132**	**3,486**	**117,175**	**1,491,082**
Additions	-	-	3,175	36,722	12,226	4,590	16,958	1,257	9,530	84,459
Disposals	-	-	-	-	-	1,010	-	-	-	1,010
Other adjustment	-	-	-	5,239	1,745	-	621	-	6	7,611
As at 31 March 2022	**30,000**	**114,264**	**184,669**	**474,614**	**393,354**	**109,075**	**144,711**	**4,743**	**126,711**	**1,582,141**
Accumulated Depreciation/ Amortisation										
As at 1 April 2020	**-**	**53,032**	**31,928**	**127,791**	**279,884**	**78,415**	**71,701**	**2,856**	**73,842**	**719,449**
Charge for the year	-	2,520	7,359	27,051	29,962	8,129	14,283	465	16,467	106,237
Deduction	-	-	-	-	-	-	-	-	-	-
Other adjustment	-	-	-	-	-	-	(15)	-	(28)	(43)
As at 31 March 2021	**-**	**55,552**	**39,287**	**154,842**	**309,845**	**86,545**	**85,969**	**3,321**	**90,281**	**825,643**
Charge for the year (refer note 5)	-	4,527	7,218	25,290	10,216	5,532	13,987	651	11,530	78,951
Deduction	-	-	-	-	-	114	-	-	-	114
Other adjustment	-	58	-	-	-	-	-	-	-	58
As at 31 March 2022	**-**	**60,138**	**46,505**	**180,132**	**320,061**	**91,963**	**99,956**	**3,972**	**101,811**	**904,539**
Net block										
As at 1 April 2020	30,000	61,232	149,086	303,773	101,534	27,088	55,186	624	40,229	768,752
As at 31 March 2021	30,000	58,712	142,207	277,811	69,537	18,951	41,163	165	26,894	665,439
As at 31 March 2022	**30,000**	**54,126**	**138,164**	**294,483**	**73,292**	**17,112**	**44,755**	**771**	**24,900**	**677,602**

6 (b) Capital Work-in-progress

	Amount
As at 1 April 2020	37,369
Additions (net)	8,701
As at 31 March 2021	**46,071**
As at 1 April 2021	**46,071**
Additions (net)	(27,257)
As at 31 March 2022	**18,814**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTD.)

(Rs. in '000)

6 (c) Intangible assets

	Intangible assets					
	Distribution rights	**Negative rights**	**Exhibition rights**	**Intellectual property rights (Course curriculum)**	**Computer software**	**Total**
Gross block						
As at 1 April 2020	**243,349**	**789,153**	**2,500**	**64,649**	**12,852**	**1,112,502**
Additions	-	20,575	-	4,820		25,396
Disposals	-	-	-	-	-	-
Other adjustment					-	-
As at 31 March 2021	**243,349**	**809,728**	**2,500**	**69,469**	**12,852**	**1,137,898**
Additions	-		-	24,227	-	24,227
Disposals	-	-	-	-	-	-
Other adjustment				-	-	-
As at 31 March 2022	**243,349**	**809,728**	**2,500**	**93,696**	**12,852**	**1,162,125**
Accumulated Depreciation/ Amortisation						
As at 1 April 2020	**243,349**	**744,666**	**2,500**	**15,479**	**9,524**	**1,015,517**
Charge for the year	-	13,238	-	11,649	1,219	26,106
Deduction	-	-	-	-	-	-
Other adjustment	-		-	-		-
As at 31 March 2021	**243,349**	**757,903**	**2,500**	**27,128**	**10,743**	**1,041,623**
Charge for the year (refer note 4)	-	51,825	-	13,058		64,882
Deduction	-	-	-	-	-	-
Other adjustment	-	-	-	-	-	-
As at 31 March 2022	**243,349**	**809,728**	**2,500**	**40,186**	**10,743**	**1,106,506**
Net block						
As at 31 March 2021	(0)	51,825	-	42,341	2,109	96,275
As at 31 March 2022	**(0)**	**0**	**-**	**53,510**	**2,109**	**55,619**

6 (d) Right of use Asset

Gross block	
As at 1 April 2020	**377,896**
Additions	-
Disposals	-
Other adjustment	(8,221)
As at 31 March 2021	**369,675**
Additions	287,379
Disposals	21,957
Other adjustment	-
As at 31 March 2022	**635,097**
Accumulated Depreciation/Amortisation	
As at 1 April 2020	**65,351**
Charge for the year	69,059
Deduction	-
Other adjustment	-
As at 31 March 2021	**134,410**
Charge for the year	67,104
Deduction	-
Other adjustment	-
As at 31 March 2022	**201,514**
Net block	
As at 31 March 2021	235,265
As at 31 March 2022	**433,583**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTD.)

(Rs. in '000)

6 (e) Intangible assets under development

As at 1 April 2020	**85,814**
Additions (net)	17,091
Disposals	20,558
Other Adjustments	-
As at 31 March 2021	**82,348**
As at 1 April 2021	**82,348**
Additions (net)	18,890
Disposals	53,390
Other Adjustments	-
As at 31 March 2022	**47,848**

1 During the year ended on 31 March 2022 and 31 March 2021, there is no impairment loss determined at each level of CGU. The recoverable amount was based on value in use and was determined at the level of CGU.

2 Refer Note - 13(a) for information on moveable property, plant and equipment pledged as security by the Company

3 The Company has availed the deemed cost exemption and used the previous GAAP net carrying amount of property, plant and equipment as deemed cost.

4 Tangible/Intangible assets are subject to first charge to secure the Company's term loan and cash credit loans (refer note 16(a) and 19(a))

7 Investment property

Particular	Building	Land	Total
As at 1 April 2020	129,842	66,389	**196,231**
Additions	-	-	**-**
Disposals	-	-	**-**
Other adjustment	-	-	**-**
As at 31 March 2021	**129,842**	**66,389**	**196,231**
As at 1 April 2021	129,842	66,389	**196,231**
Additions	-	-	**-**
Disposals	1,208	-	**1,208**
Other adjustment	-	-	**-**
As at 31 March 2022	**128,634**	**66,389**	**195,023**
Accumulated Depreciation/Amortisation			
As at 1 April 2020	52,759	-	**52,759**
Charge for the year	3,784	-	**3,784**
Deduction	-	-	**-**
Other adjustment	-	-	**-**
As at 31 March 2021	**56,544**	**-**	**56,544**
As at 1 April 2021	56,544	-	**56,544**
Charge for the year	5,942	-	**5,942**
Deduction	-	-	**-**
Other adjustment	(58)	-	**(58)**
As at 31 March 2022	**62,427**	**-**	**62,427**
Carrying amounts (Net)			
At 1 April 2020	77,083	66,389	**143,472**
At 31 March 2021	73,299	66,389	**139,688**
At 31 March 2022	66,207	66,389	**132,596**

(Rs. in '000)

(i) Information regarding Income and expenditure of Investment properties

	As at 31-Mar-2022	As at 31-Mar-2021
Rental income derived from Investment properties	**37,784**	39,653
Direct operating expenses	**4,078**	4,078
Profit arising from investment properties before depreciation and indirect expenses	**33,706**	35,576
Less: Depreciation	**5,942**	3,784
Profit arising from investment properties before indirect expenses	**27,764**	31,791

(ii) Fair Value

Particulars	Valuation Techniques (See note below)	Fair Value Hierarchy (See note below)	As at 31 March 2022	As at 31 March 2021
Investment properties	Stamp duty Reckoner rate	Level 2	**1,301,375**	1,301,375

Estimation of fair value

The Company has obtained independent valuation of its flats located at Bandra West based on current prices in an active market for properties of similar nature. The fair values of such investment flats have been determined by an independent valuer as on 1st April 2016. The main inputs used are the rental growth rates and a study of the micro market in discussion with industry experts. Resulting fair value estimate for investment property are included in level 2. Rest all investment properties are in accordance with the Ready Reckoner rates prescribed by the Government of Maharashtra for the purpose of levying stamp duty. The Independent Valuer has referred to the publications and government website for Ready Reckoner rates. Suitable adjustments have been made to account for availability of FSI in land parcels in Mumbai in accordance with the guidelines prescribed by the Department of Registrations and Stamps. Since the valuation is based on the published Ready Reckoner rates, the company has classified the same under Level 2.

8 Non Current Financial Asset

8 (a) Investments

	As at 31-Mar-2022	As at 31-Mar-2021
A Non current investments		
Unquoted equity shares		
i) Investment in equity shares of joint venture accounted at FVTPL		
Mukta VN Films Limited		
27,500 (2021: 27,500) equity shares of '₹ 10 each, fully paid-up	**33,000**	28,239
Deemed Investment in Joint venture	**5,185**	5,185
Total (i)	**38,185**	33,425

ii) Investment in equity instruments-others at FVTPL (un-quoted)

	As at 31-Mar-2022	As at 31-Mar-2021
Bashiron Co. Op. Housing Society Limited 10 Shares (2021: 10) of Rs 50 each	**0.50**	0.50
Bait-Ush-Sharaf Co. Op. Housing Society Limited 10 Shares (2021: 25) of Rs 50 each	**0.50**	1.25
Others	**2,445**	2,445
Total (ii)	**2,446**	2,447
Total (i+ii)	**40,631**	35,872

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTD.)

(Rs. in '000)

8 (b) **Other financial assets**

	As at 31-Mar-2022	As at 31-Mar-2021
Security deposits to		
- Related parties	-	300
- Others	91,061	79,289
Other advances	128,784	143,288
Bank deposits with more than 12 months maturity.	273	314
Total	**220,118**	223,190

9 **Deferred tax assets (net)**

	As at 31-Mar-2022	As at 31-Mar-2021
Deferred tax liability on		
Arising on account of timing differences in:	-	-
Total	-	-
Deferred tax asset on		
Provision for leave encashment and gratuity	4,041	4,199
Provision for doubtful debts and advances	954	672
Rent straightlining	-	2,510
Property, Plant and Equipment and intangible assets	6,854	10,398
Others	13,055	8,930
Total	**24,904**	26,709
Deferred tax assets (net)	**24,904**	26,709

Movement in deferred tax assets	Employee Benefits Obligations	Allowance for doubtful debts – trade receivables	Property, Plant and Equipment and intangible assets	Others	Total
At April 1, 2020	3,789	553	8,823	5,836	19,001
(Charged)/credited:					
- to profit or loss	411	119	1,575	5,604	7,708
- to other comprehensive income	-				
At March 31, 2021	4,199	672	10,398	11,440	26,709
(Charged)/credited:					
- to profit or loss	(158)	282	(3,543)	1,615	(1,804)
- to other comprehensive income					
At March 31, 2022	**4,041**	**954**	**6,854**	**13,055**	**24,904**

10 **Other non- current assets**

	As at 31-Mar-2022	As at 31-Mar-2021
Capital advances	5,034	5,656
Advance tax (including TDS)	102,372	125,178
Service tax Input Credit	322	322
Deferred Income Account	534	651
Prepaid Expenses	41	33
Total	**108,303**	131,839

(Rs. in '000)

11 Inventories

	As at 31-Mar-2022	As at 31-Mar-2021
Food & Beverages	9,446	7,587
Total	9,446	7,587

12 Current Financial Assets

12 (a) Current Investments

	As at 31-Mar-2022	As at 31-Mar-2021
Investment in Mutual Funds (Unquoted)	20,012	-
Total	20,012	-

12 (c) Cash and cash equivalents

	As at 31-Mar-2022	As at 31-Mar-2021
a. Cash on hand	3,012	905
b. Balances with banks		
In current account	89,696	139,009
Balance in dividend account	223	228
Total cash and cash equivalents in balace sheet	92,930	140,142

12 (d) Bank balances other than 'Cash and cash equivalents

	As at 31-Mar-2022	As at 31-Mar-2021
Interest accrued on FD	1,559	2,513
Deposits with original maturity of more than 3 months and less than 12 months	69,402	45,414
Total Bank balances other than above	70,961	47,927

12 (e) Loans and advances

	As at 31-Mar-2022	As at 31-Mar-2021
Staff Advances	8,567	6,378
Inter-corporate deposit to others	143,690	119,991
Total	152,257	126,369

12 (f) Other financial assets

	As at 31-Mar-2022	As at 31-Mar-2021
Security deposits	42,684	43,561
Interest Accrued on Investments:	34,134	25,594
Unbilled revenue	974	2,800
Other receivable	12,417	10,209
Total	90,210	82,164

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTD.)

(Rs. in '000)

13 Other current assets

	As at 31-Mar-2022	As at 31-Mar-2021
Prepaid expenses	**15,746**	13,955
Advances	**119,259**	87,136
Deferred Income Account	**117**	117
Share issue cost	**500**	-
Balance with Government Authorities	**19,088**	18,255
Service Tax / GST input	**7,524**	5,771
VAT input	**20,926**	18,273
Total	**183,160**	143,508

14 Equity share capital

	As at 31 March 2022		As at 31 March 2021	
	Number	Amount	Number	Amount
Authorised share capital				
Equity shares of ₹ 5 each	**24,000,000**	**120,000**	24,000,000	120,000
	24,000,000	**120,000**	24,000,000	120,000
Issued, subscribed and fully paid-up				
Equity shares of ₹ 5 each	**22,585,200**	**112,926**	22,585,200	112,926
Total	**22,585,200**	**112,926**	22,585,200	112,926

Terms and rights attached to equity shares

The Company has one class of equity shares having a par value of Rs. 5 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to shareholding.

Reconciliation of paid- up share capital (Equity Shares)

	As at 31 March 2022		As at 31 March 2021	
	Number	Amount	Number	Amount
Balance at the beginning of the year	**22,585,200**	**112,926**	22,585,200	112,926
Add: Issued during the year	**-**	**-**	-	-
Add: Acquisition of a subsidiary	**-**	**-**	-	-
Balance at the end of the year	**22,585,200**	**112,926**	22,585,200	112,926

Details of Shareholders holding more than 5% of the shares in the Company

	As at 31 March 2022		As at 31 March 2021	
	Number	% holding in the class	Number	% holding in the class
Equity shares of ₹ 5 each				
1. Mr. Subhash Ghai	12,421,990	55.00%	12,421,990	55.00%
2. Ms. Meghna Ghai Puri	1,650,000	7.31%	1,650,000	7.31%
3. Ms. Mukta Ghai	1,650,000	7.31%	1,650,000	7.31%

(Rs. in '000)

15 Other equity

	As at 31-Mar-2022	As at 31-Mar-2021
Securities premium		
Balance at the beginning of the year	**973,605**	973,605
Add: Transfer during the year	**-**	-
Balance at the end of the year	**973,605**	973,605
General reserve		
Balance at the beginning of the year	**83,145**	83,145
Add: Transfer during the year	**-**	-
Balance at the end of the year	**83,145**	83,145
Capital reserve		
Balance at the beginning of the year	**12**	12
Add: Transfer during the year	**-**	-
Balance at the end of the year	**12**	12
Foreign Currency Reserve		
Balance at the beginning of the year	**1,729**	1,724
Add: Transfer during the year	**427**	5
Balance at the end of the year	**2,156**	1,729
Retained earnings		
Balance at the beginning of the year	**(1,202,846)**	(1,084,654)
Add: Net profit/(Loss) after tax for the year	**62,202**	(123,016)
Other comprehensive income	**3,308**	(448)
Other adjustment	**11,116**	5,272
Balance at the end of the year	**(1,126,219)**	(1,202,846)
Total	**(67,302)**	(144,355)

16 Non Current Financial Liabilities

16 (a) Long-term borrowings

	As at 31-Mar-2022	As at 31-Mar-2021
Secured		
Term loan from banks and others		
LIC Housing Finance Ltd*	**452,994**	438,319
Yes Bank Ltd**	**64,718**	76,576
Hero Fincorp Ltd***	**26,776**	30,428
Motor vehicle finance loans****	**23,355**	23,886
Loan from related parties#	**41,800**	41,800
Less : Current maturities of long term borrowings	**51,869**	51,869
Total	**557,774**	559,140

* Loan against property is secured against entire Commercial Property located at Sharyans Audeus, Survey No.41, Fun Republic Cinema, Off Veera Desai Road, Oshiwara Village, Andheri West, Mumbai 400053. Repayable in 180 monthly installments of Rs. 48,63,756.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTD.)

(Rs. in '000)

* Mukta A2 Cinemas Limited has obtained on November 9 2020, term loans from Bank along with an overdraft facility and an additional term loan facility under the Guaranteed Emergency Credit Line. These facilities are secured against all current assets, Plant and machinery & exclusive charge by way of Mortgage on property located at Flat no 1207 and 1208,12th floor, F wing ,Bldg no 1, Oberoi Splendor , JVLR road, Jogeshwari (East), Mumbai-400 060 owned by Mukta Arts & Mukta Tele Arts Pvt Ltd respectively.

Term loans carry a rate of interest of 7.69% over base rate, at an effective rate of 11.94%. Cash Credit facility carries a rate of interest of 7.24% over base rate, at an effective rate of 11.49%. The facility under the Guaranteed Emergency Credit Line carry a rate of interest not more than 8.69%.

Maturity date of New Term loan is 26th December 2024. Repayment has to be made by way of monthly instalments totalling Rs.2,990,390/- during April 2022 to March 2023, Rs.2,734,557/- during April 2023 to March 2024 and Rs.1,862,349/- during April 2024 to 26th December 2024

Maturity date of New Term loan is 26th December 2024. Repayment has to be made by way of monthly instalments totalling Rs.1,507,974/- during April 2022 to March 2023, Rs.1,378,965/- during April 2023 to March 2024 and Rs.939,133/- during April 2024 to 26th December 2024

Maturity date of New Term loan is 18th December 2024. Repayment has to be made by way of monthly instalments totalling Rs.10,002,714/- during April 2022 to March 2023, Rs.9,319,393/- during April 2023 to March 2024 and Rs.6,541,138/- during April 2024 to 18th December 2024

*** Term loan against property is secured against two flats of the Company by way mortage of the property located in Bandra West. Repayable in 120 monthly installments of Rs. 537,225/-. (June 2017 to July 2018) and Rs. 547,276/- (Aug-2018 to May 2027)

**** The motor vehicle finance loans taken by the Company are secured against the related vehicles. Repayment schedule is as detailed below:

Lendor	**Repayment schedule and other terms**
Axis Bank Ltd	Outstanding amount of loan Rs. 3,787,579/- (2021: Rs 885,947/-) is repayable in 36 equated monthly installments of Rs 155,622 till February 2025. Interest rate 13.50%.
ICICI Bank Limited	Outstanding amount of loan Rs. 199,130/- (2021: Rs Rs. 3,321,125/-) is repayable in 36 monthly installments of Rs 672,774/- till July 2019 and Rs. 76,521/- there after. Interest rate 14.50%
BMW India Financial Services Pvt Ltd	Outstanding amount of loan Rs. 7,731,686/- (2021:Rs 9,496,026/-) is repayable in 48 monthly installments of Rs 2,20,997/- May 2023. Interest rate 10.20%
HDFC Bank Limited	Outstanding amount of loan Rs. 4,047,214/- (2021: Rs 1,139,094/-) is repayable in 60 equated monthly installments of Rs 1,44,810 till October 2022 and Rs. 80,910/- there after. Interest rate 10.50%

16 (b) Lease liabilities

	As at 31-Mar-2022	As at 31-Mar-2021
Lease liabilities	**420,352**	203,545
Total	**420,352**	203,545

16 (c) Other financial liabilities

	As at 31-Mar-2022	As at 31-Mar-2021
Security deposits	**122,579**	175,507.41
Total	**122,579**	175,507

(Rs. in '000)

17 Long Term Provisions

	As at 31-Mar-2022	As at 31-Mar-2021
Provision for Leave Salary	**13,144**	13,082
Provision for gratuity	**37,405**	38,401
Total	**50,549**	51,483

18 Other non-current liabilities

	As at 31-Mar-2022	As at 31-Mar-2021
Rent straight lining	**-**	8,841
Income Received in advance	**62,642**	5,142
Deferred Expense Account	**4,567**	6,620
Total	**67,209**	20,603

19 Currrent Financial Liabilities

(a) Short-term borrowings

	As at 31-Mar-2022	As at 31-Mar-2021
Secured		
Yes Bank - Bank Overdraft	**19,524**	41,489
Unsecured		
Inter corporate deposits*		
Others	**60,000**	72,000
Total	**79,524**	113,489

*Deposit of Rs. 60,000,000 (31 March 2021 Rs. 72,000,000) accepted at interest rate of 4% p.a. repayable on demand.

19 (b) Lease liabilities

	As at 31-Mar-2022	As at 31-Mar-2021
Lease liabilities	**71,602**	90,517
Total	**71,602**	90,517

19 (c) Trade payable

	As at 31-Mar-2022	As at 31-Mar-2021
Trade payable - Other than micro and small enterprises	**298,121**	283,431
Trade payable - Micro and small enterprises	**1,982**	-
Total	**300,103**	283,431

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTD.)

(Rs. in '000)

19 (d) Other financial liabilities

	As at 31-Mar-2022	As at 31-Mar-2021
Current maturities of long term borrowings	**50,897**	80,953
Interest accrued but not due on borrowings		
Interest on loan taken	**9,024**	11,010
Employee benefits expense payable		
Employee benefits expense	**2,024**	2,383
Bonus Payable	**386**	525
Creditors for fixed assets	**1,781**	200
Sundry advances received	**51,599**	137,345
Unclaimed dividend	**223**	228
Security deposits received	**67,505**	32,505
Total	**183,438**	265,148

19 Currrent Financial Liabilities

19 (c) Trade payable

Current

Particulars	As at 31st March 2022	As at 31st March 2021
Total Outstanding dues of micro and small enterprises	**1,982**	-
Total Outstanding dues of others - Billed	**-**	-
Total Outstanding dues of others - Unbilled	**298,121**	283,431
Payable to Related Parties	**-**	-
Total trade payables	**300,103**	283,431

Trade payables due for payment

March 31, 2022						**Total**
	Not Due	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	
MSME vendors	-	1,982	-	-	-	**1,982**
Other vendors	-	284,746	14,032	1,326	1,710	**301,813**
Disputed dues-MSME	-	-	-	-	-	-
Disputed dues-Others	-	-	-	-	-	-
Total	**-**	**286,728**	**14,032**	**1,326**	**1,710**	**303,795**

March 31, 2021						**Total**
	Not Due	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	
MSME vendors	-	-	-	-	-	-
Other vendors	-	273,967	8,712	752	1,673	285,104
Disputed dues-MSME	-	-	-	-	-	-
Disputed dues-Others	-	-	-	-	-	-
Total	**-**	273,967	8,712	752	1,673	285,104

(Rs. in '000)

20 Other current liabilities

	As at 31-Mar-2022	As at 31-Mar-2021
Advances from customers- others	**296,346**	250,491
Deferred Expense Account	**7,575**	10,583
Rent straight lining	**-**	558
Advance billing	**100,919**	282,875
Employee benefits expense	**-**	82
Others payable	**11,048**	5,569
Statutory dues payable*		
Provident fund	**1,619**	884
ESIC	**3**	3
TDS payable	**5,405**	4,087
Profession tax	**9**	14
ET/INR/Show tax	**8,020**	9,941
Total	**430,943**	565,086

21 Short Term Provisions

	As at 31-Mar-2022	As at 31-Mar-2021
Provision For Taxation	**1,815**	38,412
Provision For Expenses	**95,591**	48,993
Provision For Employee benefit:		
Provision for leave salary	**11,185**	10,174
Provision for gratuity	**2,196**	2,847
Total	**110,786**	100,426

22 Revenue from operations (net)

	Year ended 31-Mar-2022	Year ended 31-Mar-2021
(a) Sale of products/ film rights /Services		
Own Film/ Content production	**397,288**	105,621
Food and beverages	**80,067**	15,244
Acceptance fees	**77,742**	83,611
Tuition fees	**144,386**	141,174
Infrastructure fees	**245,271**	263,022
Income from institutional affiliations	**1,387**	1,087
	946,141	609,759
(b) Distribution, Exhibition, Theatrical and Film Production Income		
Distribution and exhibition	**1**	993
Equipment hire income	**1,271**	1,119
Box office collection		
Sale of tickets, net	**277,580**	34,388
	278,853	36,500
(c) Other operating revenue		
Rent and amenities charges	**69,423**	63,274
Business support services	**6,120**	6,120
Other income from theatrical operations	**5,779**	2,279

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTD.)

(Rs. in '000)

	Year ended 31-Mar-2022	Year ended 31-Mar-2021
Sale of prospectus/application forms	**2,629**	2,090
Amortisation of deferred security	**8,348**	8,372
Other income	**33**	458
	92,333	82,593
Total	**1,317,327**	728,853

23 Other income

	Year ended 31-Mar-2022	Year ended 31-Mar-2021
Other income		
Interest income on bank deposits	**3,925**	3,301
Interest income on others	**9,388**	8,828
Other Non Operating Income		
Interest on income tax refund	**333**	243
Profit on sale of assets, (net)	**63,901**	4,527
Corporate guarantee Commission income	**900**	1,238
Concessional lease Income	**79,830**	82,703
Miscellaneous income (net)	**54,547**	45,006
Sundry balances written back	**2,157**	2,175
Total other income	**214,980**	148,021

24 Changes in Inventories of food and beverages

	Year ended 31-Mar-2022	Year ended 31-Mar-2021
Opening stock		
Food and Beverages	**7,587**	11,607
Closing stock		
Finished goods	**9,249**	7,587
Total changes in inventories of food and beverages	**(1,662)**	3,213

25 Distributor and producer's share

	Year ended 31-Mar-2022	Year ended 31-Mar-2021
Distribution Expenses	**120,392**	22,932
Films Distributor's Share	**133,910**	18,430
Expenses for old Films	**57,597**	2,653
Total Distributor and producer's share	**311,899**	44,015

26 Other direct operation expenses

	Year ended 31-Mar-2022	Year ended 31-Mar-2021
Other direct cost of theatrical operations	**8,511**	5,971
Total Other direct operation expenses	**8,511**	5,971

(Rs. in '000)

27 Employee benefits expense

	Year ended 31-Mar-2022	Year ended 31-Mar-2021
Salaries and bonus	**211,691**	189,056
Contribution to provident and other funds	**8,946**	10,507
Gratuity and Leave expense	**7,756**	8,935
Staff welfare expenses	**5,662**	2,343
Total employee benefit expense	**234,055**	210,842

(i) Defined Contribution Plan

The Company's contributions to Defined Contribution Plans namely Employees Provident Fund and Employee's State Insurance Fund (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952), which are Defined Contribution Plans, are charged to Statement of Profit and Loss on accrual basis. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Amount of Rs. 8,946,267 (Previous year : Rs. 10,507,420) is recognised as expense and included in the above Note 27

(ii) Post Employment Obligations:

Gratuity : The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and it is recognised by the Income-tax authorities and administered through LIC. Liability for Gratuity is provided on the basis of Valuations, as at Balance Sheet date, carried out by an independent actuary.

The assumptions used for the actuarial valuation are as under:

	Gratuity	
	31-Mar-22	31-Mar-21
Discount Rate (per annum)	**6.90% to 7.25%**	6.25% to 6.80%
Salary growth rate	**8% to 9.50%**	8% to 9.50%

(A) Present Value of Obligation as at Balance Sheet date

	Gratuity	
	31-Mar-22	31-Mar-21
Present Value of Obligation as at the beginning	**46,978**	39,485
Interest cost	**2,762**	2,427
Current Service Cost	**4,672**	4,711
Past Service cost	**-**	-
Total amount recognised in statement of profit and loss	**7,434**	7,138
Re-measurement (or Actuarial) (gain) / loss arising from:		
change in demographic assumption	**-**	-
change in financial assumption	**(2,361)**	2,217
experience changes	**(1,130)**	(843)
Total amount recognised in Other Comprehensive Income	**(3,491)**	1,373
Benefits Paid	**(4,553)**	(1,018)
Liabilities assumed / (settled)	**-**	-
Present Value of Obligation as at the end	**46,369**	46,978

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTD.)

(Rs. in '000)

(B) Changes in the Fair value of Plan Assets

	Gratuity	
	31-Mar-22	31-Mar-21
Fair Value of Plan Assets as the beginning	**3,874**	3,409
Interest on plan assets	**139**	129
Total amount recognised in statement of profit and loss	**139**	129
Re-measurement (or Actuarial) gain / (loss) arising from:		
Actual return on plan assets less interest on plan assets	**(183)**	104
Total amount recognised in Other Comprehensive Income	**(183)**	104
Employer's contribution	**3,566**	1,250
Benefits Paid	**(4,553)**	(1,018)
Transfer In / (Out)	**-**	-
Fair value of plan assets at the end	**2,843**	3,874

(C) Amount recognised in the Balance sheet

	Gratuity	
	31-Mar-22	31-Mar-21
Present Value of obligations as at Balance Sheet date	**46,369**	46,979
Fair Value of Plan Assets as at the end of the period	**2,843**	3,874
Net (asset)/ liability recognised as at year end	**43,526**	43,105

(D) Constitution of Plan Assets

	Gratuity	
	31-Mar-22	31-Mar-21
Adminstered by Life insurance Corporation of India	**100%**	100%
Total of the Plan Assets	**100%**	100%

(E) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Gratuity	
Defined benefit obligation (base)		
As on March 31, 2022	**Decrease**	**Increase**
Discount Rate (- / + 0.5%)	1,451	(1,359)
(% change compared to base due to sensitivity)	3.13%	(2.93%)
Salary Growth Rate (- / + 0.5%)	(964)	1,025
(% change compared to base due to sensitivity)	(2.08%)	2.21%

	Gratuity	
Defined benefit obligation (base)		
As on March 31, 2021	**Decrease**	**Increase**
Discount Rate (- / + 0.5%)	1,640	(1,522)
(% change compared to base due to sensitivity)	3.49%	(3.24%)
Salary Growth Rate (- / + 0.5%)	(1,095)	1,165
(% change compared to base due to sensitivity)	(2.33%)	2.48%

The above sensitivity analyses is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

(Rs. in '000)

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Expected contributions to post employment benefit plan for the year ending March 31, 2022 is Rs. 26.62 (March 31, 2020 : Rs. 25.19)

(F) Defined benefit liability and employer contributions

The weighted average duration of the Benefit Obligation is 6.72 to 16 years

	Gratuity	
	31-Mar-22	31-Mar-21
Weighted average duration (based on discounted cashflows)		
Year 1	**6,920**	6,727
Year 2	**1,736**	2,360
Year 3	**3,468**	1,762
Year 4	**2,911**	3,459
Year 5	**1,713**	2,861
Thereafter	**108,612**	104,065

(iii) Other Long Term Benefit Plans:

Compensated absences : The leave obligations cover the Company's liability for earned leave. The amount of provision of Rs. 13,052,555/- (March 31, 2021: Rs. 13,188,009/-)

Liability for Leave Obligation is provided on the basis of Valuations, as at Balance Sheet date, carried out by an independent actuary.

(G) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility - The plan liabilities are calculated on the basis of the market yields at the valuation date on government bonds for the expected term. If plan assets underperform this yield, this will create a deficit.

Changes in bond yields - A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's assets.

28 Finance costs

	Year ended 31-Mar-2022	Year ended 31-Mar-2021
Interest cost on:		
Car loan	**2,267**	2,752
Term loan	**65,118**	73,335
Cash credit \ demand loan facilities	**2,606**	5,303
Inter corporate deposits	**2,180**	1,576
Lease Liability	**4,819**	6,022
Others	**46,579**	47,722
Processing cost and other charges	**479**	125
Total Finance Cost	**124,047**	136,834

29 Depreciation and amortisation expense

	Year ended 31-Mar-2022	Year ended 31-Mar-2021
Depreciation of property, plant and equipment	**160,647**	175,100
Depreciation on investment property	**3,382**	3,551
Amortisation of intangible assets	**13,376**	13,298
Total Finance Cost	**177,405**	191,949

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(Rs. in '000)

30 Other expenses

	Year ended 31-Mar-2022	Year ended 31-Mar-2021
Power and fuel	**88,198**	67,079
Rent	**58,587**	751
Repairs and maintenance	**58,132**	33,649
Insurance	**9,657**	11,261
Rates and taxes	**24,028**	29,938
Legal and professional	**40,907**	37,562
Communication expenses	**6,048**	5,611
Faculty Fees	**87,238**	97,560
Travelling and conveyance	**6,519**	3,169
Bad debts/ advances/ intangibles under development written-off	**41,968**	6,173
Security charges	**17,177**	18,798
Digital Equipment Hire Charges	**1,426**	658
Business promotion	**40,309**	31,598
Motor vehicle expenses	**3,116**	2,590
Sets/ student practicals	**6,693**	2,891
Printing and stationery	**3,474**	1,537
Bank charges	**987**	287
Brokerage and commission	**-**	1,863
Payment to auditor (Refer details below)	**4,524**	4,247
Miscellaneous expenses	**53,254**	28,340
Total	**552,242**	385,563

30 a - Payment to auditor	Year ended 31-Mar-2022	Year ended 31-Mar-2021
Audit Fees	**4,511**	4,242
Reimbursement of Expenses	**13**	5
Total	**4,524**	4,247

31 Income Tax

(A) Income Tax Expense

This note provides an analysis of the Company's income tax expense and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions

Income Tax Expense	31-Mar-2022	31-Mar-2021
Current tax		
Current tax on profits for the year	**54,332**	17,980
Total Current Tax Expense	**54,332**	17,980
Deferred Tax		
Decrease (increase) in deferred tax assets	**1,804**	(7,708)
(Decrease) increase in deferred tax liabilities	**-**	-
Total Deferred Tax Expense	**1,804**	(7,708)
Income Tax Expense	**56,137**	10,272

(Rs. in '000)

32 Earnings per equity share:

	Year ended 31-Mar-2022	Year ended 31-Mar-2021
Net profit / (loss) after tax attributable to shareholders	**65,510**	(123,464)
Weighted average number of equity shares outstanding during the year for basic EPS	**22,581,200**	22,581
Weighted average number of equity shares outstanding during the year for dilutive EPS	**22,581,200**	22,581
Basic EPS	**0.00**	(0.01)
Dilutive EPS	**0.00**	(0.01)
Nominal value per share	**5**	5

33 Fair value measurement

The carrying value/ Fair value of the Financial instruments by category

	31 March 2022			31 March 2021		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Other Financial Assets	-	-	310,328	-	-	305,355
Trade Receiveables	-	-	112,093	-	-	207,391
Cash and cash equivalents	-	-	92,930	-	-	140,142
Loans	-	-	152,257	-	-	126,369
Investment	40,631	-	-	35,872	-	-
Othe bank balance			70,961			47,927
Total financial assets	**40,631**	**-**	**738,569**	35,872	-	827,184
Financial liabilities						
Borrowings	-	-	637,298	-	-	672,629
Trade Payables	-	-	300,103	-	-	283,431
Other Financial Liabilities	-	-	306,016	-	-	734,718
Total financial liabilities	**-**	**-**	**1,243,418**	-	-	1,690,778

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair value of financial instruments that are (a) recognised and measured at fair value (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three level prescribed under the accounting standard. An explanation each level follows underneath the table.

Financial instruments measured at Fair value

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices, for example listed equity instruments, traded bonds and mutual funds that have quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques that maximise 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.

There are no recurring fair value measurements for any financial instruments as at March 31, 2022 and March 31, 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTD.)

(Rs. in '000)

34 Financial risk management

The group's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the group is exposed to and how it manages those risks.

(A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument leading to a financial loss. The group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including cash and cash equivalents and deposits with banks.

(i) Credit risk management

(a) Trade receivable related credit risk

The group evaluates the concentration of risk with respect to trade receivables as low. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.The group provides for expected credit loss on trade receivables based on expected credit loss method. Each outstanding customer receivables are regularly monitored and if outstanding is above due date the further shipments are controlled and can only be released if there is a proper justification.

Reconciliation of loss allowance provision

	Amount
Loss allowance on April 1, 2021	**59,705**
Provision for allowances & Written-off	23,364
Loss allowance on March 31, 2022	**83,069**

(b) Others Financial Asset

Credit risk from balances with banks is managed by group in accordance with the group policy. The other financial assets are from various forum of Government authorities and are released by Government authorities on completion of relevant terms and conditions for the release of outstanding.

(B) Liquidity risk

The group manages liquidity risk by continuously monitoring forecast and actual cash flows on daily, monthly and yearly basis. The group ensures that there is a free credit limit available at the start of the year which is sufficient for repayments getting due in the ensuing year. Loan arrangements, credit limits with various banks including working capital and monitoring of operational and working capital issues are always kept in mind for better liquidity management

(i) Financing arrangements

The group had access to the following undrawn borrowing facilities at the end of the reporting period:

	31 March 2022	31 March 2021
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	**19,524**	41,489
	19,524	41,489

(i) Maturities of financial liabilities

The following tables detail the group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group can be required to pay. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the group may be required to pay.

The amounts disclosed in the table are the undiscounted contractual cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities as at March 31, 2022	**Less than 1 year**	**More than 1 year**	**Total**
Borrowings	79,524	557,774	**637,298**
Trade payables	300,103	-	**300,103**
Other financial liabilities	183,438	122,579	**306,016**
Total liabilities	563,065	680,353	**1,243,418**

(Rs. in '000)

Contractual maturities of financial liabilities as at March 31, 2021	Less than 1 year	More than 1 year	Total
Borrowings	113,489	559,140	**672,629**
Trade payables	283,431	-	**283,431**
Other financial liabilities	355,665	379,053	**734,718**
Total liabilities	752,585	938,193	**1,690,778**

Contractual maturities of financial Assets as at March 31, 2022	Less than 1 year	More than 1 year	Total
Trade Receivables	112,093	-	**112,093**
Cash & bank balance	92,930	-	**92,930**
Other bank Balance	70,961	-	**70,961**
Loans	152,257	-	**152,257**
Investments	-	40,631	**40,631**
Other finacial assets	90,210	220,118	**310,328**
Total Assets	518,451	260,750	**779,200**

Contractual maturities of financial Assets as at March 31, 2021	Less than 1 year	More than 1 year	Total
Trade Receivables	207,391	-	**207,391**
Cash & bank balance	140,142	-	**140,142**
Other bank Balance	47,927	-	**47,927**
Loans	126,369	-	**126,369**
Investments	-	35,872	**35,872**
Other finacial assets	82,164	223,190	**305,355**
Total Assets	603,994	259,062	**863,056**

(C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of two types of risks – interest rate risk & currency risk. Financial instrument affected by market risks includes loans and borrowings, deposits and other financials assets.

The group has designed risk management frame work to control various risks effectively to achieve the business objectives. This includes identification of risk, its assessment, control and monitoring at timely intervals.

(i) Foreign currency risk

The Indian Rupee is the group's functional and reporting currency. The group has limited foreign currency exposure which are mainly in cash. Foreign currency transaction exposures arising on internal and external trade flows are not material and therefore not hedged. Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. This is the risk that the group may suffer losses as a result of adverse exchange rate movement during the relevant period.

(ii) Interest rate risk exposure

The group manages interest rate risk by having a balanced portfolio of fixed and variable rate of interest on loans and borrowings. To manage this, group has issued fixed rate bonds and loans taken from banks are linked to MCLR rate of the bank, which are variable. The exposure of the group's borrowing to interest rate changes at the end of the reporting period are as follows.

Below are borrowings excluding debt component of compound financial instruments and including current maturity of non current borrowings:

	31 March 2022	31 March 2021
Variable rate borrowings	**19,524**	41,489
Fixed rate borrowings	**609,644**	611,010
Total Borrowing	**629,167**	652,499

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTD.)

(Rs. in '000)

As at the end of the reporting period, the entity had the following variable rate borrowings outstanding:

	31 March 2022			31 March 2021		
	Weighted Average Interest Rate	Balance	% of Total Loans	Weighted Average Interest Rate	Balance	% of Total Loans
Bank Overdraft	100%	19,524	3.10%	100%	41,489	6.36%

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Currency	Increase / decrease in basis points	Net effect on profit before tax (Increamental amount)
31 March 2022	**INR**	**+50**	**620**
	INR	**-50**	**(620)**
31 March 2021	**INR**	**+50**	684
	INR	**-50**	(684)

The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings.

35 Capital management

For the purpose of the group's capital management, equity includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the group. The primary objective of the group's capital management is to maximise the shareholder value.The group's Capital Management objectives are to maintain equity including all reserves to protect economic viability and to finance any growth opportunities that may be available in future so as to maximize shareholders' value. The group is monitoring capital using debt equity ratio as its base, which is debt to equity. The group's policy is to keep debt equity ratio below three and infuse capital if and when required through issue of new shares and/or better operational results and efficient working capital management. In order to achieve the aforesaid objectives, the group has not sanctioned any major capex on new expansion projects in last two to three years There is constant endeavour to reduce debt as much as feasible and practical by improving operational and working capital management.

Particulars	**31-Mar-22**	31-Mar-21
Net debt	**697,219**	764,591
Total equity attributable to owners	**96,229**	9,408
Net Debt to equity ratio	**7.25**	81.27

Risk management

The group's objective when managing capital are to:

(i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

(ii) Maintain an optimal capital structure to reduce the cost of capital

The group currently has loans from holding group and banks.

(i) Loan covenants:

Under the terms of its major borrowing facilities, the group is required to comply with the following financial covenants:

- all collections should be routed through the bank of the provider of the facility.

The group has complied with the covenants throughout the reporting period. As at 31 March 2022.

(Rs. in '000)

36 Segment information

Particulars	31 March 2022	31 March 2021
Segment revenue		
Software division	**403,685**	112,220
Equipment division	**1,271**	1,119
Education	**491,208**	506,995
Theatrical exhibition	**476,996**	158,865
Others	**104,390**	98,466
Total	**1,477,549**	877,665
Less : Inter segment revenue	**-**	-
Net sales/ Income from operations	**1,477,549**	877,665
Segment results		
(Loss)/ profit before tax, interest and exceptional items from each segment		
Software division	**187,708**	51,778
Equipment division	**(1,481)**	(2,662)
Education	**45,972**	87,299
Theatrical exhibition	**(140,570)**	(185,744)
Others	**63,973**	57,679
Total	**155,603**	8,350
Less: Finance costs	**124,047**	136,834
Unallocated expenses, net of unallocable income	**(73,317)**	(20,501)
Total (loss) before tax	**104,873**	(107,983)
Depreciation and amortization		
Software division	**3,602**	4,180
Equipment division	**1,099**	2,174
Education	**50,646**	57,179
Theatrical exhibition	**105,242**	112,924
Others	**6,292**	6,990
Unallocable	**10,523**	8,503
Capital employed		
(Segment assets - Segment liabilities)		
Software division	**(104,519)**	(101,159)
Equipment division	**10,140**	10,945
Education	**194,839**	163,661
Theatrical exhibition division	**832,481**	603,852
Others	**171,368**	258,648
Unallocable (includes minority interest)	**1,058,686**	(967,377)

Segment Reporting:

The Management has identified business segments by taking into account the nature of the business, the differing risks and returns, the organisation structure and internal reporting system. The Management monitors performance of these segments on a periodic basis.

On this basis the Management has identified five business segments:–

1 Software division
2 Equipment division
3 Education
4 Theatrical exhibition division and
5 Others

Software division :

This primarily comprises film/ TV production and distribution operations. Production operations represent production/ co-production of movies, Television content and allied services. Distribution operations represent acquisition of movie rights for overseas as well as Indian distribution for a fixed period and exploitation thereof.

Equipment division :

This comprises of the activity of providing equipment on hire to outsiders.

Education :

This comprises of the operations of an education, research and training institute imparting training in various skills related to films, television and the media industry in general.

Theatrical exhibition division :

These comprise of various services offered at theatres including sale of tickets, catering of food and beverages, providing advertising services at theatres and related services.

Others :

This comprises mainly rental income.

The Group caters mainly to the domestic market and since the risks and rewards are similar across the market, it is treated as one reportable geographical segment

Segment revenue, Segment results, Segment assets and Segment liabilities include the respective amounts identifiable to each segment as also amounts allocable on a reasonable basis. Income and expenses which are not directly attributable to any business segment are shown as unallocated corporate income and expenses respectively. Assets and liabilities that cannot be allocated between the segments are shown as a part of unallocated assets and liabilities respectively

37 Related party disclosures

Details of related parties including summary of transactions entered into by the Company during the year ended 31 March 2022 are summarized below:

A) Parties where control exists

(i) Shareholders holding more than 50%

- Subhash Ghai

(ii) Key management personnel and relatives of such personnel

- Subhash Ghai - Chairman (and shareholder)
- Parvez A. Farooqui - Director (and shareholder)
- Rahul Puri - Managing Director
- Mukta Ghai - Wife of Subhash Ghai (and shareholder)
- Ashok Ghai - Brother of Subhash Ghai
- Siraj Farooqui - Brother of Parvez Farooqui
- Sameer Farooqui - Brother of Parvez Farooqui
- Sajid Farooqui - Brother of Parvez Farooqui
- Meghna Ghai Puri - Daughter of Subhash Ghai, wife of Rahul Puri (and shareholder)

(iii) Enterprise over which key management personnel have control/ substantial interest/ significant influence

- Mukta Arts – Proprietary concern of Subhash Ghai
- Mukta Tele Arts Private Limited – Enterprise in which Subhash Ghai exercises significant influence

(Rs. in '000)

B Transactions with related parties for the year ended 31 March 2022 are as follows:-

Transactions	Key Management Personnel and relatives of such personnel		Enterprises over which key management personnel have control/ substantial interest/ significant influence	
	2022	2021	**2022**	2021
Receiving of services				
Ashok Ghai - Professional fees paid	**2,726**	2,319	-	-
Mukta Arts - Rent	-	-	-	60
Rent expenses				
Subhash Ghai	**2,400**	2,400	-	-
Lease rentals of subsidiary company				
Subhash Ghai	**3,000**	3,000	-	-
Salaries and other benefit				
Siraj Farooqui	**2,914**	2,397	-	-
Sameer Farooqui	**887**	725	-	-
Managerial remuneration				
Subhash Ghai	**5,061**	5,175	-	-
Subhash Ghai - Film Director fees	**16,000**	-	-	-
Rahul Puri	**3,491**	3,094	-	-
Remuneration/Faculty fees to director of subsidiary company				
Subhash Ghai	**3,000**	3,000	-	-
Rahul Puri	**3,000**	3,011	-	-
Meghna Ghai Puri	**6,074**	6,063	-	-
Parvez A. Farooqui	**3,887**	2,925	-	-
Loan repaid by subsidiary company during the year				
Subhash Ghai	-	35,000	-	-
Interest on Loan during the year				
Subhash Ghai	**4,180**	7,653	-	-
Deposit receivable				
Mukta Arts	-	-	-	300

38 Commitments

Estimated amounts of contracts remaining to be executed on capital account and not provided for aggregate to Rs Nil (31 March 2022: Rs Nil).

39 Contingent liabilities

	31 March 2022	31 March 2021
Claims not acknowledged as debt		
-Service tax matters (note 1)	**1,675**	1,675
-Local levies	**18,245**	18,245

*** Notes**

1) Unless specified, the amounts are excluding penalty and interest, if any, that would be levied at the time of final conclusion.

2) The companies in the group are party to various legal proceedings in the normal course of business and do not expect the outcome of these proceedings to have any adverse effect on the financial conditions, results of operations or cash flows.

3) In addition, the Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability, where applicable in its financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTD.)

(Rs. in '000)

The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect of the Company's results of operations or financial condition.

The Company has availed the benefit of payment of customs duty and other duties at a concessional rate on import of capital goods, under the Export Promotion Capital Goods ('EPCG') Scheme, against fulfillment of export commitment over eight years from the date of issue of the license. The Company's bankers have provided guarantees amounting to Rs 18,750,362 (31 March 2021: Rs 18,125,007) to the Customs and other statutory authorities, on behalf of the Company, towards fulfilment of these commitments. The Company believes that the export commitment obligations will be fulfilled and accordingly does not expect any custom and other duties, penalty or interest to be levied with respect to non-fulfillment of the terms and conditions of the EPCG scheme.

Due to the Covid-19 pandemic, the Company has invoked the Force Majeure clause and informed the Cinema landlords and equipment providers that no rent would accrue for the period of closure. The Force Majeure clause includes Acts of God and even circumstances beyond control of the parties as a valid Force Majeure. The clause also mentions that during this period, no rent would be payable. With regard to locations and equipment where rental is fixed in nature, the Company has reversed the liability towards the landlords and equipment providers for the period of closure of Cinemas during the financial period by treating the same as Concessional lease income of Rs. 79,830,002/-. The Company shall continue to apply Depreciation on Right of Use assets and the associated finance charges for the period. The equipment providers and landlords at certain locations have confirmed the invocation of Force Majeure. The total amount of fixed payment to landlords of the remaining locations for the period was Rs.4,042,500/-. In the unlikely event of the landlord and equipment providers subsequently raising invoices for rent for past months, we may have to recognise Contingent liability for this period.

40 Disclosure of Ratios

	Particulars	As at March 31, 2022	As at March 31, 2021	% of Variance	Reason for variance for more than 25%
i)	**Debt Equity ratio - [no. of times]** Total debt/ Total equity	7.25	81.27	(91)	Due to increase in total equity as on 31-03-2022
ii)	**Debt service coverage ratio ('DSCR') - [no. of times]** EBITDA / (Interest expenses** + Principal repayments of long term borrowings due within 12 months from the balance sheet date)	2.32	1.01	129	Due to increase in EBITDA for the year 2021-22.
iii)	**Current ratio [no. of times]** (Total current assets - Derivatives financial assets) / (Total current liabilities - Short term borrowings****)	0.67	0.58	15	
iv)	**Trade receivables turnover ratio (times)** (Sale of services/ Closing trade receivables)	11.75	3.51	234	Due to increase in sales during FY 2021-22.
v)	**Net profit/(loss) margin [%][2]** Profit/(Loss) after tax / Revenue from operations	0.05	(0.17)	(128)	Due to increase in profit for the year 2021-22
vi)	**Return on Equity Ratio [%][3]** Profit/(Loss) after tax / Total equity	0.65	(13.08)	(105)	Due to increase in profit for the year 2021-22
vii)	**Net Capital Turnover Ratio [no. of times][4]**	(3.60)	(1.33)	172	Due to increase in revenUe and decrease in current liabilities.

(Rs. in '000)

Particulars	As at March 31, 2022	As at March 31, 2021	% of Variance	Reason for variance for more than 25%
(Total revenue from operations / (Total current asset- Derivative financial asset)- (Total current liability- Short term borrowings****))				
viii) Return on Capital Employed Ratio [%] {Earnings before Interest & Taxes (EBIT)}***** / Total Capital Employed******)	**0.13**	**0.02**	**744**	Due to increase in EBIT for the year 2021-22.
ix) Trade payables turnover - [no. of times] Total expenses less depreciation / Closing Trade payables	**4.17**	**2.80**	**49**	Due to increase in total expenses for the year 2021-22.

** Interest expenses exclude notional interest and other finance charges.

*** Total debt represents Total borrowings + Interest accrued but not due.

****Short term borrowings represents current borrowings including current maturities of long term debt + Interest accrued but not due.

*****Earning before interest and taxes (EBIT) = EBT+ Interest)

******Total Capital employed represents Tangible net worth + total debt + deferred tax liability.

41 **Impact of the CoVID-19 pandemic on the business of Mukta A2 Cinemas Limited :** The business of the company has been affected by the shutdown from March 2020 due to the Covid- 19 pandemic. The company has had no operational revenue during extended periods. To compensate for this reduction of revenue , cost control measures such as salary cuts and postponement of capital outflows have been taken. The company has evaluated the impact of covid-19 on the business for the next few quarters and has recorded the cost of impact that is quantifiable though it is not possible to completely quantify the impact.

	31 March 2022	31 March 2021
Claims against the company not acknowledged as debt pertaining to local levies in case of WWIL	**18,245,277**	18,245,277

42 **Dues to Micro and Small Enterprises**

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro and Small Enterprises (MSE). On the basis of the information and records available with the Management, none of the Group's suppliers are covered.

	31 March 2022	31 March 2021
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
-Principal	**1,982**	2,576
-Interest	**-**	556
The amount of interest paid by the Company as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	**-**	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	**-**	11,283
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	**-**	168
The amount of interest accrued and remaining unpaid at the end of each accounting year	**-**	168
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	**-**	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTD.)

(Rs. in '000)

43 Public Interest Litigations ('PIL') had been filed alleging that the Maharashtra Film, Stage and Cultural Development Corporation Limited ('MFSCDCL') had not followed proper procedure while entering into a Joint Venture Agreement ('JVA') with the Company and in the subsequent allotment of 20 acres of land to the said joint venture, Whistling Woods International Limited ('WWI'), a subsidiary of the Company. During the year 2011-2012, pursuant to the Order of the Hon'ble High Court of Judicature at Bombay ('High Court') dated 9 February 2012, inter-alia, the JVA with MFSCDCL was quashed / rendered cancelled, WWI was ordered to return the land to MFSCDCL and pay rent (and interest on arrears) retrospectively on the entire land since the date of the JVA. Of the total land admeasuring 20 acres, 14.5 acres vacant unused land was handed over to MFSCDCL on 18 April 2012 and the balance was to be handed over on or before 31 July 2014. Pending discussion and / or agreement with MFSCDCL and / or clarifications to be sought from the concerned parties, no adjustments have been made to the Share Capital structure of WWI and the carrying value of the land rights in its books of account. However, in terms of the Order of the High Court, the said amount together with future rent till the date of vacation of the premises is adjustable against the market price of the Institute building of WWI on the said land. The valuation is to be carried out by an expert valuer to be appointed by the Government. During the year 2013-2014, the PWD Engineer has given his valuation report based on the Balance Sheet of WWI as at 31 March 2011. Further, the Company made an application to the Government of Maharashtra in February 2013 to appoint expert valuers to determine the market price. WWI's petition for special leave to file appeal with the Supreme Court of India was dismissed. However, the Company and WWI filed review petitions with the High Court. In terms of Order dated 9 February 2012 passed by the High Court, MFSCDC raised net demand of Rs. 591,966,210 and asked WWI to vacate the premises. The Company's and WWI's Review Petitions were heard by High Court and a stay was granted on 30 July 2014. The High Court ordered the Company / WWI to pay arrears of rent for the years 2000-2001 to 2013-2014 aggregating to Rs 100,038,000 by January 2015 and to pay rent of Rs 4,500,000 per annum from the financial year 2014-2015. As per the terms of the said Order, till 31 March 2022 Rs 113,538,000 has been paid by the Company and Rs 18,000,000 has been paid by WWIL. The State Government of Maharashtra and MFSCDCL challenged the Order of the Bombay High Court in the Supreme Court which was dismissed by the court on 22nd September 2014 with recourse to the State Government of Maharashtra to make an application to the High Court. Pending final disposal of the review petitions and valuation of the building, and in view of the future plans for WWI which are being evaluated, management believes that the Company's investments in WWI aggregating Rs 399,511,218 and amounts due therefrom aggregating Rs 441,290,157 are good and recoverable as management is hopeful of reliefs based on the issues involved and on merits of the case, as also of a high valuation of the building. The amounts so paid/ being paid by the Company have been treated as Deposits in the standalone financial statements to be adjusted on the settlement of the case.

44 **Disclosure pursuant to Section 186 of the Companies Act, 2013**

a) **Details of loan given:**

Name of the the entity and relation with the Company, if applicable	Terms and conditions of the loan and purpose for which it will be utilised
Om Films Private Limited	Unsecured loan given for the purpose of financial assistance in connection with the release of a feature film which is repayable on demand.

Movement of loan during the finanical years ended 31 March 2022 and 31 March 2021 is given below:

Name of Party	Financial year	Opening balance (excluding accrued interest)	Loan given	Loan repaid/ Adjustment	Closing balance (excluding accrued interest)
Om Films Private Limited	Year ended 31 March 2022	17,600	-	-	17,600
	Year ended 31 March 2021	17,600	-	-	17,600

45 The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed that there are no long-term contracts including derivative contracts for which there were any material foreseeable losses.

46 Pursuant to the provisions of the Companies Act, 2013 read with Investor Education Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, the shares pertaining to which dividend remains unclaimed/ unpaid for a period of seven years from the date of transfer to unpaid dividend account are mandatorily required to be transferred to the Investor Education and Protection Fund ('IEPF') established by the Central Government.

Accordingly, during the year, the Company has transferred to the IEPF an amount of Rs. Nil (2021 : Rs. 38,214) on account of unclaimed dividend and Nil (2021 : 17,538) shares to which this dividend relates.

47 Prior period comparatives

Previous year's figures have been regrouped/ reclassified, wherever necessary.

As per our report of even date.

For **Uttam Abuwala Ghosh & Associates**
Chartered Accountants
Firm's Registration No: 111184W

For and on behalf of the Board of Directors of
Mukta Arts Limited
CIN: L92110MH1982PLC028180

CA Subhash Jhunjhunwala
Partner
Membership No: 016331

Subhash Ghai
Chairman Director
DIN: 00019803

Rahul Puri
Managing Director
DIN: 01925045

Parvez A. Farooqui
Director
DIN: 00019853

Place: Mumbai
Date: 17 May 2022

Prabuddha Dasgupta
Chief Financial Officer

Monika Shah
Company Secretary
Membership No: FCS7964

Notes

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Dilip Kumar Birth Anniversary Celebration at WWI

36 Farm House

Mukta A2 Cinemas at Rajyash, Ahmedabad

MUKTA ARTS LIMITED

Registered Office

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