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

27 August 2021

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 2020-21 and Notice convening the 39th Annual General **Meeting**

This is with further reference to our letter dated 25th May, 2021 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 2020-21 along with Notice convening the 39th Annual General Meeting of the Company scheduled to be held on Thursday, the 23rd day of September, 2021 at 3.00 p.m. (IST) through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM'). The venue of the Meeting shall be deemed to be Whistling Woods Institute's Auditorium, 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 & Share Transfer Books of the Company will remain closed from Friday, 17th September, 2021 to Friday, 24th September, 2021 (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 Thursday, 16th September, 2021.

We request you to kindly take the above on record.

Thanking you,

Yours Faithfully,
For and on behalf of
Mukta Arts Limited

MUKTA ARTS LTD. MUMBAI

Monika Shah
Company Secretary and Compliance Officer
Encl: a/a

MUKTA ARTS LIMITED

ANNUAL REPORT | 2021

Mahurat shot of Mukta Arts' new Production '36 Farmhouse'

Mukta A2 Bhilai Exterior

Mukta A2 Vizag Audiorium

Mukta A2 Hyderabad Exterior

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. Manmohan Shetty
Independent Director
DIN: 00013961

Chief Financial Officer
Mr. Prabuddha Dasgupta

Company Secretary & Group Compliance Officer
Ms. Monika Shah

Statutory Auditors
M/s. Uttam Abuwala Ghosh & Associates

Internal Auditors
M/s. Garg Devendra & Associates

Secretarial Auditors
K. C. Nevatia & Associates, Company Secretaries

Bankers
YES Bank Limited
Kotak Mahindra 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: +91 22 33649401

CONTENTS

PERFORMANCE

Performance at a glance

Rupees in millions

	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2019	Year ended 31st March 2018	Year ended 31st March 2017
Revenue from operations	**186.31**	216.06	196.72	115.00	593.29
Other Income	**111.77**	109.78	112.70	144.75	120.83
TOTAL INCOME	**298.08**	325.84	309.42	259.75	714.12
Profit/(Loss) before Interest,					
Depreciation and Tax	**169.36**	137.40	140.38	113.16	157.53
Depreciation	**20.41**	23.16	24.66	27.15	70.48
Interest	**58.46**	68.93	59.70	68.49	63.41
Profit/(Loss) before Tax	**90.49**	45.31	56.02	17.52	23.64
Profit/(Loss) after Tax	**69.81**	51.73	38.81	14.92	12.42
Dividend	**-**	28.23	-	-	-
Dividend Rate	-	25%	-	-	-
Gross Fixed Assets	**767.56**	767.55	743.21	749.23	1,740.31
Net Fixed Assets	**281.28**	301.68	300.51	329.78	395.54
Total Assets	**2,512.37**	2,193.32	2,130.25	2,064.32	2,036.67
Equity Share Capital	**112.93**	112.93	112.93	112.93	112.93
Reserves and Surplus	**1,366.04**	1,295.61	1,301.69	1,265.20	1,250.28
Net Worth	**1,478.97**	1,408.54	1,414.62	1,378.13	1,363.22
Earnings per Share (EPS)					
In Rupees					
EPS Basic	**3.12**	2.23	1.62	0.66	0.52
EPS Adjusted to Rs. 5	**3.12**	2.23	1.62	0.66	0.52

Chairman's Statement 2021

The thought of talking about the performance of a company over a year seems a little moot given the unprecedented times the entire world has been through over the last 18 months. It has without doubt been one of the most challenging periods in recent memory. The pandemic has torn apart lives and livelihoods and left no part of the globe unaffected and in recent times, India has seen much more devastation than most. It is within this context that we must examine what performance means and what the actual meaning of an organisation is.

Most of our businesses were at much of an operational standstill for large parts of 2020 and into 2021 but yet the Mukta Group and the family we have created remained strong and acted as supports for each other in these most testing of times. I am proud of the way we have reacted as a company and the measures we have taken. The worst may be now behind us and we can move ahead as a company but the bonds formed through this period of adversity will hold us in good stead in the years to come.

I would like to take an opportunity here to thank the first responders again in this continuing crisis. Our doctors, nurses, health-workers, policemen and women, delivery people and many other essential staff have worked day and night, with great risk to their health to ensure that we can continue to have some semblance of the lives we are used to. We have much to be grateful to them for and will forever be in their debt for the service they have shown and continue to show. I would also like to show my appreciation of the scientists, across the globe and in India who have worked tirelessly to create the vaccines that are now bringing hope to many around the world. India's vaccine program is beginning to show strong results as the second wave peters out and the people involved in the roll out and distribution of this game-changing medicine across a country of so many, need to be thanked and kept in our gratitude as well.

The Media and Entertainment Industry has seen the worst over the last year. Apart from OTT, most sections of the business were largely shut down and with production either not allowed or done in challenging environments, the supply of new content has been difficult to maintain. Theatres were perhaps the worst hit being almost completely shut throughout the year with the exception of some brief respite in January till the second wave was upon us in March and that too, largely in the Southern States only. Lack of content basically made releasing Hindi films impossible even if theatres were partially allowed to operate. The FICCI report for the year paints a grim picture but with the vaccine roll out beginning to gain pace and large studios, channels and production houses in the industry commencing vaccination drives, there is a strong feeling of a rebound in the months to come.

No doubt we have already seen evidence of this. When cinemas did reopen in the South in January, we witnessed huge numbers of audience and despite the limited occupancy, films performed extremely well. The same has been mirrored in other countries where cinemas have reopened, America, China and Korea have seen strong numbers for their post-pandemic releases. This makes me believe that with the strong flow of films set up for when theatres are able to reopen, audiences will flock to cinemas and we will have a strong run of content performance at the box office. The reports of the end of cinema viewing are greatly exaggerated.

As for the company, we did not rest on our laurels this year. Even though operations were limited by the pandemic, we moved ahead with some strategic initiatives. Mukta Arts signed a 3 film deal with Zee Studios to produce feature films in October 2020. The first of these is a crime-comedy caper tentatively titled '36 Farmhouse'. A topical film based in the pandemic, the film has begun shooting as of June 2021 and we expect the release to happen by the end of the year. More announcements will follow soon with regards to the other films in this deal.

Mukta A2 Cinemas sadly was badly hit with the inability of most of the properties to open in any meaningful way. There was a brief respite when our South properties in Vizag, Hyderabad, Shamshabad and Karimnagar opened for about four months from December 2020 to April 2021, in which they performed reasonably well given the limited occupancy, but this has been the bulk of the activity. New properties did not open and were naturally postponed but properties in Bangalore, Dibrugarh and Kharagpur are on the horizon for the next fiscal. The company is also making some key management changes with Satwik Lele rejoining Mukta A2 Cinemas as Chief Operating Officer from his stint at Inox.

Mukta A2 Karimnagar Exterior

Mukta A2 Bahrain Drive-In

Mukta A2 Bahrain too had a tough year with the theatre closed for most of the fiscal. There was a brief period where we partnered Pico to roll out the country's first drive-in theatre and initially it was a good success but eventually, the response petered out as the pandemic ramped up there as well. Work on the Dana Mall property was also affected by the virus and now that 10 screen property renovation, where Mukta A2 is a management partner, will likely only finish by the end of 2021.

Whistling Woods International had reacted quickly to the pandemic and took its lectures and classes online in March 2020. This meant a semester was completed online by June and a new session began in August online. It has been a challenging time for students and faculty to ensure that there is quality learning in the virtual environment but I am proud of both as we have managed to fulfill most parts of the curriculum in this way. Some practical elements will need to be done only when lockdown lifts but we did manage to complete graduation for our final year students without much complication. Sadly we were not able to gather for the convocation this year but we have kept that pending as and when the situation improves.

Whistling Woods International also announced a second university partnership in October with the Rajiv Gandhi National Institute of Youth Development (RGNIYD). The institute is one of national importance and the partnership will allow us to expand our courses in the areas of sports as related to media and entertainment. The tie-up also allows Whistling Woods to now offer Masters programs and we are excited about launching Masters programs in many of our courses in 2021. We had the Minister for Youth Development on campus to sign the agreement and it is a matter of great pride that Whistling Woods has been able to do this and I congratulate the whole team for the tie up. I am sure it will lead to a wonderful new era in skill based degree learning for students. Our association with the Tata Institute of Social Sciences (TISS) continues but adding another university option for our students makes Whistling Woods a more sought after educational destination.

During the year, Whistling Woods launched an Event Management School with its first PGP in Event Management. Going forward the school will offer both a BBA and an MBA in Event and Experiential Management.

The institute's focus on Cinematic Virtual Reality through and its association with Reliance Jio which led to the setting up of the WWI Jio VR Lab in 2018 fructified in 2020 with the lab achieving its principle goal of formulating a curriculum & teaching methodology for Cinematic VR. The same has been included in the WWI curriculum, making it the only institution in India to teach all its students immersive content creation.

Through this focus on Emerging Media technologies, WWI has been able to take up thought leadership roles in the fields of Cinematic Virtual Reality and Virtual Production, both in India & globally. WWI Vice President and Head of its VR Lab & Emerging Media Lab – Chaitanya Chinchlikar has been invited to join the Global Board of Governors of the Society of Motion Pictures & Television Engineers, making him the only Indian to serve on the board presently. I am very proud of Chaitanya and his appointment. It will bring great opportunities to Whistling Woods in the future.

As I said at the beginning of this statement, one of the things I am most grateful for during this year has been that the Mukta Group grew together in this adversity as a family. I am pleased to say that Mukta Arts, Mukta A2 Cinemas and Whistling Woods International ran a vaccination drive for its staff, students and faculty members and their families in a free of cost initiative. We managed to get over 300 people vaccinated and we hope that we will be able to do this again for our students as and when they begin to return to campus. Vaccination efforts are a huge part of how businesses can overcome this terrible pandemic and we are happy to be able to aid our employees and their families in trying to get their normal lives back.

Mukta and WWI Corporate Vaccination Drive

No doubt many Annual Reports this year will echo a similar sentiment to this one. It has been a deeply challenging year for businesses but when one looks at the bigger picture, it has been a deeply distressing year for humanity as a whole and business is only a small aspect of that. As governments are now beginning to take measures to help us all get back to life in some form, I can only be confident and optimistic about what the future holds. Mukta and its group of companies are ready to meet this challenge and I am excited to share that journey with you - our shareholders.

Thanking you,

Subhash Ghai
Chairman

Mukta Arts Limited

MANAGEMENTS DISCUSSION AND ANALYSIS - 2021

Industry performance

The year 2020-21 has been a test of grit, determination and staying power for many industries across the country. The year started with most businesses that were not in the essential products and services category closed due to the Covid-19 related lockdown. This situation continued for months, and generally longer for the Media and Entertainment sector in particular.

After the lockdown was lifted starting in early October 2020 and businesses were just finding their footing in the new normal, when the second Covid-19 wave forced another lockdown. As a result, the year 2020-21 has been a year with limited positives. While the national GDP fell 8% from 2019 to 2020 calendar year, the Media and Entertainment sector fell by 24%. This is in stark contrast to the trends noted in the past few years when the Media and Entertainment sector would outperform the overall industry growth rates. As a result, the revenues of the Media and Entertainment sector went back to the 2017 levels.

Of the segments within Media and Entertainment, Digital subscription and Online gaming were two sectors that grew, bolstered by the situation. Digital subscription grew by 49% while Online gaming grew by 18%. The Music Industry remained at more or less the same levels. All the remaining segments fell, from Television at 13% to Live events at 68%. Filmed entertainment also saw a drop, falling 62% from the previous year's level.

A closer look at the Filmed entertainment segment shows varying fortunes of different segments. Theatrical revenue for 2020 fell to less than a quarter of the 2019 volume, while digital actually doubled over its 2019 levels. Production of films was stopped for over six months. Wherever it was possible, animation replaced live shooting and as a result, animation showed some improvement.

Of the films that had been produced and were ready for theatrical release, some releases were postponed and some were released on OTT platforms. With the resumption of production of movies it is expected to take a short while before theatrical revenues start growing again. It is expected that the Filmed Entertainment sector shall take 1 to 2 years to get back on its earlier growth path. Television and Music too are expected to recover similarly. Such has been the effect of this pandemic, that some segments, like Print, Radio and OOH are expected to take over three years for recovery.

Company Performance

Against this backdrop, Mukta Arts as a group has had mixed fortunes. The film library of Mukta Arts continued to yield revenues from the deal with Zee Entertainment. The theatrical release of the Marathi film Vijeta had been hit by the pandemic and its full-fledged release is still on hold. There was some indirect cost saving on account of the moratorium on repayment offered by the lenders, as this supported the cash flows materially. The standalone financial performance has shown higher profits in 2020-21 compared to 2019-20, with Profit after Tax up 35% from Rs 5 crores to Rs 7 crores notwithstanding a 9% fall in gross revenues from Rs 33 crores to Rs 30 crores, mainly on account of costs being reined in for tackling the difficult times.

The two subsidiaries in the film exhibition space, in India and in Bahrain, were however, strongly affected by the pandemic. In India, out of a total of 365 days, the longest duration any of the cinemas were operational, was 137 days for two cinemas. Because of the lockdowns and closure of businesses, the work on the upcoming cinemas too has been going slow. There are a number of locations that have been ready at fit out stage since the start of this pandemic.

In Bahrain, the cinema remained closed for the entire year. The Company did experiment with an open air drive-in cinema but closed it due to lack of suitable content. The cinema reopened in May this year for about two weeks after which it was closed down again. The Management role with the 10 screen Dana Mall Theatre is awaiting completion of renovation and opening of the Theatre. In spite of the present situation, the film exhibition business continues to be promising in the long term. The Bahrain entity has found an investor who has taken a substantial stake in the business. Both in Bahrain and in India, the Management and team are fully geared up for reopening soon, and to turn the business around on a war footing.

Whistling Woods International (WWI), the Mukta subsidiary in the film education field, was only marginally affected by the pandemic, and was able to realign activities in keeping with the changed requirements. It continued its robust growth despite a small yet significant reduction in the student body caused by pandemic-induced lockdowns. Although its gross revenue fell by 9% to Rs 51 crores in 2020-21, its Profit after Tax grew 26% to almost Rs 5 crores.

WWI-Rajiv Gandhi National Institute of Youth Development MoU Signing in the Presence of then Sports Minister Shri Kiren Rijiju

WWI has continued to solidify its reputation as India's premier Film & Creative Arts institute. WWI has also entered into a key partnership with Rajiv Gandhi National Institute of Youth Development (RGNIYD) – an institute of National Importance, which brings with itself great expertise and an elevated academic platform to enable a wider reach of WWI's education.

WWI has also continued in 2020-21, the pioneering efforts it has been undertaking in Emerging Technology innovation over the past decade. On lines similar to its earlier Development Labs and Technology Centres, WWI set up its Emerging Media Lab in 2020 with a focus on Virtual Production. It is this focus on Emerging Media technologies that has enabled WWI to be elevated to a global thought leadership role through its association with the Society of Motion Pictures & Television Engineers and the global VR/AR Association.

While WWI will continue its strong progress in academic and technology innovation, it will also continue exploring newer avenues of specialised education in areas like Blockchain, UI/UX Design, FinTech and Sports & E-Sports Operations & Management and build out a robust academic presence in the same, just as it has in Film & Creative Arts.

Another subsidiary of the Company, Connect.1 Limited is monetising all of Whistling Woods' content catalog on all digital platforms since 2012. Over the past year, Connect.1 has been the pioneer in expansion of short format content publishing on the many OTT platforms that have been established in India, including India's largest OTT platform – Disney+ Hotstar. Today, in addition to Hotstar and YouTube, WWI content is streamed on several OTT platforms like EpicOn, Hungama Play, Shorts TV, Sony Liv, to name a few, and will soon be seen globally on Amazon Video Direct as well, discussions for which are underway presently.

NOTICE

Notice is hereby given that the **39th Annual General Meeting (AGM)** of Mukta Arts Limited will be held **Thursday**, the **23rd Day of September 2021** at **3.00 p.m. IST** through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") to transact the following business. The venue of the meeting shall be deemed to be Whistling Woods Institute's Auditorium, 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, 2021, together with the Reports of the Board of Directors and the Auditors thereon;

2. To re-appoint Mr. Parvez A. Farooqui (DIN 00019853), Director who retires by rotation and being eligible, offers himself for re-appointment;

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 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 alongwith the Rules made thereunder, the re-appointment of M/s Uttam Abuwala & Co., Chartered Accountants (Firm Registration Number:111184W) as Statutory Auditors to hold office from the conclusion of the Thirty Ninth Annual General Meeting until the conclusion of the Forty Third Annual General Meeting of the Company to be held in the year 2025, be and is hereby approved at a remuneration to be determined by the Audit Committee and Board of Directors of the Company and as may be mutually agreed upon by the Statutory Auditors in addition to the out of pocket expenses as may be incurred by them during the course of the Audit."

Registered Office:
Mukta House,
Behind Whistling Woods Institute
Filmcity Complex
Goregaon (East), Mumbai- 400 065

By Order of the Board

Monika Shah
Company Secretary
Membership No: FCS 7964

Place: Mumbai
Date: May 25, 2021

NOTES

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19", circular no. 20/2020 dated May 5, 2020 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" and Circular no. 02/2021 dated January 13, 2021 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic" and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the CoVID -19 pandemic" (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be Whistling Woods Institute's Auditorium, Dada Saheb Phalke Chitra Nagari, Goregaon (East), Mumbai – 400 065.

2. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.

   Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. 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.

3. The Register of Members and Share Transfer Books of the Company will remain closed **from Friday, September 17, 2021 to Friday, September 24, 2021 (both days inclusive).**

4. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition and relodged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. 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 for assistance in this regard.

5. In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/ Depositories, log in details for e-voting are being sent on the registered email address.

   In case the shareholder has not registered his/her/their email addresses with the Company/its RTA/Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

i) Kindly log in to the website of our RTA, Link Intime India Private Ltd., www.linkintime.co.in under Investor Services > Email/Bank detail Registration - fill in the details and upload the required documents and submit.

   OR

ii) In the case of Shares held in Demat mode:

   The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

   Simultaneously request to share an email for the same details at monika@muktaarts.com.

6. Members are requested to intimate changes, if any, pertaining to their name, postal address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs 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.

7. 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.

8. 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 monika@muktaarts.com ***Questions / queries received by the Company till 5.00 p.m. on Friday, September 17, 2021*** shall only be considered and responded during the AGM.

9. 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 monika@muktaarts.com from September 15, 2021 (9:00 a.m. IST) to September 17, 2021 (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.

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, 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 www.iepf.gov.in. 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 2020-21 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 2020-21 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

12. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

13. Instructions for e-voting and joining the AGM are as follows:

A. VOTING THROUGH ELECTRONIC MEANS

(i) In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.

(ii) The remote e-voting period commences on Monday, September 20, 2021 (9:00 a.m. IST) and ends on Wednesday, September 22, 2021 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Thursday, September 16, 2021 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Members have the option to cast their vote on any of the resolutions using the remote e-Voting facility either during the period commences September 20, 2021 to September 22, 2021 or e-Voting during the AGM. Members who have voted on some of the resolutions during the said voting period are also eligible to vote on the remaining resolutions during the AGM.

(iii) The Board of Directors has appointed Ms. Prerana Gupta (Membership No. FCS 8612) from 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.

(iv) The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

(v) 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 cut-off date.

(vi) Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, 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.

(vii) 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

Step 2: Cast your vote electronically on NSDL e-voting system

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders 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.

<table>
<tr><th>Type of shareholders</th><th>Login Method</th></tr>
<tr><td>Individual Shareholders holding securities in demat mode with NSDL.</td><td>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 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.</td></tr>
<tr><td>Individual Shareholders holding securities in demat mode with CDSL</td><td>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.
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.
If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration
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.</td></tr>
<tr><td>Individual Shareholders (holding securities in demat mode) login through their depository participants</td><td>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.</td></tr>
</table>

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 from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .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 117048" 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.
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.
4. Members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing demat account number / Folio number, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained above.

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 monika@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 monika@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 General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General 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. 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

Place: Mumbai
Date: May 25, 2021

By Order of the Board

Monika Shah
Company Secretary
Membership No: FCS 7964

Annexure - 1 to Notice

Additional Information to Item No. 2

Name of Director	Mr. Parvez A. Farooqui
Date of Birth	31/05/1956
Date of first appointment	24/03/2000
Qualifications	B.Com.
Expertise in specific functional areas	Wide experience in marketing, sales, purchases, accounts, taxation and legal.
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	1. Mukta Creative Ventures Limited (Formerly known as Coruscant Tec Limited) 2. Mukta V N Films Limited 3. Mukta A2 Cinemas Limited
Memberships / Chairmanships of committees of other public companies	Nil
Number of shares held in the Company	77300

BOARD'S REPORT

To

The Members,

Your Directors take pleasure in presenting the Thirty Ninth Annual Report of your Company along with the Audited Statement of Accounts of the Company for the financial year ended 31st March, 2021.

The financial performance of the Company for the year ended 31st March, 2021 is summarized hereunder:

Particulars	Year ending 31.03.2021 (Rs. In millions)	Year ending 31.03.2020 (Rs. In millions)
Profit/(Loss) before interest, depreciation & tax	169.36	137.4
Less: Interest	58.46	68.93
Profit/(Loss) after interest, before depreciation & tax	110.9	68.47
Less: Depreciation	20.41	23.17
Profit/(Loss) before tax	90.49	45.31
Less: Provision for taxation	13	2.6
Deferred Tax Liability /(Asset)	2.72	-9.02
Taxes for earlier years	4.96	-
Profit/(Loss) after Tax	69.81	51.73
Less: Interim / Final Dividend	-	28.23
Tax on Interim / Final Dividend	-	5.8
Profit/(Loss) for the year	69.81	17.7
Other comprehensive income	0.61	-1.38
Ind As 116 adjustment	-	-22.39
Add: Balance brought forward	238.85	244.93
Less: Transfer to general reserve	-	-
Profit/(Loss) Carried forward to Balance Sheet	309.28	238.85

Operations:

During the year, the Company recorded an income of 298.08 million an EBIDTA of 169.36 million and Profit After Tax of 69.81 million after finance cost of 58.46 million and depreciation and amortization of 20.41 million.

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

As at March 31, 2021, 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. 62,36,40,584/- 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 2020-21 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, 2021. 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.

Impact of the COVID-19 pandemic on the business:

The Covid-19 Pandemic

The Covid-19 pandemic presented an unprecedented health emergency. In India, early protective measures by the Indian Government were gradually ramped up, culminating into a strict nationwide lockdown starting from 25th March 2020. Similar measures to contain this Pandemic in the form of restrictions on activity and mobility by countries has resulted in a global slowdown. This affects all aspects of our lives and will have a wide impact on the economy, which includes our business.

The safety and well-being of the employees and staff members has been the Company's highest priority. Following the lockdown, the Company managed to enable hundred percent of its employees to work remotely from their homes. Our Company meetings, Board and Committee meetings as well as Annual General Meetings have been held online through AV means. The meetings have been really smooth and the compliances related to Holding and Subsidiary Companies have been duly complied with.

The employees were engaged in online team building events which helped them embrace the new normal. The Company will continue to remain fully aligned with government guidelines and will progressively resume operations in a graded manner. Plans and protocols are in place for return to offices once the lockdown is lifted. To remain safe, short-term and long-term changes in workplace behavior will be necessary and the Company will issue 'Back to Office' guidelines to facilitate this.

The Company is actively monitoring the impact of the Covid-19 pandemic on its financial condition, liquidity, operations, industry, and workforce. The extent to which Covid-19 impacts the operations will depend on future developments which remain uncertain. Besides this, no material changes and commitments have occurred after the close of the year till the close of this Report, which affects the financial position of the Company.

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 31.03.2021 there were no deposits which were unpaid or unclaimed and due for repayment.

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

All transactions entered with Related Parties during the year under review were:

- on arm's length basis and
- in the ordinary course of business and
- there were no material transactions with any related party

as per the provisions of sections 188 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and therefore, disclosure in Form AOC-2 is not required.

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**

For the company in the year gone by, Mukta Arts completed its production of the Marathi film 'Vijeta'. Sadly, the film could not pick up at the Box Office as the cinemas in Maharashtra were closed the very next day due to the pandemic. The Movie shall release upon theatres being opened for the patrons as the movie is created for viewing on the big screen. Additionally, the company did a good deal for its Marathi film catalogue with Sony. Cash flows and revenues from the Hindi library deal with Zee and the Tips Music library deal came in to boost the numbers. In a significant saving, in the finance cost, the company shifted its long term borrowing from India Bulls to LIC.

Subsidiary and Joint Venture Companies

As on 31.03.2021 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 Multiplex W.L.L. and Mukta A2 Cinemas Limited. 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.

The most notable has been **Whistling Woods International Limited ('WWI')** that has continued to solidify its reputation as India's premier Film & Creative Arts institute. Financially WWI continues its robust growth despite a small yet significant reduction in the student body caused by pandemic-induced lockdowns. WWI has also entered into a key partnership with Rajiv Gandhi National Institute of Youth Development (RGNIYD) – an institute of National Importance, which bring with itself great expertise and an elevated academic platform to enable a wider reach of WWI's education.

WWI has also continued in 2020-21, the pioneering efforts it has been undertaking in Emerging Technology innovation over the past decade. On lines similar to its earlier Development Labs and Technology Centres, WWI set up its Emerging Media Lab in 2020 with a focus on Virtual Production. It is this focus on Emerging Media technologies that has enabled WWI to be elevated to a global thought leadership role through its association with the Society of Motion Pictures & Television Engineers and the global VR/AR Association.

Mukta A2 Cinemas Limited (MA2) The pandemic has left all theatres closed. The Company is badly hit with the inability of most of the properties to open in any meaningful way. New properties did not open and were naturally postponed but properties in Bangalore, Dibrugarh, Raygada and Kharagpur are on the verge of opening at the government nod. MA2 has closed its business operations of the Cinema located at Gulbarga since the unit was not making profits. The Board is looking at the strategies for the restart and revival of Cinemas business.

Mukta A2 Multiplex WLL in Bahrain had partnered with Pico on the roll out of Bahrain's first Drive-in Theatre as a response to the pandemic. The theatre picked up well at the onset but eventually had to shut its operations due to lack of new content and as the pandemic had ramped up there as well.

Another subsidiary of the Company, **Connect.1 Limited** is monetising all of Whistling Woods' content catalog on all digital platforms since 2012. Over the past year, Connect.1 has been focusing on expansion of short format content publishing on the many OTT platforms that have been established in India, including India's largest OTT platform – Disney+ Hotstar. Today, in addition to Hotstar and YouTube, WWI content is streamed on several OTT platforms like EpicOn, Hungama Play, Shorts TV, Sony Liv, to name a few, and will soon be seen globally on Amazon Video Direct as well, discussions for which are underway presently.

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.

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

The programming business, **Mukta VN Films Limited** had been performing steadily during the year. The pandemic has put a temporary stop in revenues. Its business depends on the functioning of the exhibition sector and numbers are expected to drop in the next financial year, but since the long term outlook of the exhibition sector is positive, the long term trajectory of 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.

CORPORATE GOVERNANCE

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 alongwith the Certificate from Practicing Company Secretary confirming the compliance, is attached as **Annexure 'G'** 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 shareholders 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 2020-21 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, Share Transfer Committee and Corporate Social Responsibility Committee.

The Board approved the constitution of Corporate Social Responsibility (CSR) Committee. The CSR committee comprises of Mr. Kewal Handa, Mr. Rahul Puri and Mr. Parvez A. Farooqui.

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. Mr. Kewal Handa 2. Mr. Parvez A. Farooqui 3. Mr. Manmohan Shetty 4. Ms. Paulomi Dhawan
2.	Nomination and Remuneration Committee	1. Mr. Kewal Handa 2. Mrs. Paulomi Dhawan 3. Mr. Manmohan Shetty
3.	Stakeholders Relationship Committee	1. Mr. Kewal Handa 2. Mr. Parvez A. Farooqui 3. Mrs. Paulomi Dhawan
4.	Share Transfer Committee	1. Mr. Parvez A. Farooqui 2. Mr. Kewal Handa 3. Mr. Manmohan Shetty
5.	Corporate Social Responsibility	1. Mr. Kewal Handa 2. Mr. Rahul Puri 3. Mr. Parvez A. Farooqui

Board Diversity

The Company recognizes 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.

Nomination and Remuneration 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 Personnel and Senior Management of the Company. This Policy also lays down criteria for selection and appointment of Board Members. The policy attached as ***Annexure 'B'*** to this Board's Report.

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. Parvez A. Farooqui (DIN 00019853), Director of the Company, retires by rotation at the forthcoming Annual General Meeting and, being eligible offer himself for re-appointment.

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

Certificate on Corporate Governance

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 31st March, 2021 and the same is enclosed as an ***Annexure 'D'*** 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; and

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 Uttam Abuwala Ghosh & Associates (formerly known as 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.

2. AUDIT AND AUDITORS

Statutory Auditors

M/s. Uttam Abuwala Ghosh & Associates (formerly known as Uttam Abuwala & Co.), Chartered Accountants bearing Firm Registration No. 111184W, were appointed as Statutory Auditors of the Company and they hold office till the conclusion of the ensuing 39th Annual General Meeting.

The Company has received a certificate from the said Auditors to the effect that if they are re-appointed, the re-appointment would be in accordance with the provisions of Section 141 of the Companies Act, 2013. Accordingly, approval of the members for the re-appointment of M/s. Uttam Abuwala Ghosh & Associates, Chartered Accountants as Statutory Auditors of the Company for another term of 4 years is being sought at the ensuing Annual General Meeting of the Company. The Members are requested to consider the re-appointment of Statutory Auditors of the Company for another term of four years from the conclusion of this Annual General Meeting until the conclusion of the 43rd Annual General Meeting to be held in the year 2024 and authorise the Board of Directors to fix their remuneration.

Auditors' Report

In the Consolidated Auditors' Reports in paragraph No.3 it is mentioned that Whistling Woods International Limited ('WWIL') has not carried out physical verification of some Fixed Assets with written down value upto Rs. 22,307,340. This was due to Covid-19 lockdown situation. There were restrictions on the number of employees to be present in the premises of WWIL. As a result, physical verification of certain Fixed Assets could not be carried out.

Besides this, all the other Auditors' observations in their Reports along with the note numbers mentioned by them, are self-explanatory and no further explanation is required from the Management.

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 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 31st March, 2021 is attached as ***Annexure 'C'***.

The Secretarial Auditors 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/Courts 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 authorized, recorded and reported correctly and assets are safeguarded and protected against loss from unauthorized 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 Auditor, 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 2020-21.

Extract of Annual Return

The details forming part of the extract of Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and administration) Rules, 2014, is attached as ***Annexure 'F'*** and forms an integral part of this Report.

3. Human Resources

Human Resource is considered as one of the most critical resources in the business which can be continuously smoothened to maximize the effectiveness of the Organization. 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 Complaint's Committee and the composition of the said Committee is as under:

Ms. Saumya Dixit, Chairperson	Group Head HR
Mr. Prabuddha Dasgupta	Chief Financial Officer
Mr. Ravi Gupta	Advisor
Ms. Pratima Jamwal	External Member

The above said new members form the committee by replacing the old members at meeting held on 12th August, 2020. According to the said Act, all the members need to be replaced by new members every 3 years.

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	23.34
Mr. Rahul Puri	Managing Director	14.86

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

Name	Designation	%increase / decrease
Mr. Subhash Ghai	Executive Chairman	44.31% decrease
Mr. Rahul Puri	Managing Director	44% decrease
Mr. Prabuddha Dasgupta	Chief Financial Officer	40.83% decrease
Mrs. Monika Shah	Company Secretary	41.66% decrease

c. **The percentage increase in the median remuneration of employees in the financial year:**- There was a 37.5% decrease in the median for the financial year 2020-21

d. **The number of permanent employees on the rolls of Company:** 56

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 – NA

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

The Company affirms remuneration made 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 ended 31.03.2021

Sr. No.	Name	Designation / Nature of Duties	Remuneration	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	5,174,900	B.Com	54	09.07.1982	78	Mukta Arts Since inception	*Yes
2	Rahul V Puri	Managing Director	3,093,793	Bsc- Business Management	22	01.04.2004	43	Nimbus Communications Ltd.	* Yes
3	Prabuddha Dasgupta	Chief Financial Officer	2,784,172	CA	29	07.07.2014	53	Neo Sports broadcast Pvt. Ltd.	No

Top Ten Employees in terms of remuneration drawn during the year ended 31.03.2021

Sr. No.	Name	Designation / Nature of Duties	Remuneration	Qualification	Experience (in years)	Date of Commencement of Employment	Age (in years)	Last Employment Held	Relative of any Director and Manager of the Company
4	Siraj Farooqui	Studio Chief Executive	2,396,918	Inter Arts	45	01.11.2015	66	Mukta Arts Since inception	*Yes
5	Sanjay Ghai	Chief Operating Officer	1,833,225	Graduate	38	09.01.2008	55	Mukta Shakti Combine	No
6	Prem Taparia	Manager-Finance	1,692,076	CA	17	25.07.2007	42	Simplex Mills Co. Ltd.	No
7	Sameer Farooqui	Sr. Manager	725,308	B Com	29	17.09.97	50	Cinerad Communication	*Yes
8	Cornelia Thallinger	EA to Chairman	703,252	MBA in communications	11	16.02.2016	33	DSB international school, Mumbai	No
9	Monika Shah	Company Secretary	694,516	CS , LLB	15	25.01.2016	41	B. Raheja Builders	No
10	Mahendra Kishan	Production Executive	523,495	B.sc Agriculture	28	1.07.1993	74	Dharma Productions	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 2020-21. 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.1,02,00,000 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. 8,50,000/- 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.

4. 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.

5. 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

6. 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.

7. 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.

8. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company's CSR Policy is available on our website, at http://www.muktaarts.com/Aboutus/investorsrelation/policies/Corporate-Social-Responsibility-Policy.pdf

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

9. **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.

10. **GREEN INITIATIVE**

Section 136 of the Act and the Rules framed there under allows the Company to send its Financial Statements by electronic mode to such Members whose shareholding is in dematerialized format and whose email addresses are registered with the Depositories for communication purposes. As a responsible corporate citizen, the Company proposes to effect electronic delivery of the Annual Report of the Company in lieu of the paper form to the Members who have registered their email IDs with the Depositories. A physical copy of the Annual Report will be sent to those Members who have not registered their email addresses with the Depositories for receiving electronic communication. A physical copy of this Annual Report can also be obtained free of cost by any Member from the Registered Office of the Company on any working day during business hours.

A copy of this Annual Report is also available on the website of the Company at www.muktaarts.com.

11. **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, 2021.

12. **REGISTRATION UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006**

During the year, your company was registered as Small enterprise under Micro, Small and Medium Enterprises Development Act, 2006 for the activities as mentioned in the certificate as issued by the Ministry of Micro, Small and Medium Enterprises.

13. **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: May 25, 2021

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	20,00,00,000	6,00,000	5,00,000	75,00,000	1,50,00,000	97,08,275
b)	Reserves & Surplus	(81,24,92,181)	(1,92,97,123)	(1,27,61,249)	(60,27,716)	(395,687,247)	(22,57,66,906)
c)	Total Assets	55,18,74,870	34,73,272	46,32,574	14,84,084	749,641,080	7,56,68,237
d)	Total Liabilities	1,16,43,67,051	2,21,70,395	1,68,93,823	11,800	1,130,328,327	29,17,26,868
e)	Investments	5,00,000	250	250	NIL	45,000	NIL
f)	Turnover	50,75,73,399	16,93,103	8,88,981	78,480	138,696,795	2,01,68,586
g)	Profit /(Loss) before taxation	4,82,33,358	(17,11,082)	3,16,129	64,880	(194,560,631)	(5,07,82,993)
h)	Provision for taxation	NIL	NIL	1,88,431	16,869	(10,430,837)	NIL
i)	Profit /(Loss) after taxation	4,82,33,358	(17,11,082)	1,27,697	48,011	(184,129,794)	(5,07,82,993)
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	6,36,00,000
b)	Reserves & Surplus	(87,95,000)

Annexure – B

Nomination and Remuneration Policy

The Nomination and Remuneration Policy (the "Policy") applies to the Board of Directors (the "Board"), Key Managerial Personnel (the "KMP") and the Senior Management Personnel of Mukta Arts Limited.

1. OBJECTIVE

The Key Objectives of the Committee would be:

a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.

b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.

c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

2. DEFINITIONS

"**Board**" means Board of Directors of the Company.

"**Company**" means Mukta Arts Limited

"**Employees' Stock Option**" means the option given to the directors, officers or employees of a company or of its subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.

"**Independent Director**" means a director referred to in Section 149 (6) of the Companies Act, 2013.

"**Key Managerial Personnel**" (KMP) means

(i) Chief Executive Officer or the Managing Director or the Manager,

(ii) Company Secretary,

(iii) Whole-time Director,

(iv) Chief Financial Officer and

(v) Such other officer as may be prescribed.

"**Nomination and Remuneration Committee**" shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement.

"**Remuneration**" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

"**Senior Management**" means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

3. ROLE OF THE COMMITTEE

The following shall be the role of the Committee:

a) Formulate the criteria for determining qualifications, positive attributes and independence of a director.

b) Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.

c) To recommend to the Board the appointment and removal of Directors and Senior Management.

d) To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.

e) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

f) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

g) To perform such other functions as may be necessary or appropriate for the performance of its duties.

4. MEMBERSHIP

a) The Committee shall comprise of at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent.

b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.

c) Minimum two members shall constitute a quorum for the Committee meeting.

d) Membership of the Committee shall be disclosed in the Annual Report.

e) Term of the Committee shall be continued unless terminated by the Board of Directors.

5. CHAIRMAN

a) Chairman of the Committee shall be an Independent Director.

b) Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.

c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

d) Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such intervals as may be required.

7. APPOINTMENT OF DIRECTOR, KMP AND SENIOR MANAGEMENT

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

8. REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

a) The remuneration / compensation / commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

b) The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force and shall

(i) take into account, financial position of the company, trend in the industry, appointee's qualification, experience, past performance, past remuneration, etc.;

(ii) be in a position to bring about objectivity in determining the remuneration package while striking a balance between the interest of the company and the shareholders.

c) Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

d) If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Section 197 read with Schedule V of the Companies Act, 2013 and the remuneration in excess of the limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013 as amended from time to time shall be subject to prior approval of the Central Government.

e) The Non- Executive / Independent Director may receive remuneration by way of sitting fees for attending Board Meetings of the Company, provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013.

9. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

10. DEVIATIONS FROM THIS POLICY

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interest of the Company, will be made if there are specific reasons to do so in an individual case.

Annexure "C"

Form No. MR-3

For the Company's Financial Year from **1st April, 2020 to 31st March, 2021**

[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 due to the restrictions imposed by the Maharashtra state Government on account of spread of COVID-19. 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, 2021**, 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, 2021** 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: F003963C000364048

Place : Mumbai
Date : 24th May 2021

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

Annexure to our Secretarial Audit Report dated 24th May 2021

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 filling 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 is still being followed up by the Company with SEBI and with CSE and their response is awaited.

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 2019-20 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.

For K.C. NEVATIA & ASSOCIATES
COMPANY SECRETARIES

K.C.NEVATIA
Proprietor
FCS No.: 3963
C.P. No. 2348
UDIN: F003963C000364048

Place : Mumbai
Date : 24th May 2021

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: F003963C000364048

Place : Mumbai
Date : 24th May 2021

Annexure - D

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, 2021, 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, 2021.

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: F003963C000364939

Place : Mumbai
Date : 25/05/2021

Annexure E

ANNUAL REPORT ON 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 kids 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. 39,410,083/- (Rupees Thirty Nine Million Four hundred ten Thousand and eighty three only)

   a. Two percent of average net profit of the Company as per Section 135(5): Rs. 788,201/- (Rupees Seven Lakh Eighty Eight Thousand Two Hundred and one 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. 788,202/-

      CSR amount spent or unspent for the financial year:

   e. Amount spent in administrative overheads: NA

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

   g. Total amount spent for the financial year (8b+8c+8d+8e): 788,202/-

      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 F

FORM NO. MGT – 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended 31.03.2021

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

I. REGISTRATION AND OTHER DETAILS:

CIN	L92110MH1982PLC028180
Registration Date	07-09-1982
Name of the Company	Mukta Arts Limited
Category / Sub-Category of the Company	Company Limited by shares/ Indian non-government Company
Address of the Registered Office and contact details	Mukta House, Behind Whistling Woods Institute, Filmcity Complex, Goregaon (East), Mumbai -400065 Telephone No. - (022) 33649400 Fax No. - (022) 33649401 Website: www.muktaarts.com
Whether listed Company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C 101, 247 Park L B S Marg, Vikhroli West Mumbai – 400 083. (PH- 22 49186000, Fax- 22 49186060)

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10% or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Rent and Amenities Charges	68100	25%
2	Own Film / Content Production	92100	35%
3	Interest Income	65910	27%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of Equity shares held	Applicable Section
1	Whistling Woods International Limited Whistling Woods Institute, Dada Saheb Phalke Chitra Nagari, Goregaon (East) Mumbai - 400065	U92141MH2001PLC130394	Subsidiary	84.99%	Section 2(87)(ii)
2	Connect.1 Limited 11 Bait-Ush-Sharaf 29th Road TPS III Bandra, Mumbai – 400050	U92110MH2000PLC124018	Wholly Owned Subsidiary	100%	Section 2(87)(ii)
3	Mukta Telemedia Limited 6 Bashiron, 28th Road, TPS-III, Bandra (West) Mumbai – 400050	U92100MH2002PLC137312	Subsidiary	99.92%	Section 2(87)(ii)
4	Mukta Creative ventures Limited (Formerly known as Coruscant Tec Limited) Mukta House, Behind Whistling Woods Institute Filmcity Complex, Goregaon (East), Mumbai – 400065	U72200MH2003PTC193963	Wholly Owned Subsidiary	100%	Section 2(87)(ii)

Sr. No.	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of Equity shares held	Applicable Section
5	Mukta V N Films Limited Mukta House, Behind Whistling Woods Institute, Filmcity Complex, Goregaon East Mumbai – 400065	U74120MH2013PLC244220	Joint Venture Company	51.89%	Section 2(87)(ii)
6	Mukta A2 Cinemas Limited Mukta House, Behind Whistling Woods Institute, Filmcity Complex, Goregaon East Mumbai – 400065	U74999MH2016PLC287694	Subsidiary	70%	Section 2(87)(ii)
7	Mukta A2 Multiplex WLL (Bahrain) 4th Floor, Juffair Mall, Block 324, Juffair Manama, Kingdom of Bahrain	99524-1	Subsidiary	55%	Section 2(87)(ii)
8	Whistling Woods International Education Foundation Mukta House, 3rd Floor, Filmcity Complex, Goregaon (East), Mumbai-400 065	U74999MH2016NPL285799	*Subsidiary	100%	Section 2(87)(ii)

* Whistling Woods International Education Foundation is a wholly-owned subsidiary of Whistling Woods International Limited which is a subsidiary of Mukta Arts Limited

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2020				No. of Shares held at the end of the year 31.03.2021				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. **PROMOTERS**									
(1) Indian									
a) Individual/ HUF	15893290	0	15893290	70.37	15884590	0	15884590	70.33	-0.03
b) Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
c) Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
d) Any Other (Specify)	0	0	0	0	0	0	0	0	
Sub-total (A) (1):-	**15893290**	**0**	**15893290**	**70.37**	**15884590**	**0**	**15884590**	**70.33**	**-0.03**
(2) Foreign									
a) Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
b) Government	0	0	0	0.00	0	0	0	0.00	0.00
c) Institutions	0	0	0	0.00	0	0	0	0.00	0.00
d) Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2):-	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total Shareholding of Promoter And Promoter Group (A) = (A)(1)+(A)(2)	**15893290**	**0**	**15893290**	**70.37**	**15884590**	**0**	**15884590**	**70.33**	**-0.03**

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2020				No. of Shares held at the end of the year 31.03.2021				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. PUBLIC SHAREHOLDING									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
c) Alternate Investment Funds	0	0	0	0.00	0	0	0	0.00	0.00
d) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
e) Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
f) Financial Institutions / Banks	100	0	100	0.0004	0	0	0	0.00	-0.0004
g) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0
h) Provident Funds/ Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Any Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):-	**100**	**0**	**100**	**0.0004**	**0**	**0**	**0**	**0.00**	**-0.0004**
2. Central Government/ State Government(s)/ President of India	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**
3. Non-Institutions									
a) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs.1 lakhs	2864234	12930	2877164	12.73	2847989	10304	2858293	12.65	-0.08
ii) Individual Shareholders holding nominal share capital in excess of Rs.1 lakh	2888202	0	2888202	12.78	2974267	0	2974267	13.16	0.38
b) NBFCs registered with RBI	0	0	0	0.00	0	0	0	0.00	0.00
c) Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.00	0	0	0	0.00	0.00
d) Others									
i) IEPF	25181	0	25181	0.11	42719	0	42719	0.18	0.07
ii) Trusts	24950	0	24950	0.11	24950	0	24950	0.11	0.00
iii) Hindu Undivided Family	337685	0	337685	1.49	313644	0	313644	1.38	-0.10
iv) Non Resident Indians (Non Repat)	71880	0	71880	0.31	74507	0	74507	0.32	0.01
v) Non Resident Indians (Repat)	54785	0	54785	0.24	52989	0	52989	0.23	-0.0080
vi) Clearing Members	15931	0	15931	0.07	94633	0	94633	0.41	0.34
vii) Bodies Corporate	396032	0	396032	1.75	264608	0	264608	1.17	-0.58
Sub-Total (B)(3):	**6678880**	**12930**	**6691810**	**29.62**	**6690306**	**10304**	**6700610**	**29.66**	**0.03**
Total Public Shareholding (B)=(B)(1)+(B)(2+)+(B)(3)	**6678980**	**12930**	**6691910**	**29.62**	**6690306**	**10304**	**6700610**	**29.66**	**0.03**
TOTAL (A)+(B)	**22572270**	**12930**	**22585200**	**100.00**	**22574896**	**10304**	**22585200**	**100.00**	**0.00**
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	**22572270**	**12930**	**22585200**	**100.00**	**22574896**	**10304**	**22585200**	**100.00**	0.00

(ii) Shareholding of Promoters

Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
SUBHASH GHAI	12421990	55.0006	0.0000	12421990	55.0006	0.0000	0.0000
MEGHNA GHAI PURI	1650000	7.3057	0.0000	1650000	7.3057	0.0000	0.0000
MUKTA SUBHASH GHAI	1650000	7.3057	0.0000	1650000	7.3057	0.0000	0.0000
PARVEZ A. FAROOQUI	77300	0.3423	0.0000	77300	0.3423	0.0000	0.0000
SIRAJ AKHTAR FAROOQUI	44000	0.1948	0.0000	44000	0.1948	0.0000	0.0000
ASHOK K. GHAI	37000	0.1638	0.0000	37000	0.1638	0.0000	0.0000
SUNITA BAHRY	8700	0.0385	0.0000	0	0	0.0000	0.0385
NARGIS P FAROOQUI	4300	0.0190	0.0000	4300	0.0190	0.0000	0.0000
Total	**15893290**	**70.3704**	**0.0000**	**15884590**	**70.3319**	**0.0000**	**0.0385**

(iii) Change in Promoters' Shareholding

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1.	Sunita Bahry At the beginning of the year	8700	0.0385	-8700	-0.0385
	Date wise Increase / Decrease in Promoters Shareholding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Shares Transferred to IEPF			
	At the End of the year	0	0.00	-8700	-0.0385

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year – 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2021	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	RAJU NANWANI	853700	3.7799			853700	3.7799
	AT THE END OF THE YEAR					853700	3.7799
2	SAKSHI NANWANI	213325	0.9445			213325	0.9445
	AT THE END OF THE YEAR					213325	0.9445
3	BIJOOO U RAMRAKHIANI	179000	0.7926			179000	0.7926
	Transfer			11 Sep 2020	1000	180000	0.7970
	AT THE END OF THE YEAR					180000	0.7970
4	JEENALEE HIREN GANDHI	110000	0.4870			110000	0.4870
	Transfer			22 May 2020	3500	113500	0.5025
	Transfer			31 Dec 2020	2000	115500	0.5114
	Transfer			08 Jan 2021	5750	121250	0.5369

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year – 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2021	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
	Transfer			15 Jan 2021	11250	132500	0.5867
	Transfer			29 Jan 2021	6900	139400	0.6172
	Transfer			05 Feb 2021	4800	144200	0.6385
	Transfer			12 Feb 2021	5000	149200	0.6606
	Transfer			19 Feb 2021	800	150000	0.6642
	AT THE END OF THE YEAR					150000	0.6642
5	JYOTI CHARUL SHAH	134500	0.5955			134500	0.5955
	Transfer			24 Jul 2020	2000	136500	0.6044
	Transfer			31 Jul 2020	1000	137500	0.6088
	Transfer			20 Nov 2020	1500	139000	0.6154
	Transfer			04 Dec 2020	1150	140150	0.6205
	Transfer			22 Jan 2021	1450	141600	0.6270
	Transfer			29 Jan 2021	50	141650	0.6272
	Transfer			12 Feb 2021	1150	142800	0.6323
	Transfer			19 Feb 2021	200	143000	0.6332
	Transfer			12 Mar 2021	250	143250	0.6343
	Transfer			19 Mar 2021	(250)	143000	0.6332
	AT THE END OF THE YEAR					143000	0.6332
6	NILESH TALAK DEDHIA	122675	0.5432			122675	0.5432
	Transfer			25 Sep 2020	4	122679	0.5432
	Transfer			09 Oct 2020	9	122688	0.5432
	Transfer			16 Oct 2020	18	122706	0.5433
	Transfer			23 Oct 2020	9	122715	0.5433
	Transfer			30 Oct 2020	9	122724	0.5434
	Transfer			06 Nov 2020	18	122742	0.5435
	Transfer			13 Nov 2020	9	122751	0.5435
	Transfer			08 Jan 2021	29	122780	0.5436
	AT THE END OF THE YEAR					122780	0.5436
7	USHABEN DHANVANTBHAI SHAH	122500	0.5424			122500	0.5424
	Transfer			12 Jun 2020	(1000)	121500	0.5380
	AT THE END OF THE YEAR					121500	0.5380
8	RASIKLAL SHANKARLAL SHUKLA	118446	0.5244			118446	0.5244
	Transfer			03 Apr 2020	(102)	118344	0.5240
	AT THE END OF THE YEAR					118429	0.5244
9	CHARUL MANHARLAL SHAH	96000	0.4251			96000	0.4251
	Transfer			17 Apr 2020	4000	100000	0.4428
	Transfer			15 May 2020	2000	102000	0.4516
	Transfer			05 Jun 2020	437	102437	0.4536
	Transfer			10 Jul 2020	563	103000	0.4561
	Transfer			31 Dec 2020	400	103400	0.4578
	Transfer			01 Jan 2021	600	104000	0.4605

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year – 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2021	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
	Transfer			15 Jan 2021	2000	106000	0.4693
	Transfer			22 Jan 2021	2500	108500	0.4804
	AT THE END OF THE YEAR					108500	0.4804
10	HASMUKH PAREKH	106154	0.4700			106154	0.4700
	AT THE END OF THE YEAR					106154	0.4700
11	MIND FACTORY ENTERTAINMENT PRIVATE LIMITED	100000	0.4428			100000	0.4428
	AT THE END OF THE YEAR					100000	0.4428

Note:

1. Paid up Share Capital of the Company (Face Value Rs. 5.00) at the end of the year is 22585200 Shares.
2. The details of holding has been clubbed based on PAN.
3. Percentage of total Shares of the Company is based on the paid-up Capital of the Company at the end of the Year.

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Date of change in shareholding	Reason for change
	Directors	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company		
1	Subhash Ghai	12421990	55.00	12421990	55.00	--	--
2.	Parvez A. Farooqui	77300	0.34	77300	0.34	--	--
3.	Manmohan Shetty	800	0.00	800	0.00	--	--

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment. –

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	48,48,58,794	8,20,00,000	-	56,68,58,794
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	56,07,658	-	56,07,658
Total (i+ii+iii)	**48,48,58,794**	**8,76,07,658**	**-**	**57,24,66,452**
Change in Indebtedness during the financial year	-	-	-	-
* Addition	1,83,98,246	70,631	-	1,84,68,877
* Reduction	1,46,19,768	1,00,00,000	-	2,46,19,768
Net Change	**37,78,478**	**(99,29,369)**	**-**	**(61,50,891)**
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	48,86,37,272	7,20,00,000	-	56,06,37,272
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	56,78,289	-	56,78,289
Total (i+ii+iii)	**48,86,37,271**	**7,76,78,289**	**-**	**56,63,15,561**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL –

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

Sr. No.	Particulars of Remuneration	Names of MD/WTD (Rs.)		Total Amount (Rs.)
		Subhash Ghai	Rahul Puri	
1	Gross Salary			
(a)	Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961	48,37,500	30,46,393	78,83,893
(b)	Value of Perquisites u/sec 17 (2) Income Tax Act, 1961	3,37,400	47,400	3,84,800
(c)	Profits in lieu of salary under section 17 (3) of Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
(a)	as a % of profit	-	-	-
(b)	others, specify	-	-	-
5	Others	-	-	-
	Total	**5,174,900**	**3,093,793**	**8,268,693**

B. Remuneration to other Directors: -

Sr. No.	Particulars of Remuneration	Name of Directors			
	Non-Executive Directors	**Kewal Handa**	**Paulomi Dhawan**	**Manmohan Shetty**	**Parvez A. Farooqui**
1.	**Sitting Fees for attending board meetings**	45,000	60,000	45,000	60,000
2.	**Salary & perquisites**	NIL	NIL	NIL	NIL
	Total	**45,000**	**60,000**	**45,000**	**60,000**

C. Remuneration to key managerial personnel other than MD/Manager/WTD –

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel Total Amount (Rs.)		Total Amount (Rs.)
		Prabuddha Dasgupta	Monika Shah	
1	Gross Salary			
(a)	Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961	27,84,172	6,94,516	34,78,688
(b)	Value of Perquisites u/sec 17 (2) Income Tax Act, 1961	-	-	-
(c)	Profits in lieu of salary under section 17 (3) of Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
(a)	as a % of profit	-	-	-
(b)	others, specify	-	-	-
5	Others	-	-	-
	Total	**27,84,172**	**6,94,516**	**34,78,688**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES (Under the Companies Act):

There were no penalties, punishment or compounding of offences during the year ended March 31, 2021.

For and on behalf of the Board of Directors

Subhash Ghai
Chairman
DIN: 00019803

Place: Mumbai
Date: 25th May, 2021

Annexure - G

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, shareholders, 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, 2021, 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 29th June, 2020, 27th August, 2020, 11th November, 2020 and 11th February, 2021.

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 Yr. 2020 - 2021		Number of Director ships in other Public Companies	Membership / Chairmanship of Committees in other Public Companies		Attendance at the A.G.M Held on 25th September, 2020
			Held	Attended		Chairman	Membership	
1	Mr. Subhash Ghai	EC	4	4	2	Nil	Nil	Present
2	Mr. Rahul Puri	ED	4	4	1	Nil	Nil	Present
3	Mr. Parvez A Farooqui	NED	4	4	1	Nil	Nil	Present
4	Mr. Kewal Handa	ID	4	3	7	Nil	1	Present
5	Mr. Manmohan Shetty	ID	4	3	3	Nil	1	Present
6	Mrs. Paulomi Dhawan	ID	4	4	1	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 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 2020-21, Independent Directors met among themselves, i.e. on 11th February,2021. 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

Mr. Kewal Handa	-	Chairman and Independent Director
Mr. Parvez A. Farooqui	-	Member and Non-Executive Director
Mr. Manmohan Shetty	-	Member and Independent Director

* Mrs. Paulomi Dhawan - Member and Independent Director

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 Independent auditors in accordance with the law.

Four meetings of the Audit Committee were held during the year on 29th June, 2020, 27th August, 2020, 11th November, 2020 and 11th February, 2021.

Details of meetings attended by its members till 31st March, 2021 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	1	1

The Chairman of the Audit Committee was present at the Annual General Meeting held on 25th September 2020 to address the shareholders' queries pertaining to the Annual Accounts of the Company.

*Mrs. Paulomi Dhawan is appointed as Audit Committee member with effect from 11th February, 2021

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 raisedthrough 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

Mr. Kewal Handa - Chairman and Independent Director

Mr. Manmohan Shetty - Member and Independent Director

Mrs. Paulomi Dhawan - Member and Independent Director

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 at the meeting held on 29th June 2020.

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.

The Nomination and Remuneration Policy of the Company is also attached as Annexure to the Board's Report.

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, 2021 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 2020-21 was as under:

Particulars	**Mr. Subhash Ghai Executive Chairman**	**Mr. Rahul Puri Managing Director**
Salary	48,37,500	30,46,393
Perquisites	3,37400	47,400
Total	5,174,900	3,093,793

DETAILS OF SERVICE CONTRACT

Names	**Period of Contract**	**Dates of Appointment**
Mr. Subhash Ghai	3 Years	30th May, 2020
Mr. Rahul Puri	3 Years	30th May, 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 2020-21, the Company has paid total sitting fee of Rs. 210,000 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	45,000	Nil	Nil	45,000
Parvez A. Farooqui	60,000	Nil	Nil	60,000
TOTAL				**210,000**

(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. Mr. Kewal Handa – Chairman and Independent Director
2. Mr. Parvez A. Farooqui – Member and Non-Executive Director
3. Mrs. Paulomi Dhawan – Member and Independent Director

The Company promptly redresses the complaints of the shareholders. Stakeholders Relationship Committee met twice during the year on two meetings of the Board which were held on 29th June, 2020 and 11th November 2020.

Name of the Director	**Meetings held during the tenure of the Directors**	**Meetings Attended**
Mr. Kewal Handa	2	2
Mr. Parvez A. Farooqui	2	2
Mrs. Paulomi Dhawan	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 Share 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 2020- 21 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, 2021.

The Board has appointed Ms. Monika Shah, Company Secretary as Compliance Officer, as required under the Listing Regulations. The Board has also appointed Ms. Monika Shah, Company Secretary as Nodal officer effective May 24, 2018 to ensure compliance with the IEPF Rules.

Name, designation and address of Compliance Officer:

Ms. Monika Shah,
Company Secretary & Compliance Officer
Mukta House, Behind Whistling Woods Institute,
Filmcity Complex, Goregaon (East),
Mumbai- 400 065
Telephone No. - (022) 33649444
Email: monika@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 Share Transfer Agents. The Committee frames the policy for ensuring timely transfer of shares including transmission, 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

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 99.95% 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
31.03.2020	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.
31.03.2018	30.08.2018	4.00 P.M.	Whistling Woods Institution's Auditorium Dada Saheb Phalke Chitra Nagari, Goregaon (East), Mumbai-400 065	NIL

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

Postal Ballot:

During the previous three years the Company approached the shareholders through postal ballot. The details of the postal ballot for the last three years are as follows:

Date of Postal Ballot Notice – 2nd November, 2018

Voting period –19th November, 2018 to 18th December, 2018

Date of declaration of result – 19th December, 2018

Date of approval- 18th December, 2018

Name of resolution	Type of resolution	No. of votes polled	Votes cast in favour	Votes cast against
Alteration of Object Clause 17 of Memorandum of Association of the Company	Special	17118732	17057681 - 99.64%	61051 - 0.36%
Waiver of the recovery of excess amount paid as managerial remuneration and professional fees to Mr. Subhash Ghai as the erstwhile Managing Director of the Company	Special	1271242	1214461 - 95.53%	56781 - 4.47%
Approval for giving loan or guarantee or providing security in connection with loan availed by any of Company's subsidiary or any other person specified under section 185 of the Companies Act, 2013	Special	1271242	1209312- 95.13%	61930 4.87%

1. **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 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)	500,000
Other matters	25,000
Total	525,000

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

3. **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 shareholders, 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 shareholders 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.

4. General Shareholders Information

A. Annual General Meeting

Date	:	September 23, 2021
Time	:	3.00 p.m.
Venue	:	Deemed to be Whistling Woods Institute's Auditorium Dada Saheb Phalke Chitra Nagari Goregaon (East), Mumbai- 400 065.

B. Financial Calendar

For the year ending 31st March, 2022 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, 2022

C. Date of Book Closure	:	Friday, the 17th September, 2021 to Friday, the 24th September, 2021 (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 2020–21 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, 2021 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 2020	24.50	17.65	15461	33887.25	27500.79
May 2020	21.58	17.25	20453	32845.48	29968.45
June 2020	33.75	19.50	102749	35706.55	32348.10
July 2020	26.00	21.00	51520	38617.03	34927.20
August 2020	30.45	22.05	66906	40010.17	36911.23
September 2020	29.00	24.20	37416	39359.51	36495.98
October 2020	28.35	24.25	36799	41048.05	38410.20
November 2020	31.50	24.25	93179	44825.37	39334.92
December 2020	38.10	27.50	108812	47896.97	44118.10
January 2021	34.30	29.05	41291	50184.01	46160.46
February 2021	32.80	30.15	41342	52516.76	46433.65
March 2021	34.25	27.65	95370	5182184	48236.35

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

Month	Company		No of shares Traded	NSE NIFTY	
	High	Low		High	Low
April 2020	26.00	17.40	221204	9889.05	8055.80
May 2020	21.70	16.75	268113	9598.85	8806.75
June 2020	33.85	19.50	743715	10553.14	9544.35
July 2020	24.45	21.00	142246	11341.40	10299.60
August 2020	30.65	22.15	376133	11794.25	10882.25
September 2020	29.00	24.15	184382	11618.10	10790.20
October 2020	28.90	24.00	98771	12025.45	11347.05
November 2020	30.30	24.50	546094	13145.85	11557.4
December 2020	38.85	27.25	911897	14024.85	12962.80
January 2021	34.15	29.40	425588	14753.55	13596.75
February 2021	33.20	30.00	240135	15431.75	13661.75
March 2021	34.50	27.55	501036	15336.30	14264.40

H. Name and Address of the Registrar and Share Transfer Agent

Link Intime India Private Limited
C 101, 247 Park
L B S Marg, Vikhroli West
Mumbai – 400 083.
(PH- 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 Share Transfer Agents.

If the relevant documents are complete and in order in all respects, the transfer of shares is effected within 30 days and certificates are dispatched to the transferees within 30 days from the date of receipt.

The requests for dematerialization of shares are processed by the Registrar and Share 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 31st March, 2021

DISTRIBUTION SCHEDULE AS ON 31/03/2021					
Sr. No.	Shareholding of Shares	No. of Shareholders	% of Total Shareholders	Shares held	% of Share held
1	1 - 500	6992	85.435	892741	3.9528
2	501 - 1000	582	7.1114	479430	2.1228
3	1001 - 2000	276	3.3724	435275	1.9273
4	2001 - 3000	108	1.3196	273730	1.2120
5	3001 - 4000	40	0.4888	141749	0.6276
6	4001 - 5000	41	0.501	192878	0.8540
7	5001 - 10000	64	0.782	472416	2.0917
8	10001 and above	81	0.9897	19696981	87.2119
	Total	**8184**	**100.00**	**22585200**	**100.00**

(2) **Distribution of shareholding according to categories of shareholders as on 31st March, 2021**

SHARE HOLDING PATTERN AS ON 31/03/2021				
Sr. No.	**Description**	**Number of Shareholders**	**Total number of shares**	**% of Total shares**
1	Clearing Member	27	94633	0.419
2	Other Bodies Corporate	93	264608	1.1716
3	Promoter & Promoter Group	8	15884590	70.3319
4	Financial Institutions / Banks	-	-	-
5	Hindu Undivided Family	218	313644	1.3887
6	Non Resident Indians	77	127496	0.5645
7	Public	7591	5832560	25.8247
8	Trusts	2	24950	0.1105
9	Investor Education and Protection fund	1	42719	0.1891
	Total:	**8017**	**22585200**	**100**

K. UNCLAIMED DIVIDEND

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 '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, shareholders 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 Ms. Monika Shah, Company Secretary and Nodal Officer, at the Registered Office of the Company. The e-form can be downloaded from our website at www.muktaarts.com and simultaneously from the website of Ministry of Corporate Affairs at www.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 shareholders whose shares are liable to be transferred to IEPF authority are uploaded on company's website www.muktaarts.com.

During the year, the Company has transferred an amount of Rs. 38,214.00 and 17538 shares to the IEPF in accordance with IEPF rules due to dividends unclaimed for seven consecutive years.

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 31st March, 2021, 22,574,896 shares were held in dematerialized form, which is 99.95% of total paid up capital.

CONTROL REPORT AS ON 31/03/2021			
Sr. No.	**Name of Depository**	**No. of Shares**	**% of Total issued Capital**
1	NSDL	2,06,15,980	91.28
2	CDSL	19,58,916	8.67
3	PHYSICAL	10,304	0.05
	Total:	**22585200**	**100**

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: monika@muktaarts.com
Website: www.muktaarts.com

Premises Owned and Leased

- 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
- Bashiron, 28th Road,
TPS- III, Bandra (West)
Mumbai- 400 050
- 1/A, Naaz Building,
Lamington Road,
Mumbai- 400 004
- 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 Building, 1st Floor,
Near Standard Hotel,
Railway Road, Jalandar City - 144 001

O. Address for Correspondence:

Shareholders 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:	Ms. Monika Shah Mr. Parvez A. Farooqui Mukta House, Behind Whistling Woods Institute, Filmcity Complex, Goregaon (East), Mumbai- 400065. (022) 33649400 (022) 33649401 monika@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 2020-21 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. Physical copies are sent only to those shareholders whose email addresses are not registered with the company and for the bounced-mail cases. Shareholders are requested to register their email id with Registrar and Share 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: 25 May, 2021

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 2020-2021.

For and on behalf of
Mukta Arts Limited

Rahul Puri
Managing Director
DIN: 01925045

Place: Mumbai
Date: 25 May, 2021

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 31st March, 2021, 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: 25 May, 2021

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, 2021, 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, 2021, 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, 2021, 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. 62,36,40,584/- 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 2020-21 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, 2021. 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 2021.

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 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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, 2021 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, 2021 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021 – Refer Note No. 45.

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

CA. Subhash Jhunjhunwala
Partner
Membership No. 016331
UDIN: 21016331AAAABT6827

Date: May 25, 2021
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, 2021

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 except that tagging of certain fixed assets is yet to be completed.

b) As explained by the Management, fixed assets have been physically verified by the management at regular intervals, which in our opinion is reasonable having regard to the size of the company and nature of its business. However, during the year no physical verification was carried out by the management on account of extensive closure of offices. Hence, we are unable to comment on material discrepancies found, if any, in the book of accounts.

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. 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, 2021 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: 21016331AAAABT6827

Date: May 25, 2021
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, 2021 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.

Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, following material weakness has been identified in the operating effectiveness of the Company's internal financial controls with reference to financial statements as at March 31, 2021;

· Annual physical verification of property, plant and equipment was not operating effectively which could potentially result in lack of effective internal control over company's assets.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

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, 2021, 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, 2021.

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, 2021, and the material weakness 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: 21016331AAAABT6827

Date: May 25, 2021
Place: Mumbai

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2021

(Amount in Rs.)

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	6 (a)	**135,185,069**	150,662,982
(b) Right-of-use assets	6 (a)	**8,970,577**	10,339,988
(c) Capital work-in-progress	6(b)	**1,287,210**	1,287,210
(d) Investment property	7	**137,127,851**	140,678,580
(e) Intangible assets	6 (c)	**51,824,761**	44,487,161
(f) Intangible Assets under Development	6 (d)	**46,652,427**	58,963,757
(g) Financial assets			
(i) Investments	8 (a)	**267,828,087**	267,828,087
(ii) Loans	8 (b)	**374,406,193**	349,406,193
(iii) Others financial assets	8 (c)	**374,472,813**	357,675,451
(h) Deferred tax assets (net)	9	**26,708,905**	29,431,595
(i) Other non-current assets	10	**114,817,186**	117,411,420
Total Non-current assets		**1,539,281,079**	1,528,172,424
Current assets			
(a) Financial assets			
(i) Trade receivables	11 (a)	**191,874,306**	113,338,462
(ii) Cash and cash equivalents	11 (b)	**57,528,721**	17,007,780
(iii) Bank balances other than (ii) above	11 (c)	**47,926,841**	46,153,936
(iv) Loans	11 (d)	**566,256,166**	379,924,256
(v) Others financial assets	11 (e)	**69,260,184**	70,086,791
(b) Other current assets	12	**40,242,635**	38,638,816
Total Current assets		**973,088,853**	665,150,041
Total Assets		**2,512,369,932**	2,193,322,465
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	13	**112,926,000**	112,926,000
(b) Other Equity	14	**1,366,043,840**	1,295,612,292
Total Equity		**1,478,969,840**	1,408,538,292
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15 (a)	**466,949,223**	462,704,918
(ii) Other financial liabilities	15 (b)	**39,388,638**	42,697,664
(b) Long Term Provisions	16	**13,542,218**	12,681,321
(c) Other non-current liabilities	17	**44,900,623**	50,300,186
Total Non-Current Liabilities		**564,780,702**	568,384,089
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18 (a)	**72,000,000**	82,000,000
(ii) Trade payables	18 (b)	**17,709,862**	25,898,192
(iii) Other financial liabilities	18 (c)	**60,264,277**	59,163,060
(b) Short Term Provisions	19	**43,121,165**	26,750,926
(c) Other current liabilities	20	**275,524,086**	22,587,906
Total Current liabilities		**468,619,390**	216,400,084
Total Equity and Liabilities		**2,512,369,932**	2,193,322,465

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: 25th May 2021

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, 2021

(Amount in Rs.)

	Particulars	Note No.	Year ended 31 March 2021	Year ended 31 March 2020
(I)	Revenue from operations	21	**186,310,761**	216,064,499
(II)	Other income	22	**111,767,177**	109,778,871
(III)	**Total Income (I+II)**		**298,077,938**	325,843,370
(IV)	**Expenses**			
	(a) Cost of production, distribution and exibition	23	**25,584,690**	37,259,087
	(b) Employee benefits expense	24	**36,624,280**	55,714,904
	(c) Finance costs (net)	25	**58,457,876**	68,929,077
	(d) Depreciation and amortisation expenses	26	**20,408,788**	23,166,660
	(e) Other expenses	27	**66,508,191**	95,465,671
	Total Expenses		**207,583,825**	280,535,399
(V)	**Profit/(Loss) before tax (III - IV)**		**90,494,113**	45,307,971
	Tax expense			
	Current tax		**13,000,000**	2,600,000
	Deferred tax		**2,722,690**	(9,022,781)
	Taxes for earlier years		**4,962,807**	-
(VI)	**Profit for the period after tax (VI+VII)**		**69,808,616**	51,730,752
(VII)	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	Less : Remeasurement gain on defined benefit plan		**622,932**	(1,380,035)
	Other comprehensive income for the year		**622,932**	(1,380,035)
(VIII)	**Total comprehensive income for the year (IX+X)**		**70,431,548**	50,350,717
(IX)	**Earnings per share**	31		
	Basic (in ₹) (nominal value ₹ 5)		**3.12**	2.23
	Diluted (in ₹) (nominal value ₹ 5)		**3.12**	2.23

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: 25th May 2021

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

Statement of Changes in Equity as at 31 March 2021

	Number	Amount
Balance as at 1 April 2019	**22,585,200**	**112,926,000**
Add: Changes in equity share capital	-	-
Balance as at 31 March 2020	**22,585,200**	**112,926,000**
Add: Changes in equity share capital	-	-
Balance as at 31 March 2021	**22,585,200**	**112,926,000**

	Securities Premium	General Reserve	Capital Reserve	Retained Earnings	Total other equity
Balance as at 1 April 2019	**973,604,960**	**83,144,791**	**11,500**	**244,931,993**	**1,301,693,244**
Profit/(loss) for the year	-	-		51,730,752	**51,730,752**
Ind As 116 adjustments	-	-	-	(22,396,956)	**(22,396,956)**
Dividend and dividend tax				(34,034,713)	**(34,034,713)**
Other comprehensive income for the year	-			(1,380,035)	**(1,380,035)**
Total Comprehensive income for the year	**-**	**-**	**-**	**(6,080,952)**	**(6,080,952)**
Dividend and dividend tax	-			-	**-**
Employee stock option compensation expense	-			-	**-**
Balance as at 31 March 2020	**973,604,960**	**83,144,791**	**11,500**	**238,851,041**	**1,295,612,292**
Net profit after tax for the year	-			69,808,616	**69,808,616**
Ind As 116 adjustments				-	
Dividend and dividend tax				-	
Other comprehensive income for the year	-			622,932	**622,932**
Total Comprehensive income for the year	**-**	**-**	**-**	**70,431,548**	**70,431,548**
Transfer from/to share option outstanding account	-			-	**-**
Employee stock option compensation expense	-			-	**-**
Balance as at 31 March 2021	**973,604,960**	**83,144,791**	**11,500**	**309,282,589**	**1,366,043,840**

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: 25th May 2021

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 Cash Flow Statement for the year ended 31 March 2021

Particluars	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flow from operating activities		
Profit before tax	**90,494,113**	45,307,971
Non-cash adjustments to reconcile Profit before tax to net cash flows		
Depreciation and amortisation	**20,408,788**	23,166,660
Bad debts/ advances/ intangible assets under development written-off	**1,771,787**	4,797,952
Finance costs	**58,457,876**	68,929,077
Interest income	**(81,268,647)**	(72,482,976)
(Gain) on sale of tangible assets (net)	**(3,020,961)**	(546,736)
Operating profit before working capital changes	**86,842,956**	114,479,918
Movements in working capital:		
Increase/(Decrease) in other current liabilities	**252,936,180**	820,329
Increase/(Decrease) in other financial liabilities	**1,101,217**	20,429,239
Increase/(Decrease) in other non current liabilities	**(5,399,563)**	32,867,479
Increase/(Decrease) in trade payables	**(8,188,330)**	3,287,459
Increase/(Decrease) in current provisions	**16,370,239**	(16,994,574)
Increase/(Decrease) in non current provisions	**860,897**	-
(Increase)/Decrease in trade receivables	**(78,535,845)**	16,373,235
(Increase)/Decrease in loans and advances	**(25,000,000)**	-
(Increase) /Decrease in other non- current assets	**2,594,234**	(15,955,169)
(Increase)/Decrease in short-term loans and advances	**(186,331,910)**	(51,556,027)
(Increase)/Decrease in other financial assets	**16,797,362**	(18,206,471)
(Increase) /Decrease in other current assets	**(1,603,819)**	(15,624,285)
(Increase)/Decrease in other current financial assets	**826,607**	749,292
Cash generated from (used in) operations	**73,270,225**	70,670,426
Taxes paid (net)	**(24,566,998)**	(39,151,205)
Net cash generated from (used in) operating activities (A)	**48,703,227**	31,519,221
Cash flow from investing activities		
Investments in equity shares of subsidiaries	**-**	-
Purchase of fixed assets (tangible and intangible)	**(24,019,944)**	(26,168,895)
Proceeds from maturity/ (reinvestment) of fixed deposits, net	**(1,415,164)**	(24,759,202)
Proceeds from sale of fixed assets	**7,851**	1,826,146
Interest income	**81,268,647**	72,482,976
Net cash used in investing activities (B)	**55,841,390**	23,381,025
Cash flow from financing activities		
Secured loan (repaid)/taken,net	**4,244,306**	24,126,316
Unsecured loan (repaid)/taken , net	**(10,000,000)**	-
Finance charges (net)	**(58,457,876)**	(68,929,077)
Net cash flow from / (used in) financing activities (C)	**(64,213,570)**	(44,802,761)
Net increase /(decrease) in cash and cash equivalents (A + B + C)	**40,331,047**	10,097,485
Cash and cash equivalents at the beginning of the year	**16,969,566**	6,872,081
Cash and cash equivalents at the end of the year (Refer note (b) below)	**57,300,612**	16,969,566

Reconciliation of cash and cash equivalents as per the cash flow statement

	For the year ended 31 March 2021	For the year ended 31 March 2020
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	**118,031**	246,327
(ii) Balances with scheduled banks in		
- in current accounts	**57,182,581**	16,723,239
Balances per statement of cash flows	**57,300,612**	16,969,566

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: 25th May 2021

Prabuddha Dasgupta
Chief Financial Officer

Monika Shah
Company Secretary
Membership No: FCS7964

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in ₹)

Notes to Standalone Financial Statements for the year ended 31 March 2021

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 2021.

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(Amount in ₹)

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.

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.

(Amount in ₹)

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(Amount in ₹)

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.

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

(Amount in ₹)

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(Amount in ₹)

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

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.

(Amount in ₹)

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(Amount in ₹)

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.

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

(Amount in ₹)

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, 2021 (CONTD.)

(Amount in ₹)

6(a) - Property, plant and equipment

	Ownership Premises	Leasehold Premises	Plant & Machinery	Motor Vehicles	Fixtures & Fittings	ROU	Computers	Total
Cost or deemed cost (Gross Carrying Amount)								
As at 1 April 2019	106,072,381	127,766,752	198,018,042	73,876,928	33,067,752	-	13,844,166	**552,646,020**
Additions	-	-	415,676	12,350,872	1,459,547	11,713,150	229,650	**26,168,895**
Disposals	-	-	-	1,826,146	-		-	**1,826,146**
Other adjustment	-	-	-	-	-	-	-	**-**
As at 31 March 2020	**106,072,381**	**127,766,752**	**198,433,718**	**84,401,654**	**34,527,299**	**11,713,150**	**14,073,816**	**576,988,769**
As at 1 April 2020	106,072,381	127,766,752	198,433,718	84,401,654	34,527,299	11,713,150	14,073,816	**576,988,769**
Additions	-	-	-	-	-	-	18,585	**18,585**
Disposals	-	-	-	7,851	-		-	**7,851**
Other adjustment	-	-	-	-	-	-	-	**-**
As at 31 March 2021	**106,072,381**	**127,766,752**	**198,433,718**	**84,393,803**	**34,527,299**	**11,713,150**	**14,092,401**	**576,999,503**
Accumulated Depreciation/ Amortisation								
As at 1 April 2019	45,591,261	61,770,509	183,758,875	62,286,454	30,384,566	-	12,750,776	**396,542,441**
Charge for the year	2,575,102	6,302,624	1,915,241	5,944,683	857,515	1,373,162	475,029	**19,443,356**
Deduction	-	-	-	-	-		-	**-**
Other adjustment	-	-	-	-	-		-	**-**
As at 31 March 2020	**48,166,363**	**68,073,132**	**185,674,116**	**68,231,137**	**31,242,081**	**1,373,162**	**13,225,805**	**415,985,797**
As at 1 April 2020	48,166,363	68,073,132	185,674,116	68,231,137	31,242,081	1,373,162	13,225,805	**415,985,797**
Charge for the year	2,520,347	6,302,624	1,393,362	4,231,444	706,868	1,369,411	334,003	**16,858,059**
Deduction	-	-	-	-	-	-	-	**-**
Other adjustment	-	-	-	-	-	-	-	**-**
As at 31 March 2021	**50,686,710**	**74,375,756**	**187,067,478**	**72,462,581**	**31,948,949**	**2,742,573**	**13,559,808**	**432,843,856**
Carrying amounts (Net)								
At 1 April 2019	60,481,121	65,996,243	14,259,167	11,590,473	2,683,185	-	1,093,390	**156,103,579**
At 31 March 2020	57,906,019	59,693,619	12,759,602	16,170,516	3,285,217	10,339,988	848,011	**161,002,971**
At 31 March 2021	**55,385,672**	**53,390,995**	**11,366,240**	**11,931,221**	**2,578,349**	**8,970,577**	**532,593**	**144,155,646**

6(b) Capital Work in Progress

	Amount
As at 1 April 2019	1,287,210
Additions	-
Disposals	-
As at 31 March 2020	**1,287,210**
As at 1 April 2020	1,287,210
Additions	-
Disposals	-
As at 31 March 2021	**1,287,210**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(Amount in ₹)

6(c) - Intangible Assets

	Distribution Rights	Negative Rights	Exhibition Rights	Total
Cost or deemed cost				
As at 1 April 2019	240,000,320	753,631,055	2,500,000	**996,131,375**
Additions	-	35,521,819	-	**35,521,819**
Disposals	-	-	-	**-**
Other adjustment	-	-	-	**-**
As at 31 March 2020	**240,000,320**	**789,152,874**	**2,500,000**	**1,031,653,194**
As at 1 April 2020	240,000,320	789,152,874	2,500,000	**1,031,653,194**
Additions		20,575,320		**20,575,320**
Disposals	-	-	-	**-**
Other adjustment	-	-	-	**-**
As at 31 March 2021	**240,000,320**	**809,728,194**	**2,500,000**	**1,052,228,514**
Accumulated amortisation and impairment losses				
As at 1 April 2019	240,000,320	714,429,013	2,500,000	**956,929,333**
Charge for the year	-	30,236,700	-	**30,236,700**
Deduction	-	-	-	**-**
Other adjustment	-	-	-	**-**
As at 31 March 2020	**240,000,320**	**744,665,713**	**2,500,000**	**987,166,033**
As at 1 April 2020	240,000,320	744,665,713	2,500,000	**987,166,033**
Charge for the year		13,237,720		**13,237,720**
Deduction	-	-	-	**-**
Other adjustment	-	-	-	**-**
As at 31 March 2021	**240,000,320**	**757,903,433**	**2,500,000**	**1,000,403,753**
Carrying amount (Net)				
At 1 April 2019	-	39,202,042	-	**39,202,042**
At 31 March 2020	-	44,487,161	-	**44,487,161**
At 31 March 2021	-	51,824,761	-	**51,824,761**

Note : 1. During the year ended on 31 March 2021 and 31 March 2020, 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))

6(d) Intangible assets under development

	Amount
As at 1 April 2019	**43,388,617**
Additions	51,096,959
Disposals	35,521,819
Other adjustment	-
As at 31 March 2020	**58,963,757**
As at 1 April 2020	**58,963,757**
Additions	3,426,039
Disposals	15,737,369
Other adjustment	-
As at 31 March 2021	**46,652,427**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(Amount in ₹)

7 Investment property

Particular	Building	Land	Total
As at 1 April 2019	124,176,271	66,389,104	**190,565,375**
Additions	-	-	**-**
Disposals	-	-	**-**
Other adjustment	-	-	**-**
As at 31 March 2020	**124,176,271**	**66,389,104**	**190,565,375**
As at 1 April 2020	124,176,271	66,389,104	**190,565,375**
Additions	-	-	**-**
Disposals	-	-	**-**
Other adjustment	-	-	**-**
As at 31 March 2021	**124,176,271**	**66,389,104**	**190,565,375**
Accumulated Depreciation/Amortisation			
As at 1 April 2019	46,163,491	-	**46,163,491**
Charge for the year	3,723,304	-	**3,723,304**
Deduction	-	-	**-**
Other adjustment	-	-	**-**
As at 31 March 2020	**49,886,795**	**-**	**49,886,795**
As at 1 April 2020	49,886,795	-	**49,886,795**
Charge for the year	3,550,729		**3,550,729**
Deduction	-	-	**-**
Other adjustment	-	-	**-**
As at 31 March 2021	**53,437,524**	**-**	**53,437,524**
Carrying amounts (Net)			
At 1 April 2019	78,012,780	66,389,104	**144,401,884**
At 31 March 2020	74,289,476	66,389,104	**140,678,580**
At 31 March 2021	70,738,747	66,389,104	**137,127,851**

(i) Information regarding Income and expenditure of Investment properties

	As at 31-Mar-2021	As at 31-Mar-2020
Rental income derived from Investment properties	**39,113,152**	60,951,083
Direct operating expenses	**4,077,580**	4,580,542
Profit arising from investment properties before depreciation and indirect expenses	**35,035,572**	56,370,541
Less: Depreciation	**3,550,729**	3,723,304
Profit arising from investment properties before indirect expenses	**31,484,843**	25,487,011

(ii) Fair Value

Particulars	Valuation Techniques (See note below)	Fair Value Hierarchy (See note below)	As at 31 March 2021	As at 31 March 2020
Investment properties	Stamp duty Reckoner rate	Level 2	**1,301,375,050**	1,301,375,050

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

(Amount in ₹)

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 2021	As at 31 March 2020
A	**Non current investments**		
	Unquoted equity shares		
i)	**Investment in equity shares of subsidiaries at FVTPL**		
	Connect 1 Limited		
	600 (31 March 2020 : 600) equity shares of ₹ 1000 each, fully paid-up (6 shares are jointly held with individuals)	**600,000**	600,000
	Whistling Woods International Limited		
	169,997 (31 March 2020 : 169,997) equity shares of ₹ 1000 each, fully paid-up	**169,997,000**	169,997,000
	Mukta Tele Media Limited		
	4,996 (31 March 2020 : 4,996) equity shares of ₹ 100 each, fully paid-up	**499,600**	499,600
	Coruscant Tec Private Limited		
	750,000 (31 March 2020 : 750,000) equity shares of ₹ 10 each, fully paid-up	**9,900,000**	9,900,000
	Mukta A2 Multiplex SPC		
	500 (31 March 2020 : 500) equity shares of BHD 100 each, fully paid-up	**8,630,540**	8,630,540
	Mukta A2 Cinemas Ltd		
	10,50,000 (31 March 2020 : 50,000) equity shares of ₹ 10 each 'fully paid-up	**10,500,000**	10,500,000
	Deemed Investment in Subsidiary		
	Whistling Woods International Ltd	**1,320,411**	1,320,411
	Preference Share - Interest	**28,193,807**	28,193,807
ii)	**Investment in equity shares of joint venture at FVTPL**		
	Mukta VN Films Limited		
	27,500 (31 March 2020 : 27,500) equity shares of '₹ 10 each, fully paid-up	**33,000,000**	33,000,000
	Deemed Investment in Joint Venture		
	Mukta VN Films Limited	**5,185,479**	5,185,479
	Total (i+ii)	**267,826,837**	267,826,837
iii)	**Investment in equity instruments-others at FVTPL (un-quoted)**		
	Bashiron Co. Op. Housing Society Limited 10 Shares (2020: 10) of ₹ 50 each	**500**	500
	Bait-Ush-Sharaf Co. Op. Housing Society Limited 15 Shares (2020: 15) of ₹ 50 each	**750**	750
	Total (iii)	**1,250**	1,250
	Total (i+ii+iii)	**267,828,087**	267,828,087

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(Amount in ₹)

8 (b) Loans

	As at 31 March 2021	As at 31 March 2020
Unsecured		
Amounts due from related parties Whistling Woods International Limited	**202,600,000**	177,600,000
ii) Investment in preference shares of subsidiary (un-quoted)		
200,000 (2020: 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.	**171,806,193**	171,806,193
Total	**374,406,193**	349,406,193

8(c) Other financial assets

	As at 31 March 2021	As at 31 March 2020
Security deposits to		
- Related parties	**300,000**	2,250,000
- Others	**4,516,668**	4,415,251
Other advances	**140,863,808**	139,795,899
Interest receivables Account (Preference Dividend)	**228,792,337**	211,214,301
Total	**374,472,813**	357,675,451

9 Deferred tax assets (net)

	As at 31 March 2021	As at 31 March 2020
Deferred tax liability on		
Arising on account of timing differences in:	-	-
Total	-	-
Deferred tax asset on		
Provision for leave encashment and gratuity	**4,745,310**	4,199,228
Provision for doubtful debts and advances	**2,256,533**	672,221
Rent straightlining	**2,443,663**	2,509,788
Property, Plant and Equipment and intangible assets	**12,292,970**	10,397,572
Others	**4,970,430**	11,652,787
Total	**26,708,905**	29,431,595
Deferred tax assets (net)	**26,708,905**	29,431,595

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	4,199,228	672,221	10,397,572	14,162,575	27,514,760
(Charged)/credited:					
- to profit or loss	546,082	1,584,312	1,895,398	(6,748,482)	(2,722,690)
- to other comprehensive income	-				
At March 31, 2021	4,745,310	2,256,533	12,292,970	7,414,093	26,708,905
(Charged)/credited:					
- to profit or loss	-	-	-	-	-
- to other comprehensive income					
At March 31, 2021	**4,745,310**	**2,256,533**	**12,292,970**	**7,414,093**	**26,708,905**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(Amount in ₹)

10 Other non- current assets

	As at 31 March 2021	As at 31 March 2020
Advance tax (including TDS)	**113,844,068**	116,467,934
Service tax Input Credit	**322,164**	322,164
Deferred Income Account	**650,954**	621,322
Total	**114,817,186**	117,411,420

11 Current Financial Assets

11 (a) Trade receivables

	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good	**199,276,105**	119,238,887
Doubtful	**1,277,174**	1,277,174
Total	**200,553,279**	120,516,061
Less: Loss allowance		
Unsecured, considered good	**7,401,799**	5,900,425
Doubtful	**1,277,174**	1,277,174
	8,678,973	7,177,599
Net trade receivable	**191,874,306**	113,338,462

11 (b) Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
a. Cash on hand	**118,031**	246,327
b. Balances with banks		
In current account	**57,182,581**	16,723,239
Balance in dividend account	**228,109**	38,214
Total	**57,528,721**	17,007,780

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

	As at 31 March 2021	As at 31 March 2020
Interest accrued on FD	**2,512,895**	2,155,154
Deposits with original maturity of more than 3 months and less than 12 months	**45,413,946**	43,998,782
Total	**47,926,841**	46,153,936

11 (d) Loans

	As at 31 March 2021	As at 31 March 2020
Amounts due from related parties	**1,793,735**	3,513,527
Staff Advances	**1,058,821**	685,765
Inter-corporate deposit:		
- Related parties	**514,865,080**	326,917,869
- Others	**48,538,530**	48,807,095
Total	**566,256,166**	379,924,256

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(Amount in ₹)

11 (e) Other financial assets

		As at 31 March 2021	As at 31 March 2020
Interest receivables Account (Preference Dividend)		**17,729,596**	17,578,036
Security deposits		**40,561,288**	40,542,655
Interest Accrued on Investments:			
Related Parties		**1,794,343**	2,691,143
Others		**6,676,532**	6,776,532
Other receivable from related parties		**2,498,425**	2,498,425
	Total	**69,260,184**	70,086,791

12 Other current assets

		As at 31 March 2021	As at 31 March 2020
Prepaid expenses		**8,291,254**	11,050,384
Advances		**7,789,998**	7,803,604
Deferred Income Account		**117,275**	264,182
Service Tax Input		**5,770,780**	-
VAT input		**18,273,328**	17,951,128
GST input		**-**	1,569,518
	Total	**40,242,635**	38,638,816

13 Equity share capital

	As at 31 March 2021		As at 31 March 2020	
	Number	Amount	Number	Amount
Authorised share capital				
Equity shares of ₹ 5 each	**24,000,000**	**120,000,000**	24,000,000	120,000,000
	24,000,000	**120,000,000**	24,000,000	120,000,000
Issued, subscribed and fully paid- up				
Equity shares of ₹ 5 each	**22,585,200**	**112,926,000**	22,585,200	112,906,000
Total	**22,585,200**	**112,926,000**	22,585,200	112,906,000

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 2021		As at 31 March 2020	
	Number	Amount	Number	Amount
Balance at the beginning of the year	**22,585,200**	**112,926,000**	22,585,200	112,926,000
Add: Issued during the year	**-**	**-**	-	-
Add: Acquisition of a subsidiary	**-**	**-**	-	-
Balance at the end of the year	**22,585,200**	**112,926,000**	22,585,200	112,926,000

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(Amount in ₹)

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

	As at 31 March 2021		As at 31 March 2020	
	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%

14 Other equity

	As at 31 March 2021	As at 31 March 2020
Securities premium		
Balance at the beginning of the year	**973,604,960**	973,604,960
Add: Transfer during the year	**-**	-
Balance at the end of the year	**973,604,960**	973,604,960
General reserve		
Balance at the beginning of the year	**83,144,791**	83,144,791
Add: Transfer during the year	**-**	-
Balance at the end of the year	**83,144,791**	83,144,791
Capital reserve		
Balance at the beginning of the year	**11,500**	11,500
Add: Transfer during the year	**-**	-
Balance at the end of the year	**11,500**	11,500
Retained earnings		
Balance at the beginning of the year	**238,851,041**	244,931,993
Add: Net profit after tax for the year	**69,808,616**	51,730,752
Less : Ind As 116 adjustments	**-**	(22,396,956)
Less : Dividend and dividend tax	**-**	(34,034,713)
Other comprehensive income	**622,932**	(1,380,035)
Balance at the end of the year	**309,282,589**	238,851,041
Total	**1,366,043,840**	1,295,612,292

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, 2021 (CONTD.)

(Amount in ₹)

15 Non Current Financial Liabilities

15 (a) Long-term borrowings

	As at 31 March 2021	As at 31 March 2020
Secured		
Term loan from banks and others		
LIC Housing Finance Ltd*	**442,229,316**	431,881,112
Hero Fincorp Ltd**	**31,565,763**	32,639,011
Motor vehicle finance loans***	**14,842,192**	20,338,671
Less: current maturity of term loan	**(21,688,048)**	(22,153,876)
Total	**466,949,223**	462,704,918

*** 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. 8,85,947/- (2020: Rs 18,37,968/-) is repayable in 60 equated monthly installments of Rs 112,321 till October 2021. Interest rate 16.50%.
ICICI Bank Limited	Outstanding amount of loan Rs. 33,21,125/- (2020:Rs 56,20,793) is repayable in 36 monthly installments of Rs 672,774/- till July 2019 and Rs. 4,72,624/- there after. Interest rate 14.50%
BMW India Financial Services Pvt Ltd	Outstanding amount of loan Rs. 94,96,026/- (2020:Rs 1,10,89,964) 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. 11,39,094/- (2020: Rs 17,89,946/-) is repayable in 60 equated monthly installments of Rs 63,900 till October 2022.

15 (b) Other financial liabilities

	As at 31 March 2021	As at 31 March 2020
Security deposits	**39,388,638**	42,697,664
Total	**39,388,638**	42,697,664

16 Long Term Provisions

	As at 31 March 2021	As at 31 March 2020
Provision for Leave Salary	**3,461,216**	2,729,967
Provision for gratuity	**10,081,002**	9,951,354
Total	**13,542,218**	12,681,321

17 Other non-current liabilities

	As at 31 March 2021	As at 31 March 2020
Rent straight lining	**8,840,692**	9,398,704
Income Received in advance	**5,141,713**	7,176,974
Lease Liability	**30,811,061**	32,698,153
Deferred Expense Account	**107,157**	1,026,355
Total	**44,900,623**	50,300,186

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(Amount in ₹)

18 Currrent Financial Liabilities

18 (a) Short-term borrowings

	As at 31 March 2021	As at 31 March 2020
Repayable on demand		
Unsecured		
Inter corporate deposits - Others	**72,000,000**	82,000,000
Total	**72,000,000**	82,000,000

Deposit of Rs. 72,000,000 (31st March 2020 Rs. 82,000,000) accepted at interest rate of 4% p.a. repayable on demand.

18 (b) Trade payable

	As at 31 March 2021	As at 31 March 2020
Other than micro and small enterprises	**17,709,862**	25,898,192
Micro and small enterprises	**-**	-
Total	**17,709,862**	25,898,192

18 (c) Other financial liabilities

	As at 31 March 2021	As at 31 March 2020
Current maturities of long term borrowings	**21,688,048**	22,153,876
Interest accrued but not due on borrowings		
Interest on loan taken	**5,678,289**	5,607,658
Employee benefits expense payable		
Bonus Payable	**524,831**	318,312
Sundry advances received		
From related party	**645,000**	645,000
Others	**31,500,000**	29,800,000
Unclaimed dividend	**228,109**	38,214
Security deposits received	**-**	600,000
Total	**60,264,277**	59,163,060

19 Short Term Provisions

	As at 31 March 2021	As at 31 March 2020
Provision For Taxation	**38,412,189**	22,711,386
Provision For Employee benefit:		
Provision for leave salary	**1,861,537**	1,303,519
Provision for gratuity	**2,847,439**	2,736,021
Total	**43,121,165**	26,750,926

20 Other current liabilities

	As at 31 March 2021	As at 31 March 2020
Advances from customers- others	**5,855,320**	14,272,381
Deferred Expense Account	**538,972**	794,430
Income Received in advance	**259,635,261**	800,000
Rent straight lining	**558,011**	264,947
Statutory dues payable		
Provident fund	**88,644**	156,721
ESIC	**2,591**	2,715
TDS payable	**2,189,386**	2,254,992
Profession tax	**9,150**	9,950
VAT / GST	**6,646,751**	4,031,770
Total	**275,524,086**	22,587,906

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(Amount in ₹)

21 Revenue from operations (net)

	Year ended 31 March 2021	Year ended 31 March 2020
(a) Sale of products/ film rights		
Own Film/ Content production	**104,883,331**	102,722,360
(b) Distribution, Exhibition, Theatrical and Film Production Income		
Distribution and exhibition	**992,820**	47,528
Equipment hire income	**1,118,800**	1,516,000
	2,111,620	1,563,528
(c) Other operating revenue		
Rent and amenities charges	**73,195,810**	100,528,611
Business support services	**6,120,000**	11,250,000
	79,315,810	111,778,611
Total	**186,310,761**	216,064,499

22 Other income

	Year ended 31 March 2021	Year ended 31 March 2020
Interest income on bank deposits	**3,296,476**	2,350,363
Interest income on others	**77,972,171**	70,132,613
Other Non Operating Income		
Profit on sale of assets, (net)	**3,020,961**	546,736
Corporate guarantee Commission income	**1,976,020**	2,651,020
Sundry balances written back	**223,908**	16,476
Miscellaneous income (net)	**25,277,641**	34,081,663
Total other income	**111,767,177**	109,778,871

23 Cost of production, distribution, exibition and theatrical operation

	Year ended 31 March 2021	Year ended 31 March 2020
Cost of Production	**22,932,055**	-
Distribution Expenses	**-**	3,721,387
Expenses for old Films	**2,652,635**	33,537,700
Total Distributor and producer's share	**25,584,690**	37,259,087

24 Employee benefits expense

	Year ended 31 March 2021	Year ended 31 March 2020
Salaries and bonus	**33,397,345**	52,532,082
Contribution to provident and other funds	**1,599,937**	2,021,492
Gratuity expense	**1,613,998**	1,123,665
Staff welfare expenses	**13,000**	37,665
Total employee benefit expense	**36,624,280**	55,714,904

(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. 1,574,256 (Previous year : Rs. 2,021,492) is recognised as expense and included in the above Note 24

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(Amount in ₹)

(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 2021	31 March 2020
Discount Rate (per annum)	**6.35%**	6.25%
Salary growth rate	**8.00%**	8.00%

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

Particulars	Gratuity	
	31 March 2021	31 March 2020
Present Value of Obligation as at the beginning	**14,343,171**	11,935,718
Interest cost	**759,204**	737,100
Current Service Cost	**755,067**	656,739
Past Service cost	**-**	-
Total amount recognised in statement of profit and loss	**1,514,271**	1,393,839
Re-measurement (or Actuarial) (gain) / loss arising from:		
change in demographic assumption	**-**	-
change in financial assumption	**(101,003)**	1,174,581
experience changes	**(320,362)**	(160,967)
Total amount recognised in Other Comprehensive Income	**(421,365)**	1,013,614
Benefits Paid	**(515,011)**	-
Liabilities assumed / (settled)	**-**	-
Present Value of Obligation as at the end	**14,921,066**	14,343,171

(B) Changes in the Fair value of Plan Assets

Particulars	Gratuity	
	31 March 2021	31 March 2020
Fair Value of Plan Assets as the beginning	**1,655,796**	1,477,043
Interest on plan assets	**13,118**	13,804
Total amount recognised in statement of profit and loss	**13,118**	13,804
Re-measurement (or Actuarial) gain / (loss) arising from:		
Actual return on plan assets less interest on plan assets	**201,567**	-7,858
Total amount recognised in Other Comprehensive Income	**201,567**	-7,858
Employer's contribution	**637,155**	172,807
Benefits Paid	**(515,011)**	-
Transfer In / (Out)	**-**	-
Fair value of plan assets at the end	**1,992,625**	1,655,796

(C) Amount recognised in the Balance sheet

Particulars	Gratuity	
	31 March 2021	31 March 2020
Present Value of obligations as at Balance Sheet date	**14,921,066**	14,343,171
Fair Value of Plan Assets as at the end of the period	**1,992,625**	1,655,796
Net (asset)/ liability recognised as at year end	**12,928,441**	12,687,375

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(Amount in ₹)

(D) Constitution of Plan Assets

Particulars	Gratuity	
	31 March 2021	31 March 2020
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	**Gratuity**	
Defined benefit obligation (base)		
As on March 31, 2021	**Decrease**	**Increase**
Discount Rate (- / + 0.5%)	520,745	-483,443
(% change compared to base due to sensitivity)	3.49%	-3.24%
Salary Growth Rate (- / + 0.5%)	-347,661	370,042
(% change compared to base due to sensitivity)	-2.33%	2.48%

Partculars	**Gratuity**	
Defined benefit obligation (base)		
As on March 31, 2020	**Decrease**	**Increase**
Discount Rate (- / + 0.5%)	555,081	-514,920
(% change compared to base due to sensitivity)	3.87%	-3.59%
Salary Growth Rate (- / + 0.5%)	-375,791	401,609
(% change compared to base due to sensitivity)	-2.62%	2.80%

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, 2021 is Rs. 20 Lakhs (March 31, 2020 : Rs. 15 Lakhs)

(F) Defined benefit liability and employer contributions

The weighted average duration of the Benefit Obligation is 6.72 years

Particulars	Gratuity	
	31 March 2021	31 March 2020
Weighted average duration (based on discounted cashflows)		
Year 1	**4,840,064**	4,391,817
Year 2	**998,460**	204,849
Year 3	**186,341**	1,003,714
Year 4	**1,978,276**	188,424
Year 5	**1,069,547**	1,932,402
Thereafter	**16,831,012**	18,215,989

(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. 15,00,378 (March 31, 2020: Rs. 7,50,980)

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(Amount in ₹)

(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.

25 Finance costs

		Year ended 31 March 2021	Year ended 31 March 2020
Interest cost on:			
Car loan		**2,035,511**	2,771,500
Inter corporate deposits		**78,480**	72,000
Others		**1,984,743**	2,634,517
Term loan		**49,649,975**	53,433,282
Corporate Guarantee Commission expenses		**644,436**	644,436
Lease Liability		**3,940,064**	4,154,400
Processing cost and other charges		**124,667**	5,218,942
	Total	**58,457,876**	68,929,077

26 Depreciation and amortisation expense

		Year ended 31 March 2021	Year ended 31 March 2020
Depreciation of property, plant and equipment		**16,858,059**	19,443,356
Depreciation on investment property		**3,550,729**	3,723,304
	Total	**20,408,788**	23,166,660

27 Other expenses

		Year ended 31 March 2021	Year ended 31 March 2020
Power and fuel		**28,568,613**	31,782,936
Rent		**4,848,135**	8,136,839
Repairs and maintenance		**1,670,496**	2,325,402
Insurance		**3,235,803**	2,695,256
Rates and taxes		**9,335,409**	8,469,445
Legal and professional		**9,319,620**	21,626,294
Communication expenses		**492,308**	576,891
Travelling and conveyance		**103,166**	896,893
Bad debts/ advances/ intangibles under development written-off		**1,771,787**	4,797,952
Security charges		**1,261,187**	965,459
Business promotion		**652,775**	1,009,372
CSR Activity Expenses		**788,202**	-
Motor vehicle expenses		**742,147**	1,133,416
Printing and stationery		**204,261**	496,405
Bank charges		**285,192**	322,006
Payment to auditor (Refer details below)		**500,000**	513,554
Miscellaneous expenses		**2,729,090**	9,717,551
	Total	**66,508,191**	95,465,671

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(Amount in ₹)

27a Payment to auditor

	Year ended 31 March 2021	Year ended 31 March 2020
Audit Fees	**500,000**	500,000
Reimbursement of Expenses	**-**	13,554
	500,000	513,554

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 2021	31 March 2020
Current tax		
Current tax on profits for the year	**13,000,000**	2,600,000
Total Current Tax Expense	**13,000,000**	2,600,000
Deferred Tax		
Decrease (increase) in deferred tax assets	**2,722,690**	(9,022,781)
(Decrease) increase in deferred tax liabilities	**-**	-
Total Deferred Tax Expense	**2,722,690**	(9,022,781)
Income Tax Expense	**15,722,690**	(6,422,781)

(B) Reconciliation of tax expense:

	31 March 2021	31 March 2020
Profit before income tax expense	**90,494,113**	45,307,971
Add: Net Disallowances		
Permanent Disallowances	**-**	-
Temporary Disallowances	**3,395,398**	2,988,453
Total Taxable Income	**93,889,511**	48,296,424
Income Tax Expense	**13,000,000**	2,600,000

(C) Amounts Recognised directly in Equity - Nil (31 March 2020 - 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 4,848,135 (2020: Rs 8,136,839) 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 2021	31 March 2020
Amounts due within one year	**6,154,333**	5,861,269
Amounts due after one year but not later than five years	**27,852,241**	26,525,944
Amounts due later than five years	**11,535,041**	19,015,671
	45,541,615	51,402,884

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 39,113,152 (2020: Rs 60,951,083) has been included under 'Rent and amenities charges' in the Statement of profit and loss.

(Amount in ₹)

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

Particulars	**31 March 2021**	31 March 2020
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 2021**	31 March 2020
Gross block	**172,280,521**	172,280,521
Accumulated depreciation	**53,730,250**	50,179,521
Net block	**118,550,271**	122,101,000
Depreciation for the year	**3,550,729**	3,723,304

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 34,082,658 (2020: Rs 39,577,528) 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 2021**	31 March 2020
Gross block	**85,535,753**	85,535,753
Accumulated depreciation	**63,702,490**	57,399,866
Net block	**21,833,263**	28,135,887
Depreciation for the year	**6,302,624**	6,968,073

30 Capitalisation of expenditure

During the year, the Company has capitalised the salaries, wages and bonus amounting to Rs Nil (2020: 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 2021	Year ended 31 March 2020
Net (loss)/ profit after tax attributable to shareholders	**70,431,548**	50,350,717
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	**3.12**	2.23
Dilutive EPS	**3.12**	2.23
Nominal value per share	**5**	5

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(Amount in ₹)

32 Fair value measurement

The carrying value/ Fair value of the Financial instruments by category

	31 March 2021			31 March 2020		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Other Financial Assets	-	-	443,732,997	-	-	427,762,242
Trade Receiveables	-	-	191,874,306	-	-	113,338,462
Cash and cash equivalents	-	-	57,528,721	-	-	17,007,780
Loans	-	-	940,662,359	-	-	729,330,449
Investment	267,828,087	-	-	267,828,087	-	-
Othe bank balance			47,926,841			46,153,936
Total financial assets	**267,828,087**	**-**	**1,681,725,225**	**267,828,087**	**-**	**1,333,592,868**
Financial liabilities						
Borrowings	-	-	538,949,223	-	-	544,704,918
Trade Payables	-	-	17,709,862	-	-	25,898,192
Other Financial Liabilities	-	-	99,652,915	-	-	101,860,724
Total financial liabilities	**-**	**-**	**656,312,000**	**-**	**-**	**672,463,833**

(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, 2020 and March 31, 2021.

(ii) Fair value of financial assets measured at amortised cost

	Level	31 March 2021		31 March 2020	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets					
Other Financial Assets	Level 2	171,880,947	443,732,997	210,369,531	427,762,242
Trade Receiveables	Level 2	191,874,306	191,874,306	129,711,697	113,338,462
Cash and cash equivalents	Level 2	57,528,721	57,528,721	6,910,295	17,007,780
Loans	Level 2	424,003,544	940,662,359	419,742,226	729,330,449
Investments	Level 2	233,128,390	267,828,087	233,128,390	267,828,087
Financial liabilities					
Borrowings	Level 2	538,949,223	538,949,223	520,578,602	544,704,918
Trade Payables	Level 2	17,709,862	17,709,862	22,610,733	25,898,192
Other Financial Liabilities	Level 2	99,652,915	99,652,915	79,294,601	101,860,724

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.

(Amount in ₹)

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, 2019	2,532,248
Written-off	-
Provision for allowances	4,645,351
Loss allowance on March 31, 2020	**7,177,599**
Written-off	-
Provision for allowances	1,501,374
Loss allowance on March 31, 2021	**8,678,973**

(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, 2021			
Borrowings	72,000,000	466,949,223	538,949,223
Trade payables	17,709,862	-	17,709,862
Other financial liabilities	60,264,277	39,388,638	99,652,915
Total liabilities	149,974,139	506,337,861	656,312,000

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(Amount in ₹)

Contractual maturities of financial liabilities	Less than 1 year	More than 1 year	Total
as at March 31, 2020			
Borrowings	82,000,000	462,704,918	544,704,918
Trade payables	25,898,192	-	25,898,192
Other financial liabilities	59,163,060	42,697,664	101,860,724
Total liabilities	167,061,252	505,402,582	672,463,834

Contractual maturities of financial Assets	Less than 1 year	More than 1 year	Total
as at March 31, 2021			
Trade Receivables	191,874,306	-	191,874,306
Cash & bank balance	57,528,721	-	57,528,721
Other bank Balance	47,926,841	-	47,926,841
Loans	566,256,166	374,406,193	940,662,359
Investments	-	267,828,087	267,828,087
Other finacial assets	69,260,184	374,472,813	443,732,997
Total Assets	932,846,219	1,016,707,093	1,949,553,312

Contractual maturities of financial Assets	Less than 1 year	More than 1 year	Total
as at March 31, 2020			
Trade Receivables	113,338,462	-	113,338,462
Cash & bank balance	17,007,780	-	17,007,780
Other bank Balance	46,153,936	-	46,153,936
Loans	379,924,256	349,406,193	729,330,449
Investments	-	267,828,087	267,828,087
Other finacial assets	70,086,791	357,675,451	427,762,242
Total Assets	626,511,225	974,909,731	1,601,420,956

(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:

	31 March 2021	31 March 2020
Financial Assets	**(BHD)**	(BHD)
Investment in shares	**50,000**	50,000
Loans	**596,093**	545,143
Receivable	**184,877**	143,370

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.

(Amount in ₹)

Particulars	Currency	Change in rate	Net effect on profit before tax (Increamental amount)
31 March 2021	**BHD**	**+5%**	**41,548**
	BHD	**-5%**	**(41,548)**
31 March 2020	**BHD**	**+5%**	36,926
	BHD	**-5%**	(36,926)

(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 2021	31 March 2020
Variable rate borrowings	**-**	-
Fixed rate borrowings	**560,637,271**	566,858,794
Total Borrowing	**560,637,271**	566,858,794

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 2021	**INR**	**+50**	**258,427**
	INR	**-50**	**(258,427)**
31 March 2020	**INR**	**+50**	281,024
	INR	**-50**	(281,024)

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 2021**	31 March 2020
Net debt	**538,949,223**	544,704,918
Total equity attributable to owners	**1,478,969,840**	1,408,538,292
Net Debt to equity ratio	**36.44%**	38.67%

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(Amount in ₹)

(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 2021.

36 Related party disclosures

Details of related parties including summary of transactions entered into by the Company during the year ended 31 March 2021 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 SPC

(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 - 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)

(vi) 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 2021 are as follows:-

Transactions	Subsidiary companies		Key Management Personnel and relatives of such personnel		Enterprises over which key management personnel have control/ substantial interest/ significant influence	
	2021	2020	**2021**	2020	**2021**	2020
Rendering of services - Sale of products						
Mukta A2 Cinemas Ltd - Rent & Maintenance Charges	**1,409,400**	1,409,400	-	-	-	-
Whistling Woods International Ltd - Rent & Maintenance Charges	**7,972,896**	7,972,896	-	-	-	-
Receiving of services						
Ashok Ghai - Professional fees paid	-	-	**2,319,095**	3,528,360	-	-
Connect. 1 Limited - Rent	**240,000**	240,000	-	-	-	-
Mukta Tele Media Ltd	**300,000**	300,000	-	-		
Mukta Arts - Rent	-	-	-	-	**60,000**	-
Interest income						

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(Amount in ₹)

Transactions	Subsidiary companies		Key Management Personnel and relatives of such personnel		Enterprises over which key management personnel have control/ substantial interest/ significant influence	
	2021	2020	**2021**	2020	**2021**	2020
Whistling Woods International Limited	**23,066,275**	25,205,078	-	-	-	-
Mukta Tele Media Limited	**408,863**	912,320	-	-	-	-
Connect.1 Limited	**1,653,716**	1,778,823	-	-	-	-
Mukta A2 Multiplex SPC	**6,077,377**	5,025,984	-	-	-	-
Mukta A2 Cinemas Ltd	**27,974,408**	18,819,926	-	-	-	-
Corporate Gurantee Commision income						
Mukta A2 Cinemas Ltd	**1,301,020**	1,301,020				
Interest expenses						
Mukta Creative Venture Ltd	**78,480**	72,000	-	-	-	-
Rent expenses						
Subhash Ghai	-	-	**2,400,000**	2,400,000	-	-
Salaries and other benefit						
Siraj Farooqui	-	-	**2,396,918**	4,217,738	-	-
Sameer Farooqui	-	-	**725,308**	1,115,055	-	-
Sajid Farooqui	-	-	-	95,659	-	-
Managerial remuneration						
Subhash Ghai	-	-	**5,174,900**	8,387,400	-	-
Rahul Puri	-	-	**3,093,793**	5,176,992	-	-
Reimbursement of expenses received by the Company						
Whistling Woods International Limited	**330,766**	1,322,840	-	-	-	-
Mukta VN Films Limited	**9,990,325**	11,250,000	-	-	-	-
Mukta A2 Cinemas Ltd	**265,534**	973,145				
Reimbursement of expenses paid by the Company						
Mukta A2 Cinemas Ltd	-	160,301	-	-	-	-
Loan given during the year						
Mukta A2 Multiplex SPC	**10,105,087**	24,794,680	-	-	-	-
Mukta A2 Cinemas Ltd	**193,500,000**	44,035,000	-	-	-	-
Whistling Woods International Limited	**35,000,000**	12,500,000	-	-	-	-
Loan repaid during the year						
Whistling Woods International Limited	**10,000,000**	33,500,000	-	-	-	-
Advances given during the year						
Mukta Creative Venture Ltd	-	43,832	-	-	-	-
Mukta Tele Media Ltd	**475,330**	-				
Connect.1 Ltd	**2,591,130**	774,000	-	-	-	-
Advances repaid during the year						
Mukta Tele Media Ltd	**3,877,500**	12,720,000	-	-	-	-
Connect.1 Ltd	**15,743,636**	9,454,788	-	-	-	-
Loan receivable						
Whistling Woods International Limited	**202,600,000**	177,600,000	-	-	-	-
Mukta A2 Multiplex SPC	**106,665,080**	96,559,993	-	-	-	-
Mukta A2 Cinemas Ltd	**408,200,000**	214,700,000	-	-	-	-
Amount receivable						
Whistling Woods International Limited	**918,723**	797,706	-	-	-	-
Mukta A2 Cinemas Ltd	**47,911,300**	16,865,565	-	-	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(Amount in ₹)

Transactions	Subsidiary companies		Key Management Personnel and relatives of such personnel		Enterprises over which key management personnel have control/ substantial interest/ significant influence	
	2021	2020	**2021**	2020	**2021**	2020
Mukta VN Films Ltd	**8,507,738**	2,068,188				
Interest receivable						
Whistling Woods International Limited	**1,793,735**	3,513,527	-	-	-	-
Payables						
Siraj Farooqui	**-**	-	198,653	848,761	-	-
Sameer Farooqui	**-**	-	61,811	81,480	-	-
Subhash Ghai	**-**	-	290,000	2,164,000	-	-
Rahul Puri	**-**	-	194,328	785,540	-	-
Advances receivable						
Mukta Tele Media Ltd	**249,583**	3,651,753	-	-	-	-
Connect.1 Limited	**1,544,760**	14,697,266	-	-	-	-
Advances payable						
Mukta Creative Venture Ltd	**855,431**	784,799	-	-	-	-
Deposit receivable						
Whistling Woods International Limited (pursuant to mutual sharing arrangement)	-	-	-	-	-	-
Connect. 1 Limited	-	1,950,000	-	-	-	-
Mukta Arts	-	-	-	-	**300,000**	300,000
Security given towards loan (Mortgage of immovable property)						
Mukta VN Films Limited	**40,000,000**	40,000,000	-	-	-	-
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	
	2021	2020	**2021**	2020
(a) Particulars in respect of loans and advances in the nature of loans to subsidiary/ associate companies				
- Whistling Woods International Limited	**202,600,000**	177,600,000	**202,600,000**	198,600,000
- Mukta Tele Media Ltd	**249,583**	3,651,753	**3,748,885**	15,550,665
- Mukta A2 Multiplex SPC	**106,665,080**	96,559,993	**106,665,080**	96,559,993
- Mukta A2 Cinemas Ltd	**408,200,000**	214,700,000	**408,200,000**	214,700,000
(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 companies where there is no repayment schedule				
- Whistling Woods International Limited	**202,600,000**	177,600,000	**202,600,000**	198,600,000
- Mukta Tele Media Limited	**249,583**	3,651,753	**3,748,885**	15,550,665
- Mukta A2 Multiplex SPC	**106,665,080**	96,559,993	**106,665,080**	96,559,993
- Mukta A2 Cinemas Ltd	**408,200,000**	214,700,000	**408,200,000**	214,700,000

(Amount in ₹)

38 Commitments

Estimated amounts of contracts remaining to be executed on capital account and not provided for aggregate to Rs Nil (31 March 2020: Rs Nil).

39 Contingent liabilities

		31 March 2021	31 March 2020
a)	Service tax liability in appeal (note 1)	**1,675,000**	1,675,000
b)	Corporate guarantee given by the Company on behalf of its joint venture	**40,000,000**	40,000,000
c)	Corporate guarantee given by the Company against a loan facility taken by its subsidiary company Mukta A2 Cinemas Ltd by mortgaging ownership premises of the Company.	**57,823,068**	57,823,068
d)	Support letter provided to Whistling Woods International Limited, a subsidiary of the Company.		

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 18,125,007 (31 March 2020: Rs 18,858,905) 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 2021 is Rs. Nil (31 March 2020 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 2021 Rs 113,538,000

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(Amount in ₹)

has been paid by the Company and Rs 13,500,000 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 246,116,550 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 @13% 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 SPC, 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 2021 and 31 March 2020 is given below:

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 3 March 2021	198,600,000	35,000,000	10,000,000	223,600,000
	Year ended 31 March 2020	216,100,000	-	17,500,000	198,600,000
Mukta Tele Media Ltd	Year ended 31 March 2021	(448,683)	475,330	3,877,500	(3,850,853)
	Year ended 31 March 2020	12,105,000	166,317	12,720,000	(448,683)
Mukta A2 Cinemas Ltd, subsidiary of the Company	Year ended 31 March 2021	170,665,000	193,500,000	-	364,165,000
	Year ended 31 March 2020	178,665,000	2,000,000	10,000,000	170,665,000
Mukta A2 Multiplex SPC, subsidiary of the Company	Year ended 31 March 2021	71,765,313	10,105,087	-	81,870,400
	Year ended 31 March 2020	63,704,441	8,060,872	-	71,765,313
Om Films Private Limited	Year ended 31 March 2021	17,600,000	-	-	17,600,000
	Year ended 31 March 2020	17,600,000	-	-	17,600,000

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 (WDV as on 31 March 2021: Rs 1,257,041) for the overdraft facility availed by Mukta V N Films Limited, a joint venture company, as at 31 March 2021. The overdraft limit as per the arrangement is Rs 40,000,000 (31 March 2020: Rs 40,000,000). The subsidiary has accounted for book overdraft amounting to Rs 39,541,192 as on 31 March 2021. The overdraft facility is being utilised by the subsidiary for its business.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (CONTD.)

(Amount in ₹)

44 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.

45 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. 38,214 (2020 : Rs. 77,878) on account of unclaimed dividend and 17,538 (2020 : 25,181) shares to which this dividend relates.

46 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.

47 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: 25th May 2021

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 2021, 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 SPC (incorporated in Bahrain)
7. Whistling Woods International 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, 2021.

Basis for Qualified Opinion:

1. As at March 31, 2021, 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. 62,36,40,584/- 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 2020-21 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, 2021. 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.
3. WWIL has not carried out physical verification of Property, Plant and Equipment comprising of Plant & Machinery, Furniture and Fixtures and Office Equipment, whose written down value aggregates to Rs. 22,307,340 as at March 31, 2021, which is not in accordance with its phased program for physical verification of assets. Consequently, we are unable to comment on the existence, completeness and valuation of the aforesaid items of Property, Plant and Equipment.

Emphasis of Matter

1. We draw attention to Note no. 42 of the consolidated financial statements for the year ended 31st March, 2021 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, 2021, Mukta A2 Cinemas Ltd (Subsidiary) has incurred loss before tax (including other comprehensive income) of Rs 19,63,32,415/- and has accumulated losses of Rs. 39,56,87,247/- as on March 31, 2021. Further the company's net worth has been fully eroded and there is a deficit of Rs. 38,06,87,247/- in the shareholder's equity as on March 31, 2021. 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 S.P.C. on account of deficit in the Shareholder's Equity and the company's current liability exceeding its current assets as on March 31, 2021. 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.

Independent Auditors' Report (Continued)

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 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. 63,70,49,690/- as at 31 March 2021, total revenue of Rs. 53,04,02,549/- and total net loss after tax of Rs.32,32,936/- for the quarter ended 31 March 2021 and for the period from 1 April 2020 to 31 March 2021 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, 2021, 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. 47,60,673/- for the year ended 31st March, 2021, 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.

Independent Auditors' Report (Continued)

Our opinion on the statements is not modified in respect of above matters.

(c) We report that the figures for the quarter ended March 31, 2021 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2021 and the published unaudited year-to-date figures up to December 31, 2020 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:

Date: May 25, 2021

Place: Mumbai

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021

(Amount in Rs.)

	Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
I.	**ASSETS**			
	Non-current assets			
	(a) Property, plant and equipment	6 (a)	**665,439,021**	768,752,440
	(b) Right of use Asset	6 (a)	**235,265,371**	312,545,548
	(c) Capital work-in-progress	6 (b)	**46,070,957**	37,369,488
	(d) Investment property	7	**139,687,781**	143,471,937
	(e) Intangible assets	6 (c)	**96,274,588**	96,985,364
	(f) Intangible Assets under Development	6 (d)	**82,347,733**	85,814,447
	(g) Financial assets			
	(i) Investments	8 (a)	**35,871,556**	39,433,229
	(ii) Others financial assets	8 (b)	**223,190,242**	217,175,526
	(h) Deferred tax assets (net)	9	**26,708,905**	19,000,758
	(i) Other non-current assets	10	**131,839,157**	136,406,197
	Total Non-current assets		**1,682,695,310**	1,856,954,934
	Current assets			
	(a) Inventories	11	**7,586,826**	11,606,931
	(b) Financial assets			
	(i) Trade receivables	12 (a)	**207,391,072**	158,345,745
	(ii) Cash and cash equivalents	12 (b)	**140,142,463**	32,131,577
	(iii) Bank balances other than (ii) above	12 (c)	**47,926,841**	46,153,936
	(iv) Loans	12 (d)	**126,369,181**	121,345,037
	(v) Others financial assets	12 (e)	**82,164,276**	85,353,375
	(c) Other current assets	13	**143,508,059**	142,131,954
	Total Current assets		**755,088,720**	597,068,556
	Total Assets		**2,437,784,029**	2,454,023,490
II.	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity Share capital	14	**112,926,000**	112,926,000
	(b) Other Equity	15	**(144,355,342)**	(26,168,711)
	Equity attributable to the owner of the Company		**(31,429,342)**	86,757,289
	Non Controlling Interest		**40,836,867**	39,163,397
	Total Equity		**9,407,525**	125,920,685
	Liabilities			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	16 (a)	**559,140,175**	619,517,084
	(ii) Other financial liabilities	16 (b)	**379,052,744**	418,061,058
	(b) Long Term Provisions	17	**51,483,019**	49,511,001
	(c) Other non-current liabilities	18	**20,602,870**	24,160,155
	Total Non-Current Liabilities		**1,010,278,808**	1,111,249,298
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	19 (a)	**113,489,164**	133,526,721
	(ii) Trade payables	19 (b)	**283,430,993**	341,254,039
	(iii) Other financial liabilities	19 (c)	**355,665,016**	304,680,512
	(b) Short Term Provisions	21	**565,086,118**	332,413,808
	(c) Other current liabilities	20	**100,426,406**	104,978,427
	Total Current liabilities		**1,418,097,696**	1,216,853,508
	Total Equity and Liabilities		**2,437,784,029**	2,454,023,490

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: 25th May 2021

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, 2021

(Amount in Rs.)

		Notes	As at 31-Mar-2021	As at 31-Mar-2020
(I)	Revenue from operations	22	**728,852,501**	1,716,889,514
(II)	Other income	23	**148,020,663**	85,746,921
(III)	**Total Income (I+II)**		**876,873,164**	1,802,636,435
(IV)	**Expenses**			
	(a) Changes in inventory of food & beverages	24	**3,213,277**	(1,910,683)
	(b) Purchase of food & beverages		**6,470,017**	55,495,510
	(c) Cost of production, distribution, exibition and theatrical operation	25	**44,014,753**	376,476,763
	(d) Other direct operation expenses	26	**5,971,226**	22,087,261
	(e) Employee benefits expense	27	**210,841,838**	329,803,083
	(f) Finance costs (net)	28	**136,833,862**	156,434,251
	(g) Depreciation and amortisation expenses	29	**191,948,801**	191,633,192
	(h) Other expenses	30	**385,562,816**	750,758,007
	Total Expenses		**984,856,589**	1,880,777,382
(V)	**Profit/(Loss) before share in joint venture and tax (III - IV)**		**(107,983,425)**	(78,140,947)
(VI)	'Share in Joint Venture		**(4,760,673)**	(1,199,000)
(VII)	**Profit/(Loss) before tax (V + VI)**		**(112,744,098)**	(76,941,947)
	Tax expense			
	Current tax		**17,979,676**	4,114,683
	Deferred tax		**(7,708,147)**	1,408,056
(VIII)	**Profit/(Loss) for the year**		**(123,015,627)**	(82,464,686)
(IX)	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	Less : Remeasurement gain on defined benefit plan		**(448,011)**	(5,665,244)
	Other comprehensive income for the year		**(448,011)**	(5,665,244)
(X)	**Total comprehensive income for the year (VII+VIII)**		**(123,463,638)**	(88,129,930)
	Profit/(Loss) is attributable to :			
	Owners		**(123,015,627)**	(87,127,683)
	Non Controlling Interest		**-**	4,662,997
			(123,015,626)	(82,464,685)
	Other comprehensive income is attributable to :			
	Owners		**(448,011)**	(5,665,244)
	Non Controlling Interest		**-**	-
			(448,011)	(5,665,244)
	Total comprehensive income is attributable to :			
	Owners		**(123,463,638)**	(92,792,927)
	Non Controlling Interest		**-**	4,662,997
			(123,463,638)	(88,129,930)
(XI)	**Earnings per share**	34		
	Basic (nominal value Rs. 5)		**(5.47)**	(3.90)
	Diluted (nominal value Rs. 5)		**(5.47)**	(3.90)

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: 25th May 2021

Prabuddha Dasgupta
Chief Financial Officer

Monika Shah
Company Secretary
Membership No: FCS7964

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2021

	Number	Amount
Balance as at 1 April 2019	**22,585,200**	**112,926,000**
Add: Changes in equity share capital	-	-
Balance as at 31 March 2020	**22,585,200**	**112,926,000**
Add: Changes in equity share capital	-	-
Balance as at 31 March 2021	**22,585,200**	**112,926,000**

	Reserves & Surplus					Total other equity
	Securities Premium	General Reserve	Capital Reserve	Foreign Currency Reserve	Retained Earnings	
Balance as at 1 April 2019	**973,604,960**	**83,144,791**	**11,500**	**1,313,042**	**(895,401,862)**	**162,672,430**
Profit/(loss) for the year	-	-		-	(84,862,688)	**(84,862,688)**
Transfer during the year	-	-	-	411,347	-	**411,347**
Other comprehensive income for the year	-				(5,665,244)	**(5,665,244)**
Other adjustment					(64,689,846)	**(64,689,846)**
Total Comprehensive income for the year	**-**	**-**	**-**	**411,347**	**(155,217,778)**	**(154,806,431)**
Dividend and dividend tax	-				(34,034,713)	**(34,034,713)**
Employee stock option compensation expense	-				-	**-**
Balance as at 31 March 2020	**973,604,960**	**83,144,791**	**11,500**	**1,724,389**	**(1,084,654,351)**	**(26,168,711)**
Profit for the year	-				(123,015,627)	**(123,015,627)**
Transfer during the year				4,750		**4,750**
Other comprehensive income for the year	-				(448,011)	**(448,011)**
Other adjustment					5,272,258	**5,272,258**
Total Comprehensive income for the year	**-**	**-**	**-**	**4,750**	**(118,191,380)**	**(118,186,630)**
Transfer from/to share option outstanding account	-				-	**-**
Employee stock option compensation expense	-				-	**-**
Balance as at 31 March 2021	**973,604,960**	**83,144,791**	**11,500**	**1,729,138**	**(1,202,845,731)**	**(144,355,342)**

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: 25th May 2021

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 2021

Particluars	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flow from operating activities		
Loss before tax	**(107,983,425)**	(78,140,947)
Non-cash adjustments to reconcile Profit before tax to net cash flows		
Depreciation and amortisation	**191,948,801**	191,633,192
Bad debts/ advances/ intangible assets under development written-off	**6,172,789**	40,658,605
Finance costs	**136,833,862**	156,434,251
Interest income	**(9,071,098)**	(8,497,691)
(Gain) on sale of tangible assets (net)	**(4,526,965)**	(546,736)
Operating profit before working capital changes	**213,373,965**	301,540,674
Movements in working capital:		
Increase/(Decrease) in other current liabilities	**(4,552,022)**	23,306,865
Increase/(Decrease) in other financial liabilities	**11,976,190**	420,619,025
Increase/(Decrease) in other non current liabilities	**(3,557,285)**	54,056
Increase/(Decrease) in trade payables	**57,823,045**	37,704,837
Increase/(Decrease) in Current Provisions	**120,338,773**	24,077,955
(Increase)/Decrease in inventories	**4,020,105**	(1,422,481)
(Increase)/Decrease in trade receivables	**(49,045,327)**	56,662,806
(Increase) /Decrease in other non- current assets	**4,567,040**	5,490,239
(Increase)/Decrease in short-term loans and advances	**(5,024,144)**	(3,914,247)
(Increase)/Decrease in other financial assets	**(6,014,716)**	(22,971,633)
(Increase) /Decrease in other current assets	**(1,376,105)**	(38,957,493)
(Increase)/Decrease in other current financial assets	**3,189,099**	(14,062,152)
Cash generated from (used in) operations	**345,718,617**	661,128,452
Taxes paid (net)	**(13,526,263)**	(8,998,545)
Net cash generated from (used in) operating activities (A)	**332,192,354**	652,129,907
Cash flow from investing activities		
Investments in equity shares of subsidiaries	**(3,561,673)**	(73,221)
Purchase of fixed assets (tangible and intangible)	**(11,225,145)**	(529,490,084)
Proceeds from maturity/ (reinvestment) of fixed deposits, net	**(1,415,164)**	(24,759,202)
Proceeds from sale of fixed assets	**7,851**	1,949,146
Interest income	**9,071,098**	7,890,633
Net cash used in investing activities (B)	**(7,123,033)**	(544,482,728)

Particluars	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flow from financing activities		
Secured loan (repaid)/taken,net	**(25,376,909)**	13,756,055
Unsecured loan (repaid)/taken , net	**(55,037,558)**	5,937,991
Finance charges (net)	**(136,833,862)**	(156,434,251)
Net cash flow from / (used in) financing activities (C)	**(217,248,329)**	(136,740,204)
Net increase /(decrease) in cash and cash equivalents (A + B + C)	**107,820,992**	(29,093,025)
Cash and cash equivalents at the beginning of the year	**32,093,363**	61,186,388
Cash and cash equivalents at the end of the year (Refer note (b) below)	**139,914,354**	32,093,363

Reconciliation of cash and cash equivalents as per the cash flow statement

	31 March 2021	31 March 2020
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	**905,399**	1,242,973
(ii) Balances with scheduled banks in		
- in current accounts	**139,008,955**	30,850,390
Balances per statement of cash flows	**139,914,354**	32,093,363

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

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: 25th May 2021

Prabuddha Dasgupta
Chief Financial Officer

Monika Shah
Company Secretary
Membership No: FCS7964

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 2021.

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 2021. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTD.)

(Amount in ₹)

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.

(Amount in ₹)

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTD.)

(Amount in ₹)

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.

(Amount in ₹)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTD.)

(Amount in ₹)

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.

(Amount in ₹)

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

(Amount in ₹)

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.

(Amount in ₹)

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 2021 (CONTD.)

(Amount in ₹)

6 (a) Property, plant and equipment

	Tangible assets										
	Land rights	Ownership premises	Institute building	Leasehold premises	Plant and machinery	Motor vehicles	Furniture fixtures and office equipment	ROU	Libarary books	Computers	Total
Gross block											
As at 1 April 2019	**30,000,000**	**114,264,144**	**178,887,077**	**411,162,547**	**385,510,722**	**94,978,575**	**104,889,232**	**-**	**2,365,366**	**88,090,142**	**1,410,147,805**
Additions		-	2,126,374	20,786,470	9,350,285	12,350,872	22,019,691	377,896,332	1,115,214	26,019,877	471,665,115
Disposals		-	-	-	123,000	1,826,146	-		-	-	1,949,146
Other adjustment		-		(385,083)	(623,775)	-	(21,764)	-	-	(39,480)	(1,070,102)
As at 31 March 2020	**30,000,000**	**114,264,144**	**181,013,451**	**431,563,934**	**394,114,232**	**105,503,301**	**126,887,159**	**377,896,332**	**3,480,580**	**114,070,539**	**1,878,793,672**
Additions		-	480,000	1,089,022	508,493	-	272,812	-	5,396	3,163,017	5,518,740
Disposals		-	-	-	-	7,851	-	-	-	-	7,851
Other adjustment		-		-	-	-	(27,999)	-	-	(58,237)	(86,236)
As at 31 March 2021	**30,000,000**	**114,264,144**	**181,493,451**	**432,652,956**	**394,622,725**	**105,495,450**	**127,131,972**	**377,896,332**	**3,485,976**	**117,175,319**	**1,884,218,325**
Accumulated Depreciation/ Amortisation											
As at 1 April 2019	**-**	**50,457,013**	**24,238,261**	**103,189,152**	**261,238,263**	**68,749,769**	**57,511,027**	**-**	**1,752,361**	**56,954,816**	**624,090,662**
Charge for the year	-	2,575,102	7,689,523	24,601,542	18,645,402	9,665,581	14,189,879	65,350,784	1,104,065	16,919,390	160,741,268
Deduction	-	-	-	-		-	-	-	-		-
Other adjustment	-	-	-	-	-	-	-	-	-	(32,578)	(32,578)
As at 31 March 2020	**-**	**53,032,115**	**31,927,784**	**127,790,694**	**279,883,665**	**78,415,350**	**71,700,906**	**65,350,784**	**2,856,426**	**73,841,628**	**784,799,352**
Charge for the year (refer note 5)	-	2,520,347	7,359,062	27,051,142	29,961,725	8,129,423	14,283,286	69,058,911	464,752	16,467,318	175,295,966
Deduction	-	-	-	-	-	-	-		-	-	-
Other adjustment	-	-	-	-	-	-	(14,937)	-	-	(28,060)	(42,997)
As at 31 March 2021	**-**	**55,552,462**	**39,286,846**	**154,841,836**	**309,845,390**	**86,544,773**	**85,969,255**	**134,409,695**	**3,321,178**	**90,280,886**	**960,052,321**
Net block											
As at 1 April 2019	30,000,000	63,807,131	154,648,816	307,973,395	124,272,458	26,228,806	47,378,205	-	613,006	31,135,326	786,057,143
As at 31 March 2020	30,000,000	61,232,029	149,085,667	303,773,240	114,230,566	27,087,951	55,186,253	312,545,548	624,155	40,228,911	1,093,994,320
As at 31 March 2021	**30,000,000**	**58,711,682**	**142,206,605**	**277,811,120**	**84,777,334**	**18,950,677**	**41,162,717**	**243,486,637**	**164,799**	**26,894,433**	**924,166,004**

6 (b) Capital Work-in-progress

	Amount
As at 1 April 2019	21,984,482
Additions (net)	15,385,006
As at 31 March 2020	**37,369,488**
As at 1 April 2020	**37,369,488**
Additions (net)	8,701,469
As at 31 March 2021	**46,070,957**

(Amount in ₹)

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 2019	**243,348,815**	**753,631,055**	**2,500,000**	**13,652,034**	**12,201,321**	**1,025,333,225**
Additions	-	35,521,819	-	50,996,837	650,438	87,169,094
Disposals	-	-	-	-	-	-
Other adjustment					-	-
As at 31 March 2020	**243,348,815**	**789,152,874**	**2,500,000**	**64,648,871**	**12,851,759**	**1,112,502,319**
Additions	-	20,575,320	-	4,820,212	-	25,395,532
Disposals	-	-	-	-	-	-
Other adjustment				-	-	-
As at 31 March 2021	**243,348,815**	**809,728,194**	**2,500,000**	**69,469,083**	**12,851,759**	**1,137,897,851**
Accumulated Depreciation/ Amortisation						
As at 1 April 2019	**243,348,815**	**714,429,013**	**2,500,000**	**10,619,851**	**8,340,110**	**979,237,788**
Charge for the year	-	30,236,700	-	4,859,065	1,796,227	36,891,992
Deduction	-	-	-	-	-	-
Other adjustment	-	(90)	-	-	(612,826)	(612,916)
As at 31 March 2020	**243,348,815**	**744,665,623**	**2,500,000**	**15,478,916**	**9,523,511**	**1,015,516,864**
Charge for the year (refer note 4)	-	13,237,720	-	11,649,465	1,219,213	26,106,398
Deduction	-	-	-	-	-	-
Other adjustment	-	-	-	-	-	-
As at 31 March 2021	**243,348,815**	**757,903,343**	**2,500,000**	**27,128,381**	**10,742,724**	**1,041,623,262**
Net block						
As at 31 March 2020	(0)	44,487,251	-	49,169,955	3,328,248	96,985,454
As at 31 March 2021	**(0)**	**51,824,851**	**-**	**42,340,702**	**2,109,035**	**96,274,588**

6 (d) Intangible assets under development

As at 1 April 2019	**88,811,543**
Additions (net)	83,521,470
Other Adjustments	86,518,566
As at 31 March 2020	**85,814,447**
As at 1 April 2020	**85,814,447**
Additions (net)	17,090,957
Disposals	20,557,581
Other Adjustments	(90)
As at 31 March 2021	**82,347,733**

1. During the year ended on 31 March 2021 and 31 March 2020, 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))

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTD.)

(Amount in ₹)

7 Investment property

Particular	Building	Land	Total
As at 1 April 2019	128,107,971	66,389,104	**194,497,075**
Additions			**-**
Disposals	-		**-**
Other adjustment	1,734,244		**1,734,244**
As at 31 March 2020	**129,842,215**	**66,389,104**	**196,231,319**
As at 1 April 2020	129,842,215	66,389,104	**196,231,319**
Additions	-	-	**-**
Disposals	-	-	**-**
Other adjustment	-	-	**-**
As at 31 March 2021	**129,842,215**	**66,389,104**	**196,231,319**
Accumulated Depreciation/Amortisation			
As at 1 April 2019	48,781,364	-	**40,842,047**
Charge for the year	3,978,018	-	**3,978,018**
Deduction	-	-	**-**
Other adjustment	-	-	**-**
As at 31 March 2020	**52,759,382**	**-**	**52,759,382**
As at 1 April 2020	52,759,382	-	**52,759,382**
Charge for the year	3,784,156	-	**3,784,156**
Deduction	-	-	**-**
Other adjustment		-	**-**
As at 31 March 2021	**56,543,538**	**-**	**56,543,538**
Carrying amounts (Net)			
At 1 April 2019	79,326,607	66,389,104	**153,655,027**
At 31 March 2020	77,082,833	66,389,104	**143,471,937**
At 31 March 2021	73,298,677	66,389,104	**139,687,781**

(i) Information regarding Income and expenditure of Investment properties

	As at 31-Mar-2021	As at 31-Mar-2020
Rental income derived from Investment properties	**39,653,152**	61,491,083
Direct operating expenses	**4,077,580**	4,580,542
Profit arising from investment properties before depreciation and indirect expenses	**35,575,572**	56,910,541
Less: Depreciation	**3,784,156**	3,978,018
Profit arising from investment properties before indirect expenses	**31,791,416**	52,932,523

(ii) Fair Value

Particulars	Valuation Techniques (See note below)	Fair Value Hierarchy (See note below)	As at 31 March 2021	As at 31 March 2020
Investment properties	Stamp duty Reckoner rate	Level 2	**1,301,375,050**	1,301,375,050

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.

(Amount in ₹)

8 Non Current Financial Asset

8 (a) Investments

		As at 31-Mar-2021	As at 31-Mar-2020
A	**Non current investments**		
	Unquoted equity shares		
i)	**Investment in equity shares of joint venture accounted at FVTPL**		
	Mukta VN Films Limited		
	27,500 (31 March 2020: 27,500) equity shares of '₹ 10 each, fully paid-up	**28,239,327**	31,801,000
	Deemed Investment in Joint venture	**5,185,479**	5,185,479
	Total (i)	**33,424,806**	36,986,479
ii)	**Investment in equity instruments-others at FVTPL (un-quoted)**		
	Bashiron Co. Op. Housing Society Limited 10 Shares (2020: 10) of Rs 50 each	**500**	500
	Bait-Ush-Sharaf Co. Op. Housing Society Limited 25 Shares (2020: 25) of Rs 50 each	**1,250**	1,250
	Others	**2,445,000**	2,445,000
	Total (ii)	**2,446,750**	2,446,750
	Total (i+ii)	**35,871,556**	39,433,229

8(b) Other financial assets

	As at 31-Mar-2021	As at 31-Mar-2020
Security deposits to		
- Related parties	**300,000**	300,000
- Others	**79,288,769**	74,288,985
Other advances	**143,287,642**	142,272,710
Bank deposits with more than 12 months maturity.	**313,831**	313,831
Total	**223,190,242**	217,175,526

9 Deferred tax assets (net)

	As at 31-Mar-2021	As at 31-Mar-2020
Deferred tax liability on		
Arising on account of timing differences in:	**-**	-
Total	**-**	-
Deferred tax asset on		
Provision for leave encashment and gratuity	**4,199,228**	3,788,541
Provision for doubtful debts and advances	**672,221**	553,221
Rent straightlining	**2,509,788**	2,351,108
Property, Plant and Equipment and intangible assets	**10,397,571**	8,822,652
Others	**8,930,097**	3,485,236
Total	**26,708,905**	19,000,758
Deferred tax assets (net)	**26,708,905**	19,000,758

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTD.)

(Amount in ₹)

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, 2019	-	-	-	-	-
(Charged)/credited:					
- to profit or loss	3,788,541	553,221	8,822,652	5,836,344	19,000,758
- to other comprehensive income	-				
At March 31, 2020	3,788,541	553,221	8,822,652	5,836,344	19,000,758
(Charged)/credited:					
- to profit or loss	410,687	119,000	1,574,919	5,603,541	7,708,147
- to other comprehensive income					
At March 31, 2021	**4,199,228**	**672,221**	**10,397,571**	**11,439,885**	**26,708,905**

10 Other non- current assets

	As at 31 March 2021	As at 31 March 2020
Capital advances	**5,655,740**	4,103,242
Advance tax (including TDS)	**125,177,662**	131,136,307
Service tax Input Credit	**322,164**	322,164
Deferred Income Account	**650,954**	621,322
Prepaid Expenses	**32,637**	223,162
Total	**131,839,157**	136,406,197

11 Inventories

	As at 31 March 2021	As at 31 March 2020
Food & Beverages	**7,586,826**	11,606,931
Total	**7,586,826**	11,606,931

12 Current Financial Assets

12 (a) Trade receivables

	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good	**222,507,548**	164,246,170
Doubtful	**44,588,083**	42,481,578
Total	**267,095,631**	206,727,748
Less: Loss allowance		
Unsecured, considered good	**15,116,476**	5,900,425
Doubtful	**44,588,083**	42,481,578
	59,704,559	48,382,003
Net trade receivable	**207,391,072**	158,345,745

12 (b) Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
a. Cash on hand	**905,399**	1,242,973
b. Balances with banks		
In current account	**139,008,955**	30,850,390
Balance in dividend account	**228,109**	38,214
Total cash and cash equivalents in balace sheet	**140,142,463**	32,131,577

(Amount in ₹)

12 (c) Bank balances other than 'Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
Interest accrued on FD	**2,512,895**	2,155,154
Deposits with original maturity of more than 3 months and less than 12 months	**45,413,946**	43,998,782
Total Bank balances other than above	**47,926,841**	46,153,936

12 (d) Loans and advances

	As at 31 March 2021	As at 31 March 2020
Staff Advances	**6,378,458**	6,585,751
Inter-corporate deposit to others	**119,990,723**	114,759,287
Total	**126,369,181**	121,345,037

12 (e) Other financial assets

	As at 31 March 2021	As at 31 March 2020
Security deposits	**43,561,382**	42,437,953
Interest Accrued on Investments:	**25,594,249**	19,507,506
Unbilled revenue	**2,800,000**	11,030,148
Other receivable	**10,208,645**	12,377,768
Total	**82,164,276**	85,353,375

13 Other current assets

	As at 31 March 2021	As at 31 March 2020
Prepaid expenses	**13,954,946**	17,786,406
Advances	**87,136,342**	76,387,239
Deferred Income Account	**117,275**	264,182
Balance with Government Authorities	**18,255,388**	28,132,650
Service Tax / GST input	**5,770,780**	1,610,349
VAT input	**18,273,328**	17,951,128
Total	**143,508,059**	142,131,954

14 Equity share capital

	As at 31 March 2021		As at 31 March 2020	
	Number	Amount	Number	Amount
Authorised share capital				
Equity shares of ₹ 5 each	**24,000,000**	**120,000,000**	24,000,000	120,000,000
	24,000,000	**120,000,000**	24,000,000	120,000,000
Issued, subscribed and fully paid- up				
Equity shares of ₹ 5 each	**22,585,200**	**112,926,000**	22,585,200	112,926,000
Total	**22,585,200**	**112,926,000**	22,585,200	112,926,000

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTD.)

(Amount in ₹)

Reconciliation of paid- up share capital (Equity Shares)

	As at 31 March 2021		As at 31 March 2020	
	Number	Amount	Number	Amount
Balance at the beginning of the year	22,585,200	112,926,000	22,585,200	112,926,000
Add: Issued during the year	-	-	-	-
Add: Acquisition of a subsidiary	-	-	-	-
Balance at the end of the year	22,585,200	112,926,000	22,585,200	112,926,000

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

	As at 31 March 2021		As at 31 March 2020	
	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%

15 Other equity

	As at 31 March 2021	As at 31 March 2020
Securities premium		
Balance at the beginning of the year	973,604,960	973,604,960
Add: Transfer during the year	-	-
Balance at the end of the year	973,604,960	973,604,960
General reserve		
Balance at the beginning of the year	83,144,791	83,144,791
Add: Transfer during the year	-	-
Balance at the end of the year	83,144,791	83,144,791
Capital reserve		
Balance at the beginning of the year	11,500	11,500
Add: Transfer during the year	-	-
Balance at the end of the year	11,500	11,500
Foreign Currency Reserve		
Balance at the beginning of the year	1,724,389	1,313,042
Add: Transfer during the year	4,750	411,347
Balance at the end of the year	1,729,138	1,724,389
Retained earnings		
Balance at the beginning of the year	(1,084,654,351)	(895,401,862)
Add: Net profit/(Loss) after tax for the year	(123,015,627)	(84,862,688)
Less : Dividend and dividend tax	-	(34,034,713)
Other comprehensive income	(448,011)	(5,665,244)
Other adjustment	5,272,258	(14,426,431)
Retained earnings(IND AS)	-	(50,263,415)
Balance at the end of the year	(1,202,845,731)	(1,084,654,351)
Total	(144,355,342)	-26,168,711

(Amount in ₹)

16 Non Current Financial Liabilities

16 (a) Long-term borrowings

	As at 31 March 2021	As at 31 March 2020
Secured		
Term loan from banks and others		
LIC Housing Finance Ltd*	**438,319,226**	426,515,542
Yes Bank Ltd**	**76,576,051**	103,551,285
Hero Fincorp Ltd***	**30,427,900**	32,314,857
Motor vehicle finance loans****	**23,886,480**	32,204,883
Loan from related parties#	**41,800,000**	76,800,000
Less : Current maturities of long term borrowings	**51,869,482**	51,869,482
Total	**559,140,175**	619,517,084

* 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.

** 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, movable fixed assets and leasehold rights of the Company as well as residential flats of Mukta Arts Limited and other entities at Bandra, Mumbai including Flats no. 1, 2 and 3, Bait Ush Sharaf CHSL, 29th Road, Bandra West, Mumbai - 400050, Ground floor room at Bashiron CHSL, 28th Road, Bandra West , Mumbai - 400050 and Flat no 6, 6th floor, Bashiron CHSL, 28th Road, Bandra West, Mumbai - 400050.

Maturity date of New Term loan is 26th December 2024. Repayment has to be made by way of monthly instalments totalling Rs.5,85,673/- during April 2021 to March 2022, Rs. 17,94,965/- during April 2022 to March 2023, Rs. 22,90,483/- during April 2023 to March 2024 and Rs.15,59,916/- during April 2024 to 26th December 2024

Maturity date of Term loan is 9 March 2022. Repayment has to be made by way of monthly instalments totalling Rs.1,25,98,746/- during April 2021 to 9th March 2022.

Maturity date of New Term loan is 26th December 2024. Repayment has to be made by way of monthly instalments totalling Rs.2,39,050/- during April 2021 to March 2022, Rs.7,32,638/- during April 2022 to March 2023, Rs.9,34,891/- during April 2023 to March 2024 and Rs.6,36,700/- 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.2,89,848/- during April 2021 to March 2022, Rs.8,88,324/- during April 2022 to March 2023, Rs.11,33,555/- during April 2023 to March 2024 and Rs.7,71,999/- 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.3,16,741/- during April 2021 to March 2022, Rs.9,70,746/- during April 2022 to March 2023, Rs.12,38,731/- during April 2023 to March 2024 and Rs.8,43,628/- 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.3,52,599/- during April 2021 to March 2022, Rs.10,80,642/- during April 2022 to March 2023, Rs.13,78,965/- during April 2023 to March 2024 and Rs.9,39,133/- 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.2,45,026/- during April 2021 to March 2022, Rs.7,50,955/- during April 2022 to March 2023, Rs.9,58,264/- during April 2023 to March 2024 and Rs.6,52,617/- during April 2024 to 26thDecember 2024

Maturity date of New Term loan is 26th December 2024. Repayment has to be made by way of monthly instalments totalling Rs.1,31,478/- during April 2021 to March 2022, Rs.4,02,951/- during April 2022 to March 2023, Rs.5,14,190/- during April 2023 to March 2024 and Rs.3,50,185/- 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.71,715/- during April 2021 to March 2022, Rs.2,19,792/- during April 2022 to March 2023, Rs.2,80,467/- during April 2023 to March 2024 and Rs.1,91,010/- 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.6,51,412/- during April 2021 to March 2022, Rs.19,96,440/- during April 2022 to March 2023, Rs.25,47,579/- during April 2023 to March 2024 and Rs.17,35,008/- 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.1,55,383/- during April 2021 to March 2022, Rs.4,76,215/- during April 2022 to March 2023, Rs.,6,07,679/- during April 2023 to March 2024 and Rs.4,13,855/- 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.6,99,222/- during April 2021 to March 2022, Rs.21,42,968/- during April 2022 to March 2023, Rs.27,34,557/- during April 2023 to March 2024 and Rs.18,62,349/- during April 2024 to 26th December 2024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTD.)

(Amount in ₹)

Maturity date of New Term loan is 26th December 2024. Repayment has to be made by way of monthly instalments totalling Rs.14,83,947/- during April 2021 to March 2022, Rs.13,53,682/- during April 2022 to March 2023, Rs.12,23,662/- during April 2023 to March 2024 and Rs.8,32,671/- 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.42,58,459/- during April 2021 to March 2022, Rs.1,00,91,208/- during April 2022 to March 2023, Rs.93,70,157/- during April 2023 to March 2024 and Rs.65,54,452/- 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. 5,37,225/-. (June 2017 to July 2018) and Rs. 5,47,276/- (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:

Lender	Repayment schedule and other terms
Axis Bank Ltd	Outstanding amount of loan Rs. 8,85,947/- (2020: Rs 18,37,968/-) is repayable in 60 equated monthly installments of Rs 112,321 till October 2021. Interest rate 16.50%.
ICICI Bank Limited	Outstanding amount of loan Rs. 33,21,125/- (2020:Rs 56,20,793) is repayable in 36 monthly installments of Rs 672,774/- till July 2019 and Rs. 4,72,624/- there after. Interest rate 14.50%
BMW India Financial Services Pvt Ltd	Outstanding amount of loan Rs. 94,96,026/- (2020:Rs 1,10,89,964) 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. 11,39,094/- (2020: Rs 17,89,946/-) is repayable in 60 equated monthly installments of Rs 63,900 till October 2022.

16 (b) Other financial liabilities

	As at 31 March 2021	As at 31 March 2020
Security deposits	**379,052,744**	418,061,058
Total	**379,052,744**	418,061,058

17 Long Term Provisions

	As at 31 March 2021	As at 31 March 2020
Provision for Leave Salary	**13,082,340**	16,170,268
Provision for gratuity	**38,400,679**	33,340,733
Total	**51,483,019**	49,511,001

18 Other non-current liabilities

	As at 31 March 2021	As at 31 March 2020
Rent straight lining	**8,840,692**	9,398,704
Income Received in advance	**5,141,713**	7,176,974
Deferred Expense Account	**6,620,465**	7,584,477
Total	**20,602,870**	24,160,155

19 Currrent Financial Liabilities

19 (a) Short-term borrowings

	As at 31 March 2021	As at 31 March 2020
Secured		
Yes Bank - Bank Overdraft	**43,489,164**	51,526,721
Unsecured		
Inter corporate deposits*		
Others	**72,000,000**	82,000,000
Total	**113,489,164**	133,526,721

*Deposit of Rs. 72,000,000 (31st March 2020 Rs. 82,000,000) accepted at interest rate of 4% p.a. repayable on demand.

(Amount in ₹)

19 (b) Trade payable

	As at 31 March 2021	As at 31 March 2020
Trade payable - Other than micro and small enterprises	283,430,993	341,254,039
Trade payable - Micro and small enterprises	-	-
Total	283,430,993	341,254,039

19 (c) Other financial liabilities

	As at 31 March 2021	As at 31 March 2020
Current maturities of long term borrowings	80,952,534	84,573,108
Interest accrued but not due on borrowings		
Interest on loan taken	11,009,541	6,889,549
Employee benefits expense payable		
Employee benefits expense	2,383,183	1,980,559
Bonus Payable	524,831	318,312
Creditors for fixed assets	200,252	570,649
Lease Liability	90,516,954	91,175,132
Sundry advances received	137,344,876	78,136,735
Unclaimed dividend	228,109	38,214
Security deposits received	32,504,736	40,998,254
Total	355,665,016	304,680,512

20 Other current liabilities

	As at 31 March 2021	As at 31 March 2020
Advances from customers- others	250,491,029	266,275,168
Deferred Expense Account	10,583,144	9,493,090
Rent straight lining	558,011	264,947
Advance billing	282,874,848	36,355,680
Employee benefits expense	81,559	140,493
Others payable	5,569,205	4,857,542
Statutory dues payable*		
Provident fund	883,924	2,612,025
ESIC	2,591	2,715
TDS payable	4,086,763	5,415,964
Profession tax	14,150	14,950
ET/INR/Show tax	9,940,894	6,981,235
Total	565,086,118	332,413,808

21 Short Term Provisions

	As at 31 March 2021	As at 31 March 2020
Provision For Taxation	38,412,187	22,711,384
Provision For Expenses	48,992,757	69,653,468
Provision For Employee benefit:		
Provision for leave salary	10,174,023	9,877,554
Provision for gratuity	2,847,439	2,736,021
Total	100,426,406	104,978,427

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTD.)

(Amount in ₹)

22 Revenue from operations (net)

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
(a) Sale of products/ film rights /Services		
Own Film/ Content production	**105,621,439**	103,372,535
Food and beverages	**15,244,194**	190,862,282
Acceptance fees	**83,610,513**	90,713,380
Tuition fees	**141,174,026**	152,284,971
Infrastructure fees	**263,021,941**	284,048,552
Income from institutional affiliations	**1,087,349**	2,129,936
	609,759,462	823,411,655
(b) Distribution, Exhibition, Theatrical and Film Production Income		
Distribution and exhibition	**992,820**	47,528
Equipment hire income	**1,118,800**	1,516,000
Box office collection		
Sale of tickets, net	**34,388,315**	727,976,728
	36,499,935	729,540,256
(c) Other operating revenue		
Rent and amenities charges	**63,273,514**	91,146,315
Sundry balances written back	**223,908**	442,305
Business support services	**6,120,000**	13,705,755
Other income from theatrical operations	**2,279,191**	46,069,916
Sale of prospectus/application forms	**2,090,354**	2,847,898
Amortisation of deferred security	**8,372,356**	8,819,958
Other income	**233,782**	905,455
	82,593,105	163,937,602
Total	**728,852,501**	1,716,889,514

23 Other income

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Other income		
Interest income on bank deposits	**3,300,535**	2,572,750
Interest income on others	**8,828,052**	7,890,633
Other Non Operating Income		
Interest on income tax refund	**243,046**	607,058
Profit on sale of assets, (net)	**4,526,965**	546,736
Corporate guarantee Commission income	**1,237,500**	963,186
Concessional lease Income	**82,703,439**	-
Miscellaneous income (net)	**45,005,942**	72,773,019
Sundry balances written back	**2,175,184**	393,538
Total other income	**148,020,663**	85,746,921

(Amount in ₹)

24 Changes in Inventories of food and beverages

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Opening stock		
Food and Beverages	**11,606,931**	10,184,450
Closing stock		
Finished goods	**7,586,826**	11,606,931
Total changes in inventories of food and beverages	**3,213,277**	(1,910,683)

25 Distributor and producer's share

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Distribution Expenses	**22,932,055**	3,721,387
Films Distributor's Share	**18,430,063**	339,172,099
Expenses for old Films	**2,652,635**	33,583,277
Total Distributor and producer's share	**44,014,753**	376,476,763

26 Other direct operation expenses

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Other direct cost of theatrical operations	**5,971,226**	22,087,261
Total Other direct operation expenses	**5,971,226**	22,087,261

27 Employee benefits expense

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Salaries and bonus	**189,055,968**	289,308,260
Contribution to provident and other funds	**10,507,420**	16,516,396
Gratuity and Leave expense	**8,935,313**	14,062,515
Staff welfare expenses	**2,343,138**	9,915,911
Total employee benefit expense	**210,841,838**	329,803,083

(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. 10,507,420 (Previous year : Rs. 16,516,396) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTD.)

(Amount in ₹)

The assumptions used for the actuarial valuation are as under:

	Gratuity	
	31-Mar-21	31-Mar-20
Discount Rate (per annum)	**6.25% to 6.80%**	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-21	31-Mar-20
Present Value of Obligation as at the beginning	**39,485,431**	29,432,421
Interest cost	**2,427,223**	2,074,244
Current Service Cost	**4,710,715**	3,639,282
Past Service cost	**-**	-
Total amount recognised in statement of profit and loss	**7,137,938**	5,713,526
Re-measurement (or Actuarial) (gain) / loss arising from:		
change in demographic assumption	**-**	7,409
change in financial assumption	**2,216,588**	4,232,849
experience changes	**(843,271)**	554,830
Total amount recognised in Other Comprehensive Income	**1,373,317**	4,795,088
Benefits Paid	**(1,017,929)**	(455,604)
Liabilities assumed / (settled)	**-**	-
Present Value of Obligation as at the end	**46,978,757**	39,485,431

(B) Changes in the Fair value of Plan Assets

	Gratuity	
	31-Mar-21	31-Mar-20
Fair Value of Plan Assets as the beginning	**3,408,677**	3,591,033
Interest on plan assets	**128,791**	184,940
Total amount recognised in statement of profit and loss	**128,791**	184,940
Re-measurement (or Actuarial) gain / (loss) arising from:		
Actual return on plan assets less interest on plan assets	**104,084**	(141,684)
Total amount recognised in Other Comprehensive Income	**104,084**	(141,684)
Employer's contribution	**1,249,936**	229,992
Benefits Paid	**(1,017,929)**	(455,604)
Transfer In / (Out)	**-**	-
Fair value of plan assets at the end	**3,873,559**	3,408,677

(C) Amount recognised in the Balance sheet

	Gratuity	
	31-Mar-21	31-Mar-20
Present Value of obligations as at Balance Sheet date	**46,978,757**	39,485,431
Fair Value of Plan Assets as at the end of the period	**3,873,559**	3,408,677
Net (asset)/ liability recognised as at year end	**43,105,198**	36,076,754

(D) Constitution of Plan Assets

	Gratuity	
	31-Mar-21	31-Mar-20
Adminstered by Life insurance Corporation of India	**100%**	100%
Total of the Plan Assets	**100%**	100%

(Amount in ₹)

(E) Sensitivity analysis

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

Defined benefit obligation (base)	**Gratuity**	
As on March 31, 2021	**Decrease**	**Increase**
Discount Rate (- / + 0.5%)	1,639,559	(1,522,112)
(% change compared to base due to sensitivity)	3.49%	-3.24%
Salary Growth Rate (- / + 0.5%)	(1,094,605)	1,165,073
(% change compared to base due to sensitivity)	-2.33%	2.48%

	Gratuity	
Defined benefit obligation (base)		
As on March 31, 2020	**Decrease**	**Increase**
Discount Rate (- / + 0.5%)	1,528,086	(1,417,527)
(% change compared to base due to sensitivity)	3.87%	-3.59%
Salary Growth Rate (- / + 0.5%)	(1,034,518)	1,105,592
(% change compared to base due to sensitivity)	-2.62%	2.80%

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.

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, 2021 is Rs. 251.90 Lakhs (March 31, 2020 : Rs. 220 Lakhs)

(F) Defined benefit liability and employer contributions

The weighted average duration of the Benefit Obligation is 9.78 to 16 years

	Gratuity	
	31-Mar-21	31-Mar-20
Weighted average duration (based on discounted cashflows)		
Year 1	**6,727,013**	5,501,107
Year 2	**2,359,574**	1,798,290
Year 3	**1,762,124**	2,140,320
Year 4	**3,459,388**	1,509,598
Year 5	**2,860,705**	3,140,558
Thereafter	**104,064,974**	94,405,167

(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. 13,188,009/- (March 31, 2020: Rs. 17,867,417/-)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTD.)

(Amount in ₹)

28 Finance costs

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Interest cost on:		
Car loan	**2,752,477**	3,591,287
Term loan	**73,335,340**	79,783,915
Cash credit \ demand loan facilities	**5,302,665**	3,874,666
Inter corporate deposits	**1,575,501**	2,087,287
Lease Liability	**6,021,599**	6,821,016
Others	**47,721,614**	55,057,138
Processing cost and other charges	**124,667**	5,218,942
Total	**136,833,862**	156,434,251

29 Depreciation and amortisation expense

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Depreciation of property, plant and equipment	**175,100,254**	181,254,596
Depreciation on investment property	**3,550,729**	3,723,304
Amortisation of intangible assets	**13,297,818**	6,655,292
Total	**191,948,801**	191,633,192

30 Other expenses

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Power and fuel	**67,079,213**	161,019,652
Rent	**750,981**	90,340,869
Repairs and maintenance	**33,648,874**	80,500,645
Insurance	**11,261,312**	9,819,223
Rates and taxes	**29,938,065**	26,534,825
Legal and professional	**37,561,501**	59,751,644
Communication expenses	**5,610,910**	6,320,936
Faculty Fees	**97,559,971**	94,272,790
Travelling and conveyance	**3,168,779**	17,204,678
Bad debts/ advances/ intangibles under development written-off	**6,172,789**	40,658,605
Security charges	**18,798,211**	37,294,225
Digital Equipment Hire Charges	**658,177**	12,780,052
Business promotion	**31,598,018**	54,210,332
Motor vehicle expenses	**2,590,216**	4,147,049
Sets/ student practicals	**2,890,916**	6,484,235
Printing and stationery	**1,537,224**	7,206,850
Bank charges	**286,655**	323,870
Brokerage and commission	**1,863,467**	-
Payment to auditor (Refer details below)	**4,247,200**	4,284,369
Miscellaneous expenses	**28,340,336**	37,603,158
Total	**385,562,816**	750,758,007

(Amount in ₹)

30 a Payment to auditor

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Audit Fees	**4,241,800**	3,700,000
Reimbursement of Expenses	**5,400**	584,369
	4,247,200	4,284,369

34 Earnings per equity share:

	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Net (loss)/ profit after tax attributable to shareholders	**(123,463,638)**	(88,129,930)
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	**(5.47)**	(3.90)
Dilutive EPS	**(5.47)**	(3.90)
Nominal value per share	**5**	5

35 Fair value measurement
The carrying value/ Fair value of the Financial instruments by category

	31 March 2021			31 March 2020		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Other Financial Assets	-	-	305,354,518	-	-	302,528,901
Trade Receiveables	-	-	207,391,072	-	-	158,345,745
Cash and cash equivalents	-	-	140,142,463	-	-	32,131,577
Loans	-	-	126,369,181	-	-	121,345,037
Investment	35,871,556	-	-	39,433,229	-	-
Othe bank balance			47,926,841			46,153,936
Total financial assets	**35,871,556**	**-**	**827,184,076**	39,433,229	-	660,505,196
Financial liabilities						
Borrowings	-	-	672,629,339	-	-	753,043,806
Trade Payables	-	-	283,430,993	-	-	341,254,039
Other Financial Liabilities	-	-	734,717,760	-	-	722,741,571
Total financial liabilities	**-**	**-**	**1,690,778,092**	-	-	1,817,039,415

(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, 2020 and March 31, 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTD.)

(Amount in ₹)

36 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, 2020	**48,382,003**
Provision for allowances & Written-off	11,322,555
Loss allowance on March 31, 2021	**59,704,559**

(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 2021	31 March 2020
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	**43,489,164**	51,526,721
	43,489,164	51,526,721

(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, 2021	**Less than 1 year**	**More than 1 year**	**Total**
Borrowings	113,489,164	559,140,175	**672,629,339**
Trade payables	283,430,993	-	**283,430,993**
Other financial liabilities	355,665,016	379,052,744	**734,717,760**
Total liabilities	752,585,174	938,192,919	**1,690,778,092**

(Amount in ₹)

Contractual maturities of financial liabilities as at March 31, 2020	Less than 1 year	More than 1 year	Total
Borrowings	133,526,721	619,517,084	**753,043,806**
Trade payables	341,254,039	-	**341,254,039**
Other financial liabilities	304,680,512	418,061,058	**722,741,571**
Total liabilities	779,461,272	1,037,578,143	**1,817,039,415**

Contractual maturities of financial Assets as at March 31, 2021	Less than 1 year	More than 1 year	Total
Trade Receivables	207,391,072	-	**207,391,072**
Cash & bank balance	140,142,463	-	**140,142,463**
Other bank Balance	47,926,841	-	**47,926,841**
Loans	126,369,181	-	**126,369,181**
Investments	-	35,871,556	**35,871,556**
Other finacial assets	82,164,276	223,190,242	**305,354,518**
Total Assets	603,993,834	259,061,798	**863,055,632**

Contractual maturities of financial Assets as at March 31, 2020	Less than 1 year	More than 1 year	Total
Trade Receivables	158,345,745	-	**158,345,745**
Cash & bank balance	32,131,577	-	**32,131,577**
Other bank Balance	46,153,936	-	**46,153,936**
Loans	121,345,037	-	**121,345,037**
Investments	-	39,433,229	**39,433,229**
Other finacial assets	85,353,375	217,175,526	**302,528,901**
Total Assets	443,329,670	256,608,755	**699,938,425**

(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 2021	31 March 2020
Variable rate borrowings	**43,489,164**	51,526,721
Fixed rate borrowings	**611,009,657**	671,386,566
Total Borrowing	**654,498,820**	722,913,287

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTD.)

(Amount in ₹)

As at the end of the reporting period, the entity had the following variable rate borrowings outstanding:

	31 March 2021			31 March 2020		
	Weighted Average Interest Rate	**Balance**	**% of Total Loans**	Weighted Average Interest Rate	Balance	% of Total Loans
Bank Overdraft	100%	43,489,164	6.64%	100%	51,526,721	7.13%

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 2021	**INR**	**+50**	**684,169**
	INR	**-50**	**(684,169)**
31 March 2020	**INR**	**+50**	782,171
	INR	**-50**	(782,171)

The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings.

37 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-21**	31-Mar-20
Net debt	**672,629,339**	753,043,806
Total equity attributable to owners	**(31,429,342)**	86,757,289
Net Debt to equity ratio	**-2140.13%**	867.99%

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 2021.

(Amount in ₹)

38 Segment information

Particulars	31 March 2021	31 March 2020
Segment revenue		
Software division	**112,220,059**	117,312,529
Equipment division	**1,118,800**	1,516,000
Education	**506,995,044**	557,846,433
Theatrical exhibition	**158,865,380**	999,388,442
Others	**98,465,824**	130,180,826
Total	**877,665,107**	1,806,244,230
Less : Inter segment revenue	**-**	-
Net sales/ Income from operations	**877,665,107**	1,806,244,230
Segment results		
(Loss)/ profit before tax, interest and exceptional items from each segment		
Software division	**51,777,968**	20,483,513
Equipment division	**(2,662,333)**	(3,635,261)
Education	**87,298,684**	79,631,989
Theatrical exhibition	**(185,743,557)**	(92,714,888)
Others	**57,678,887**	84,601,998
Total	**8,349,650**	88,367,350
Less: Finance costs	**136,833,862**	156,434,251
Unallocated expenses, net of unallocable income	**(20,500,787)**	10,074,047
Total (loss) before tax	**(107,983,426)**	(78,140,948)
Depreciation and amortization		
Software division	**4,180,251**	6,959,409
Equipment division	**2,173,713**	2,173,713
Education	**57,178,591**	53,439,230
Theatrical exhibition	**112,923,514**	113,568,108
Others	**6,990,202**	6,990,202
Unallocable	**8,502,530**	8,502,530
Capital employed		
(Segment assets - Segment liabilities)		
Software division	**(101,158,511)**	157,646,384
Equipment division	**10,944,937**	2,515,990
Education	**163,660,946**	73,905,701
Theatrical exhibition division	**603,852,044**	335,216,485
Others	**258,648,073**	183,514,790
Unallocable (includes minority interest)	**(967,376,831)**	(666,042,064)

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

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(Amount in ₹)

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

39 Related party disclosures

Details of related parties including summary of transactions entered into by the Company during the year ended 31 March 2021 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 Farooqui - 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, 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

(Amount in ₹)

B Transactions with related parties for the year ended 31 March 2021 are as follows:-

Transactions	Key Management Personnel and relatives of such personnel		Enterprises over which key management personnel have control/ substantial interest/ significant influence	
	2021	2020	**2021**	2020
Receiving of services				
Ashok Ghai - Professional fees paid	**2,319,095**	3,528,360	-	-
Mukta Arts - Rent	-	-	**60,000**	-
Rent expenses				
Subhash Ghai	**2,400,000**	2,400,000		
Lease rentals of subsidiary company				
Subhash Ghai	**3,000,000**	2,250,000	-	-
Salaries and other benefit				
Siraj Farooqui	**2,396,918**	4,217,738	-	-
Sameer Farooqui	**725,308**	1,115,055	-	-
Sajid Farooqui	-	95,659	-	-
Managerial remuneration				
Subhash Ghai	**5,174,900**	8,387,400	-	-
Rahul Puri	**3,093,793**	5,176,992	-	-
Remuneration/Faculty fees to director of subsidiary company				
Subhash Ghai	**3,000,000**	2,250,000		
Rahul Puri	**3,010,791**	2,999,966		
Meghna Ghai Puri	**6,063,453**	5,935,115		
Parvez A. Farooqui	**2,924,932**	5,205,549		
Loan taken by subsidiary company during the year				
Subhash Ghai	-	37,500,000		
Loan repaid by subsidiary company during the year				
Subhash Ghai	**35,000,000**	55,000,000		
Interest on Loan during the year				
Subhash Ghai	**7,652,876**	6,889,396		
Deposit receivable				
Mukta Arts	-	-	**300,000**	300,000

40 Commitments

Estimated amounts of contracts remaining to be executed on capital account and not provided for aggregate to Rs Nil (31 March 2020: Rs Nil).

41 Contingent liabilities

	31 March 2021	31 March 2020
Claims not acknowledged as debt		
-Service tax matters (note 1)	**1,675,000**	1,675,000
-Local levies	**18,245,277**	18,245,277

*** 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTD.)

(Amount in ₹)

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.

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 18,125,007 (31 March 2020: Rs 18,858,905) 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.

42 **Impact of the CoVID-19 pandemic on the business of Mukta A2 Cinemas Limited :** The business of the Company was initially affected by the ongoing CoVID-19 pandemic when the Cinemas were forced by the local authorities to shutdown to minimise spread of the infection.The most direct impact of this pandemic on the business has been the immediate stoppage of all direct forms of revenue except for interest income. The cinemas were closed between March 14, 2020 and March 19, 2020. While Cinemas were allowed to reopen starting from October 2020, very few Cinemas were opened as the right kind of content was not available. Even those opened were again closed between January 2021 and April 2021 owing to the aggravation of the conditions resulting from the CoVID-19 pandemic.The revenues of the business shall be severely affected during the time the lockdown remains in force. The Exhibition business depends on availability of movies for exhibition at Cinemas. During the pandemic Producers and Distributors of movies may consider alternative channels of reaching the audiences on the OTT platforms, thereby reducing the marketability of movies through the Cinema medium. The Company is confident that once the situation becomes normal, movies will be available for theatrical exhibition and business will come to normalcy. However, at present, it is not possible to evaluate the impact of such behaviour on the business of the Company.

	31-Mar-21	31-Mar-20
Claims against the company not acknowledged as debt pertaining to local levies in case of WWIL	**18,245,277**	18,245,277

43 **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 2021	31 March 2020
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	**2,576,198**	3,829,703
- Interest	**555,993**	387,730
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	**11,282,837**	13,791,404
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	**168,263**	236,998
The amount of interest accrued and remaining unpaid at the end of each accounting year	**168,263**	236,998
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.	**-**	-

44 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

(Amount in ₹)

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 2021 Rs 113,538,000 has been paid by the Company and Rs 13,500,000 has been paid by WWIL. The State Government of Maharashtra and 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 246,116,550 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.

45 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 2021 and 31 March 2020 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 2021	17,600,000	-	-	17,600,000
	Year ended 31 March 2020	17,600,000	-	-	17,600,000

46 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.

47 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. 38,214 (2020 : Rs. 77,878) on account of unclaimed dividend and 17,538 (2020 : 25,181) shares to which this dividend relates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (CONTD.)

(Amount in ₹)

48 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

CA Subhash Jhunjhunwala
Partner
Membership No: 016331

Place: Mumbai
Date: 25th May 2021

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

Notes

Mukta A2 Aurangabad Auditorium

Mukta A2 Bahrain Drive-In F&B Service

Mukta A2 Karimnagar Auditorium

Mukta A2 New Excelsior Auditorium

WWI Actors Studio Kalaripayattu Fire Performance

MUKTA ARTS LIMITED

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