



June 29, 2020

<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, 1st Floor, Dalal Street, Mumbai – 400 001	<b>National Stock Exchange of India Limited</b> Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051
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Ref:- Name of Scrip/Scrip Code: BSE: 532357  
NSE: MUKTA ARTS –EQ

Kind Attn: **Corporate Relations Department**

Dear Sirs,

**Sub: Outcome of the Board Meeting and Results for quarter and year ended 31st March, 2020**

Further to our letter dated June 22, 2020, and pursuant to the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors of the Company at its meeting held today viz., June 29, 2020 via through video conferencing (VC) and have considered and approved the following:

1. **Financial Results** - The Audited Standalone and Consolidated Financial Results along with segment wise results of the Company for the year ended March 31, 2020 in pursuance to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
2. **Re-appointment** of Mrs. Paulomi Dhawan (DIN 01574580) as an Independent Director of the Company for a period of 5 years w.e.f September 28, 2020 to September 27, 2025.
3. **Re-appointment** of Mr. Manmohan Shetty (DIN 00013961) as an Independent Director of the Company for a period of 5 years w.e.f September 28, 2020 to September 27, 2025.
4. **Re-appointment** of Mr. Subhash Ghai (DIN 00019803) as the Executive Chairman of the Company for a period of three years with effect from May 30, 2020.

5. **Re-appointment** of Mr. Rahul Puri (DIN 01925045) as Managing Director of the Company for a period of three years with effect from May 30, 2020.

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the following:

1. Audited Standalone and Consolidated Financial Results for the quarter and year ended March 31, 2020;
2. Independent Auditor's Report on the Audited Standalone and Consolidated Financial Results for the quarter and year ended March 31, 2020;
3. Statement on Impact of Audit Qualifications on Standalone and Consolidated results for the year ended March 31, 2020;
4. Brief Profiles of Mrs. Paulomi Dhawan, Mr. Manmohan Shetty, Independent Directors, Mr. Subhash Ghai, Executive Chairman and Mr. Rahul Puri, Managing Director of the Company for their re-appointment.

The meeting of the Board of Directors of the Company commenced at 11.30 hrs. and concluded at 14.30 hrs.

You are requested to take the same on record.

Thanking you,

Yours Faithfully,

For and on behalf of  
**Mukta Arts Limited**


Monika Shah  
**Company Secretary and Compliance Officer**  
Encl: As above.

### **Brief Profile of Paulomi Dhawan:**

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

Mrs. Paulomi Dhawan has 40 years of media, marketing and brand communications experience, she has played an integral role in shaping the brand equity of many leading Indian lifestyle brands like Parle, Raymond, Park Avenue, Eenadu and Star TV among others.

She started her career as a Media Planner at Everest Advertising. Consequently, under her leadership as President, Media Supermarket (the media division of iB&W Communications), she established the first independent media business.

Following her career in advertising, she took on a senior managerial role at Raymond Ltd. as Head of Media and Corporate Communications, where she played a key role in positioning the brand as the leading luxury lifestyle textile player on a global level. She continues as Strategic Advisor to the CMD on perception management and key initiatives.

Later, she went entrepreneurial with First Row, her family venture in the fashion and lifestyle space. She then identified and launched two emerging sectors –Wellness and Media & Entertainment for a listed company as its Managing Director.

She was on the University of Bombay advisory group for the formulation of the BMM degree. She continues to be on the Executive Council of the Indian Society of Advertisers (ISA), serving as Treasurer of the organisation.

### **Brief Profile of Manmohan Shetty:**

Mr. Manmohan Shetty has passed his first year arts examination from the University of Mumbai. Mr. Shetty has more than three decades of experience in the media and entertainment business which includes running a film processing laboratory, theatrical exhibition business, film production and digital cinema. He is the Promoter of Imagica a world Entertainment Limited and is responsible for the Company's overall business operations and is responsible for conceptualising and launching "Imagicaa". He founded Imagicaa Films Limited which went public in January 2001. He was also instrumental in introducing the 'IMAX' exhibition format by setting up India's first IMAX theatre in Mumbai. He was also the former Chairman of the National Film Development Corporation set up by the Government of India and the former President of the Film and Television Producers Guild of India.

### **Brief Profile of Subhash Ghai:**

Born in Nagpur, India, Subhash Ghai, son of a dentist in Delhi, graduated in commerce from Rohtak Haryana, graduated in Cinema from the Film & Television Institute of India, Pune, started his career in Mumbai as a screen actor, then shifted to writing screenplay and got his first directorial break in film KALICCHARAN [1976] which proved a big hit and thereafter he did not have to look back and went on making blockbusters with lot of acclaim from public and critics. He has been awarded with various laurels and titles including 'showman' and 'dream merchant' by various media establishments. The President of India has honored him with a national award for making "KARMA" an anti-terrorism motion picture in 1986. His later films like PARDES and TAAL opened a wider audience's world wide for Indian movies and featured in Hollywood top twenty at box-office for various weeks. He won a national award for producing film 'IQBAL' and, in 2001, ventured into education and set up world-class film & media institute in Mumbai.

Subhash Ghai is one of the most renowned names among Indians and south Asians for his excellent record as an Indian filmmaker in mainstream cinema for the last 35+ years and his contribution to Film & Media education.

Mr. Ghai has written and directed 19 motion pictures out of which 14 have been hits / blockbusters. He started his production company in 1978 as a partnership concern Mukta Films to begin with a film 'Karz', then formed a Private Limited company known as Mukta Arts Pvt. Ltd. in 1982 with the blockbuster film 'Hero'. He has since produced and directed many more blockbuster hits under the company, which continues to be one of the leading production houses in film-making in India. In the year 2000, his Mukta Arts went public, listed on the stock exchange to an overwhelming response from the public and the Indian capital markets.

Subhash Ghai is the chairman and managing director of MUKTA ARTS LTD. – India's first Film industry corporate, which is in the active business of Film Production, Distribution, Exhibition and Education.

As Chairman & Founder of Whistling Woods International, Asia's largest Institute for Film, Television, Animation & Media Arts, he has been overseeing the setup, academic staffing, smooth functioning of the first-ever privately setup world-class media institute in India and ensuring imparting of quality education to the next generation of film-makers. It is his vision that India will be able to hold its own against the rest of the world in the field of entertainment.

Under his leadership and vision, within a short span of time since its inception, Whistling Woods International has established itself as a leading internationally recognized film and media international institute. The institute continues to scale greater heights and aims to be the institute of choice for media education globally.

Today Whistling Woods International has been rated as One of The Ten Best Film Schools in the World by 'The Hollywood Reporter'.

### **Brief Profile of Rahul Puri:**

Rahul Puri is the Managing Director of India's leading entertainment company Mukta Arts Ltd. & Head of Academics of India's finest creative education Institute, Whistling Woods International. A Business graduate of Kings College London, Rahul started his career as an investment banker at UBS Warburg. Rahul moved to Mumbai in 2002 and worked in the sector of Corporate Finance & Strategy before he joined Mukta Arts to produce and distribute Indian films.

Rahul is now involved in all aspects of the company including financing, distribution, production, exhibition, and marketing. He was keenly involved in the setup of Whistling Woods International and now is setting up and building out a chain of Cinemas under the brand name of Mukta A2 Cinemas.

MUKTA ARTS LIMITED											
CIN:L92110MH1982PLC028180											
Regd. Office: Mukta House, Behind Whistling Woods Institute, Film City Complex, Goregaon (E), Mumbai-400 065											
Part 1 - Statement of Audited Consolidated Financial Results for the Quarter and Year ended 31 March 2020											
(Rs in lakhs, except per share data)											
S.No	Particulars	Standalone					Consolidated				
		3 Months Ended			12 Months Ended		3 Months Ended			12 Months Ended	
		March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Revenue from operations	448.00	349.65	1,095.01	2,160.81	1,967.18	4,056.34	4,211.50	4,387.67	17,168.89	16,188.61
2	Other Income	271.07	269.98	258.60	1,097.62	1,127.00	183.43	272.71	549.16	857.47	1,173.74
3	<b>Total Revenue</b>	<b>719.07</b>	<b>608.25</b>	<b>1,364.99</b>	<b>3,258.43</b>	<b>3,094.18</b>	<b>4,239.77</b>	<b>4,484.21</b>	<b>4,936.83</b>	<b>18,026.36</b>	<b>17,362.35</b>
4	<b>Expenses</b>										
	a) (Increase)/ decrease in stock in trade	-	-	-	-	-	0.69	6.27	2.96	(19.11)	(11.98)
	b) Purchase of food and beverage	-	-	-	-	-	129.10	131.86	185.23	554.96	603.96
	c) Distributor and producer's share	-	-	0.30	-	0.30	746.91	914.92	915.28	3,764.77	3,477.16
	d) Other direct operation expenses	-	18.74	(0.15)	372.59	-	29.57	107.16	134.08	220.87	199.05
	e) Employee benefits expense	143.15	138.85	145.12	557.15	551.27	878.21	892.86	709.26	3,298.03	2,755.94
	f) Amortisation of intangible assets (including films rights)	-	-	-	-	-	24.50	18.87	64.15	66.55	71.46
	g) Depreciation of tangible assets	52.04	55.93	61.90	231.67	246.63	501.29	483.79	260.82	1,849.78	1,148.06
	h) Finance costs	143.16	159.29	143.88	689.29	597.03	392.87	382.65	262.14	1,564.34	1,018.34
	i) Other expenses	246.00	222.21	453.71	954.66	1,138.84	2,083.67	1,834.80	2,114.09	7,507.58	7,669.52
	<b>Total expenditure</b>	<b>584.35</b>	<b>595.02</b>	<b>804.76</b>	<b>2,805.36</b>	<b>2,534.07</b>	<b>4,786.81</b>	<b>4,773.18</b>	<b>4,648.01</b>	<b>18,807.77</b>	<b>16,931.51</b>
5	<b>Profit/ (loss) before tax (3-4)</b>	<b>134.72</b>	<b>13.23</b>	<b>560.23</b>	<b>453.07</b>	<b>560.11</b>	<b>(547.04)</b>	<b>(288.97)</b>	<b>288.82</b>	<b>(781.41)</b>	<b>430.84</b>
6	<b>Tax Expenses</b>										
	Current tax	-	-	101.00	26.00	101.00	15.15	-	101.00	41.15	101.00
	Deferred tax	(12.33)	(15.94)	85.61	(90.23)	71.06	(55.71)	87.53	82.93	14.08	57.55
7	<b>Profit/ (loss) from ordinary activities after tax</b>	<b>147.05</b>	<b>29.17</b>	<b>373.62</b>	<b>517.30</b>	<b>388.05</b>	<b>(506.48)</b>	<b>(376.50)</b>	<b>104.89</b>	<b>(836.64)</b>	<b>272.29</b>
8	Extraordinary Items	-	-	-	-	-	-	-	-	-	-
9	Share of profit/(loss) in Joint ventures	-	-	-	-	-	(14.97)	1.13	(20.86)	(11.99)	(11.26)
10	<b>Net profit/(loss) for the period</b>	<b>147.05</b>	<b>29.17</b>	<b>373.62</b>	<b>517.30</b>	<b>388.05</b>	<b>(521.45)</b>	<b>(375.37)</b>	<b>84.03</b>	<b>(848.63)</b>	<b>261.03</b>
11	Other Comprehensive Income (net of tax)	(13.80)	-	(23.17)	(13.80)	(23.17)	(38.98)	(3.57)	(52.70)	(56.65)	(57.64)
12	<b>Total Comprehensive Income for the period (transferred to BS- Other Eq</b>	<b>133.25</b>	<b>29.17</b>	<b>350.45</b>	<b>503.50</b>	<b>364.88</b>	<b>(560.43)</b>	<b>(378.94)</b>	<b>31.33</b>	<b>(905.28)</b>	<b>203.39</b>
13	<b>Basic and diluted earning per share (EPS) (not annualised)</b>	<b>0.59</b>	<b>0.13</b>	<b>1.55</b>	<b>2.23</b>	<b>1.62</b>	<b>(2.48)</b>	<b>(1.68)</b>	<b>0.14</b>	<b>(4.01)</b>	<b>0.90</b>
Part II											
A	<b>Particulars of shareholdings</b>										
1	<b>Public shareholding</b>										
	a) Number of shares	6,691,910	6,691,910	6,691,910	6,691,910	6,691,910	6,691,910	6,691,910	6,691,910	6,691,910	6,691,910
	b) Percentage of shareholding	29.63%	29.63%	29.63%	29.63%	29.63%	29.63%	29.63%	29.63%	29.63%	29.63%
2	<b>Promoter and promoter group shareholding</b>										
	a) Pledge / encumbered										
	i) Number of shares	-	-	-	-	-	-	-	-	-	-
	ii) % of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-	-	-	-	-
	iii) % of shares (as a % of the total share capital of the Company)	-	-	-	-	-	-	-	-	-	-
	b) Non encumbered										
	i) Number of shares	15,893,290	15,893,290	15,893,290	15,893,290	15,893,290	15,893,290	15,893,290	15,893,290	15,893,290	15,893,290
	ii) % of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	iii) % of shares (as a % of the total share capital of the Company)	70.37%	70.37%	70.37%	70.37%	70.37%	70.37%	70.37%	70.37%	70.37%	70.37%
B	<b>Investor complaints</b>										
	<b>Particulars</b>										
	Pending at the beginning of the quarter				Nil						
	Received during the quarter				Nil						
	Disposed off during the quarter				Nil						
	Remaining unresolved at the end of the quarter				Nil						

(Rs in lakhs)											
Segment - wise Revenue, Results, Assets and Liabilities											
S.No	Particulars	Standalone					Consolidated				
		3 Months Ended			12 Months Ended		3 Months Ended			12 Months Ended	
		March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)	
<b>1</b>	<b>SEGMENT REVENUE</b>										
	Software division	225.85	96.31	773.71	1,168.87	882.52	230.12	96.31	773.71	1,173.13	882.52
	Equipment division (including other income)	0.60	7.87	7.42	15.16	39.57	0.60	7.87	7.42	15.16	39.57
	Theatrical exhibition division	-	-	-	-	-	2,238.94	2,652.83	2,938.41	9,993.88	10,412.88
	Education	-	-	-	-	-	1,484.80	1,415.33	820.74	5,578.46	4,678.24
	Others	546.57	245.46	560.63	1,301.81	1,297.68	546.57	245.46	560.62	1,301.81	1,297.68
	Total	773.03	349.64	1,341.76	2,485.84	2,219.77	4,501.03	4,417.80	5,100.91	18,062.44	17,310.89
	Less: Inter segment revenue	-	-	-	-	-	-	-	-	-	-
	Net sales/ Income from operation	773.03	349.64	1,341.76	2,485.84	2,219.77	4,501.03	4,417.80	5,100.90	18,062.44	17,310.89
<b>2</b>	<b>SEGMENT RESULTS</b>										
	Profit/ (loss) before tax and finance costs from each Segment										
	Software division	58.68	(58.38)	498.17	200.58	190.32	62.86	(58.30)	498.17	204.84	190.32
	Equipment division	(22.95)	(1.84)	(14.29)	(36.35)	(13.99)	(22.95)	(1.84)	(14.29)	(36.35)	(13.99)
	Theatrical exhibition division	-	-	-	-	-	(668.85)	(217.14)	(140.18)	(927.15)	51.08
	Education	-	-	-	-	-	293.07	193.91	(321.15)	796.32	475.67
	Others	346.62	162.72	313.49	846.02	831.28	346.53	162.81	313.49	846.02	831.28
	Total	382.34	102.50	797.36	1,010.23	1,007.61	10.66	79.44	336.05	883.67	1,534.36
	Less: Finance costs	143.16	159.29	143.88	689.29	597.03	392.87	382.65	262.14	1,564.34	1,018.34
	Other un-allocable expenditure					-	-	-	-	-	-
	Net of unallocable income	104.45	(70.02)	93.25	(132.13)	(149.53)	164.82	(14.24)	(214.91)	100.74	85.19
	Total profit before tax	134.73	13.23	560.23	453.07	560.11	(547.04)	(288.98)	288.81	(781.41)	430.83
	Add : Share of profit/(loss) in Joint ventures	-	-	-	-	-	(14.97)	1.13	(20.86)	(11.99)	(11.26)
	Total profit before tax and after share in Joint venture	134.73	13.23	560.23	453.07	560.11	690.41	(290.10)	309.67	453.07	442.09
<b>3</b>	<b>SEGMENT ASSETS</b>										
	Software division	1,941.69	2,500.93	2,084.86	1,941.69	2,084.86	1,941.69	2,500.93	2,084.86	1,941.69	2,084.86
	Equipment division	130.46	135.21	444.86	130.46	444.86	130.46	135.21	444.86	130.46	444.86
	Theatrical exhibition division	610.28	540.11	602.21	610.28	602.21	10,039.33	10,507.23	7,399.45	10,039.33	7,399.45
	Education	-	-	-	-	-	4,908.51	4,775.51	4,364.00	4,908.51	4,364.00
	Others	2,382.97	2,049.28	2,302.30	2,382.97	2,302.30	2,382.97	2,049.28	2,302.30	2,382.97	2,302.30
	Unallocable	16,867.83	17,522.57	15,868.25	16,867.83	15,868.25	4,947.28	4,579.30	4,155.66	4,947.28	4,155.66
<b>4</b>	<b>SEGMENT LIABILITIES</b>										
	Software division	365.23	565.29	440.15	365.23	440.15	365.23	565.29	440.15	365.23	440.15
	Equipment division	105.30	1.42	4.96	105.30	4.96	105.30	1.42	4.96	105.30	4.96
	Theatrical exhibition division	876.08	875.87	875.87	876.08	875.87	6,687.16	7,652.03	4,770.80	6,687.16	4,770.80
	Education	-	-	-	-	-	4,169.45	3,913.24	3,375.40	4,169.45	3,375.40
	Others	547.82	891.62	550.50	547.82	550.50	547.82	891.62	550.50	547.82	550.50
	Unallocable	5,953.58	6,461.40	5,284.80	5,953.58	5,284.80	11,607.70	9,874.88	8,853.32	11,607.70	8,853.32

	<b>NOTES:</b>						
1	The above financial results have been reviewed by the audit committee and approved by the Board of Directors at the meeting held on 29 June 2020.						
2	In terms of order dated 9.02.2012 passed by the High Court of Judicature at Bombay ('High Court'), Maharashtra Film Stage and Cultural Development Corporation ('MFSCDC') raised net demand of Rs. 591,966,210 and asked Whistling Woods International Limited (WWIL) to vacate the premises. The Company's and WWIL's Review Petitions were heard by High Court and a stay was granted on 30 July 2014. However, the High Court ordered the Company/WWIL to pay Rs 100,038,000 by January 2015 against arrears of rent for the years 2000-01 to 2013-14 and Rs 4,500,000 per annum from the financial year 2014-15. As per the terms of the said Order, till 31 March 2020 Rs 113,538,000 has been paid by the Company and Rs 13,500,000 has been paid by WWIL. The State Government of Maharashtra and MFSCDC challenged the Order of the High Court in the Supreme Court which was dismissed by the court on 22 September 2014 with recourse to the State Government of Maharashtra to make an application to Bombay High Court. The Maharashtra State Cabinet has on 25 September 2018 approved allotment of 5.5 acres of land on lease basis to the Company. However the matter is sub-judice and is subject to final disposal by the Honorable Bombay High Court. The auditors continue to modify their report on the said matter.						
3	The business of the Mukta Group has been affected by the ongoing CoVID-19 pandemic, initially, because of the closure of Cinemas by the Government and subsequently, because of the lockdown that has been imposed. During the time the lockdown is in effect and social distancing norms are in place, the Entertainment Industry shall be adversely impacted. The Company and the Mukta Group has assessed the impact on its operations including revenue and the carrying value of its assets. For all the Group Companies, wherever applicable, steps have been taken to mitigate future losses by cutting operational costs, including by reduction of employee costs and by invoking force majeure for rental payments. For assessing future impacts, all available information has been disseminated. While the impact that is possible to assess till the date of approval of these accounts has been considered, the Group is continuously monitoring the situation as it evolves. The short term impact is expected to be severe; however, the long term impact is not expected to be substantial.						
4	The Group has adopted Ind AS 116 effective 1 April 2019 using the modified retrospective method. The Group has applied the standard to its leases with the cumulative impact recognised on the date of the initial application, i.e. April 1, 2019. The previous period information has therefore not been restated. This has resulted in recognising a right-of-use asset of Rs. 117.13 lacs and a corresponding liability of Rs. 371.10 lacs. The difference of Rs. 223.96 lacs (net of deferred tax asset/liability created of Rs. 77.51 lacs) has been adjusted to retained earnings as of April 1, 2019. In the statement of profit and loss, in respect of operating leases the nature of expenses has changed from rent to depreciation expense for the right-of-use assets and finance cost for interest accrued on lease liability. As a result of adoption of this standard while operating expenses are not comparable with previous year figures, the loss for the period and earning per share are not materially impacted.						
5	Figures for the corresponding quarter of the previous year have been regrouped / rearranged to conform to current quarter's presentation.						
					<b>For and on behalf of the Board of directors</b>		
<b>Date</b>	<b>: 29 June 2020</b>					<b>Rahul Puri</b>	
<b>Place</b>	<b>: Mumbai</b>					<b>Managing Director</b>	
						<b>DIN:01925045</b>	



**MUKTA ARTS LIMITED**

**Statement of assets and liabilities as at 31 March 2020**

Particulars	Standalone		Consolidated		(Rs in lacs)
	As at	As at	As at	As at	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	
	(Audited)	(Audited)	(Audited)	(Audited)	
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	1,506.63	1,561.04	7,687.52	7,854.44	
Right-of-use assets	103.40	-	3,125.46	-	
Capital work-in-progress	12.87	12.87	373.69	219.84	
Investment property	1,406.79	1,444.02	1,434.72	1,474.50	
Other Intangible assets	444.87	392.02	969.85	467.08	
Intangible Assets under Development	589.64	433.89	858.14	888.12	
Financial assets			-		
Investments	2,678.28	2,678.28	394.33	395.06	
Loans	3,494.06	3,704.06	-	101.23	
Others	3,576.75	3,758.82	2,171.76	1,942.04	
Deferred income tax assets ( net)	294.32	204.09	190.01	204.09	
Other non-current assets	1,174.11	1,136.22	1,364.06	1,418.96	
<b>Current assets</b>					
Inventories	-	-	116.07	101.84	
Financial assets					
Trade receivables	1,133.38	1,297.12	1,583.46	2,150.09	
Cash and cash equivalents	170.08	69.10	321.32	612.25	
Bank balances other than above	461.54	206.70	461.54	206.70	
Loans	3,799.24	3,283.68	1,213.45	1,174.31	
Others	700.87	708.36	853.53	712.92	
Other Current assets	386.39	412.21	1,421.32	1,031.74	
<b>Total Assets</b>	<b>21,933.23</b>	<b>21,302.48</b>	<b>24,540.23</b>	<b>20,955.21</b>	
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Equity Share capital	1,129.26	1,129.26	1,129.26	1,129.26	
Other Equity	12,956.12	13,016.93	(261.69)	1,626.72	
Minority Interest	-	-	391.63	349.15	
<b>Non-current liabilities</b>					
Financial liabilities					
Borrowings	4,627.05	4,385.79	6,195.17	6,232.61	
Other financial liabilities	426.98	405.61	4,180.61	1,322.26	
Provisions	126.81	101.98	495.11	318.73	
Other non-current liabilities	503.00	174.33	241.60	241.06	
<b>Current liabilities</b>					
Financial liabilities					
Borrowings	820.00	820.00	1,335.27	1,100.89	
Trade payables	258.98	226.11	3,412.54	3,035.49	
Other financial liabilities	591.63	387.34	3,046.81	1,698.97	
Other current liabilities	225.89	217.68	3,324.14	3,083.36	
Provisions	267.51	437.46	1,049.78	816.71	
<b>Total Equity and Liabilities</b>	<b>21,933.23</b>	<b>21,302.49</b>	<b>24,540.23</b>	<b>20,955.21</b>	

## **Uttam Abuwala Ghosh & Associates**

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

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### **Independent Auditor's Report on Standalone Financial Results**

To  
The Board of Directors  
Mukta Arts Limited

#### **Report on the Audit of the Standalone Annual Financial Statement**

#### **Qualified Opinion:**

We have audited the accompanying standalone annual financial results of Mukta Arts Limited (hereinafter referred to as the "Company") for the year ended 31 March 2020, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations') read with Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

In our opinion and to the best of our information and according to the explanations given to us, except the possible effects of the matters described in "**Basis for Qualified Opinion**" Para below, these financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India of the **Net Profit** and other comprehensive income and other financial information for the quarter and year ended March 31, 2020

#### **Basis for Qualified Opinion:**

As at March 31, 2020, the company's investment in its subsidiary (including deemed investment), Whistling woods International Limited (WWIL) a joint venture between the company and Maharashtra Film, Stage and Cultural Development Corporation Limited (MFSCDCL), aggregates to Rs. 19,95,11,218/- and loans and advances, deposits, interest receivable and rent receivable aggregate to Rs. 41,07,03,570/- recoverable from WWIL. As fully explained in Note 43 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 Parent Company and for financial year 2017-18, 2018-19 and 2019-20 Rs. 45,00,000/- per annum has been paid by WWIL. The State Govt. of Maharashtra and MFSCDCL challenged the order of the High Court in the Supreme Court which was dismissed by the Supreme Court on September 22, 2014. The amount so paid / being paid

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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.

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

### **Management's Responsibility for the audit of the Financial Statements:**

These Standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone 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 standalone 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 standalone 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 Standalone Annual Financial Results**

Our objectives are to obtain reasonable assurance about whether the Standalone 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 standalone annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain

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professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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 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 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 standalone 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 standalone annual financial results, including the disclosures, and whether the standalone annual financial results 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.



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### **Other Matter**

We report that the figures for the quarter ended March 31, 2020 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2020 and the published unaudited year-to-date figures up to December 31, 2019 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 No. 111184W

*Prerak*



**CA Prerak Agarwal**

**(Partner)**

**Membership No.: 158844**

Date: June 29, 2020

Place: Mumbai

## ***Uttam Abuwala Ghosh & Associates***

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***Chartered Accountants***

### **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 2020, 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, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

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 associates, 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:**

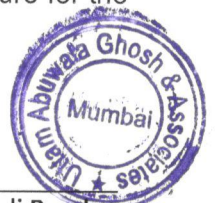
1. Mukta Creative Ventures Limited
2. Whistling Woods International Limited
3. Mukta A2 Cinemas Limited
4. Mukta Tele Media Limited
5. Connect.1 Limited
6. Mukta A2 Multiplex SPC (incorporated in Bahrain)
7. Whistling Woods International Foundation (100% Subsidiary of Whistling Woods International Limited)

#### **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, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; 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 and other financial information of the group and its joint venture for the year ended March 31, 2020.



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### **Basis for Qualified Opinion:**

As at March 31, 2020, the company's investment in its subsidiary (including deemed investment), Whistling woods International Limited (WWIL) a joint venture between the company and Maharashtra Film, Stage and Cultural Development Corporation Limited (MFSCDCL), aggregates to Rs. 19,95,11,218/- and loans and advances, deposits, interest receivable and rent receivable aggregate to Rs. 41,07,03,570/- 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, 2018-19 and 2019-20 Rs. 45,00,000/- per annum has been paid by WWIL. The State Govt. of Maharashtra and MFSCDCL challenged the order of the High Court in the Supreme Court which was dismissed by the Supreme Court on September 22, 2014. The amount so paid / being paid by the Company have been accounted under Non - Current Other Financial Assets in the 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, 2020. Having regard to the circumstances explained above and pending final outcome of the matter under litigation, the Company has not made any adjustment to the carrying value of investment in and amounts due from WWIL and the deposit paid consequent to the High Court's Orders. Accordingly, the impact on the carrying value of investments, recoverability of loans and advances and consequential impact on loss for the year and reserves is not determinable.

The Ministry of Corporate Affairs (MCA) on March 30, 2019 notified Ind AS 116 "Leases" as part of Companies (Indian Accounting Standards) Amendment Rules, 2019. The new standard is effective from reporting periods beginning on or after April 1, 2019. Pending final outcome of the matter under litigation as mentioned above, no adjustment has been made in WWIL's Financial Statements with respect to Ind AS 116 on the land rights.

### **Emphasis of Matter**

We draw attention to note no. 46 of the consolidated financial statements of Mukta Arts Limited for the year ended 31<sup>st</sup> March, 2020 wherein the management of the Mukta A2 Cinemas Ltd. has reported on the impact of COVID – 19 Pandemic on the business. However, the actual financial impact maybe different than estimated as on the date of approval of the statement.

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

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exceeding its current assets as on 31<sup>st</sup> March, 2020 These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

### **Management's Responsibility for the audit of the Financial Statements:**

These Consolidated annual financial results have been prepared on the basis of the Consolidated annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these Consolidated annual financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated annual financial results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results**

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

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

- 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

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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 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.

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.

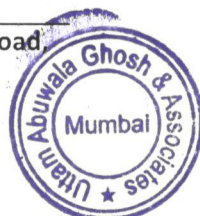
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Other Matter**

(a) We did not audit the financial statements / financial information of seven subsidiaries except Mukta A2 Cinemas Ltd., for the year ended 31st March, 2020, as considered in the consolidated financial statements of Mukta Arts Limited. These financial statements / financial information have been audited by their respective Independent Auditors whose reports have 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 these subsidiaries, 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 subsidiaries, is based solely on the reports of the other auditors. Our opinion on the statements is not modified in respect of above matters with respect to our reliance on the work done and reports of such other auditor.

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(b) We did not audit the financial statements / financial information of one Joint Venture – Mukta VN Films Limited, for the year ended 31<sup>st</sup> March, 2020, 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. 11,99,000/- for the year ended 31<sup>st</sup> March, 2020, as considered in the consolidated financial statements. These financial statements / financial information are yet to be audited and the Independent Audited Report have not been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the same is solely based upon the management certified Financial Statements provided to us, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid Joint Venture, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, this financial statements / financial information is not material to the Group. Our opinion on the statements is not modified in respect of above matters.

(c) We report that the figures for the quarter ended March 31, 2020 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2020 and the published unaudited year-to-date figures up to December 31, 2019 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 No. 111184W





**CA Prerak Agarwal**  
(Partner)  
Membership No.: 158844

Date: June 29, 2020  
Place: Mumbai

**Statement on Impact of Audit Qualifications (for Audit Report on Standalone Financial Statements with Modified Opinion) submitted along-with Annual Audited Financial Results for the Year ended March 31, 2020 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]**

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications) *
1.	Total Income	32,58,43,370	32,58,43,370
2.	Total Expenditure	28,05,35,399	28,05,35,399
3.	Net Profit/(Loss) before Tax	4,53,07,971	4,53,07,971
4.	Earnings Per Share	2.23	2.23
5.	Total Assets	2,19,33,22,465	2,19,33,22,465
6.	Total Liabilities	78,47,84,173	78,47,84,173
7.	Net Worth	140,85,38,292	140,85,38,292
8.	Any other financial item(s) (as felt appropriate by the management)	-	-

I.

\* No adjustments made as impact not quantifiable

**II. Audit Qualifications:**

**1. Qualification 1:**

**a. Details of Audit Qualification:**

As at March 31, 2020, the company's investment in its subsidiary (including deemed investment), Whistling woods International Limited (WWIL) a joint venture between the company and Maharashtra Film, Stage and Cultural Development Corporation Limited (MFSCDCL), aggregates to Rs. 19,95,11,218/- and loans and advances, deposits, interest receivable and rent receivable aggregate to Rs. 41,07,03,570/- recoverable from WWIL. As fully explained in Note 43 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 Parent Company and for financial year 2017-18, 2018-19 and 2019-20 Rs. 45,00,000/- per annum has been paid by WWIL. The State Govt. of Maharashtra and MFSCDCL challenged the order of the High Court in the Supreme Court which was dismissed by the Supreme Court on September 22, 2014. The amount so paid / being paid by the Company have been accounted under Non - Current Other Financial Assets in the Standalone Financial Statements to be adjusted on the settlement of the case.

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

**b. Type of Audit Qualification:** Qualified Opinion

**c. Frequency of Qualification:** Repetitive (continuing since 2011)

**d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** Not Applicable

**e. For Audit Qualification where the impact is not quantified by the auditor:**

**(i) Management's Estimation on the impact of Audit Qualification:**

Not Applicable

**(ii) If management is unable to estimate the impact, reasons for the same:**

Having regard to the circumstances 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.

**(iii) Auditors' Comments on (ii) above:**

As per the explanation provided by the Management in point (ii) above, 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.

**For Mukta Arts Limited**

Sd/-



**Rahul Puri**  
Managing Director

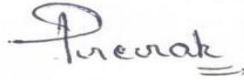
**Kewal Handa**  
Chairman – Audit Committee

**Prabuddha Dasgupta**  
Chief Financial Officer

**Date: June 29, 2020**

**Place: Mumbai**

**For Uttam Abuwala Ghosh & Associates**  
Chartered Accountants  
Firm No. 111184W  
(Statutory Auditors)



**CA Prerak Agarwal**  
(Partner)  
Membership No. 158844

**Date: June 29, 2020**

**Place: Mumbai**

**Statement on Impact of Audit Qualifications (for Audit Report on Consolidated Financial Statements with Modified Opinion) submitted along-with Annual Audited Financial Results for the Year ended March 31, 2020 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]**

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications) *
1.	Total Income	1,80,26,36,435	1,80,26,36,435
2.	Total Expenditure	1,88,07,77,382	1,88,07,77,382
3.	Net Profit/(Loss) before Tax	(7,81,40,947)	(7,81,40,947)
4.	Earnings Per Share	(3.90)	(3.90)
5.	Total Assets	2,45,40,23,491	2,45,40,23,491
6.	Total Liabilities	2,32,81,02,806	2,32,81,02,806
7.	Net Worth (excluding Minority Interest)	12,59,20,683	12,59,20,683
8.	Any other financial item(s) (as felt appropriate by the management)	-	-

*No adjustments made for Qualifications as impact not quantifiable*

**II. Audit Qualifications:**

**1. Qualification 1:**

**a. Details of Audit Qualification:**

As at March 31, 2020, the company's investment in its subsidiary (including deemed investment), Whistling woods International Limited (WWIL) a joint venture between the company and Maharashtra Film, Stage and Cultural Development Corporation Limited (MFSCDCL), aggregates to Rs. 19,95,11,218/- and loans and advances, deposits, interest receivable and rent receivable aggregate to Rs. 41,07,03,570/- recoverable from WWIL. As fully explained in Note 46 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, 2018-19 and 2019-20 Rs. 45,00,000/- per annum has been paid by WWIL. The State Govt. of Maharashtra and MFSCDCL challenged the order of the High Court in the Supreme Court which was dismissed by the Supreme Court on September 22, 2014. The amount so paid / being paid by the Company have been accounted under Non - Current Other Financial Assets in the 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, 2020. Having regard to the circumstances explained above and pending final outcome of the matter under litigation, the Company has not made any adjustment to the carrying value of investment in and amounts due from WWIL and the deposit paid consequent to the High Court's Orders. Accordingly, the impact on the carrying value of investments, recoverability of loans and advances and consequential impact on loss for the year and reserves is not determinable.

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.

- b. Type of Audit Qualification:** Qualified Opinion
- c. Frequency of Qualification:** Repetitive (continuing since 2011)
- d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** Not Applicable
- e. For Audit Qualification where the impact is not quantified by the auditor:**
  - (i) Management's Estimation on the impact of Audit Qualification:**  
Not Applicable
  - (ii) If management is unable to estimate the impact, reasons for the same:**  
Having regard to the circumstances 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. Further, the 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.

**(iii) Auditors' Comments on (ii) above:**

As per the explanation provided by the Management in point (ii) above, 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.

**For Mukta Arts Limited**

Sd/-



**Rahul Puri**  
Managing Director

**Kewal Handa**  
Chairman – Audit Committee

**Prabuddha Dasgupta**  
Chief Financial Officer

**Date: June 29, 2020**

**Place: Mumbai**

**For Uttam Abuwala Ghosh & Associates**  
Chartered Accountants  
Firm No. 111184W  
(Statutory Auditors)



**CA Prerak Agarwal**  
(Partner)  
Membership No. 158844

**Date: June 29, 2020**

**Place: Mumbai**



## **PRESS RELEASE**

29<sup>th</sup> June 2020, Mumbai

Mukta Arts Limited ended the year on a positive note with Standalone Q4 Revenue improving 18% from Q3 to Rs 720 lacs. Revenue for the year was Rs 3,258 lacs and PBT Rs 453 lacs.

Whistling Woods International, its subsidiary in the education space posted an 18% growth in revenue from 2019, ending the year at Rs 5583 lacs and a PBT of Rs 397 lacs

The subsidiaries in the cinema space saw movies underperforming in Q4, further aggravated by the CoVID-19 closures. Accounting policy changes based on IndAS requirements further hit their bottom line.