

Review Report

To the Board of Directors of Mukta Arts Limited

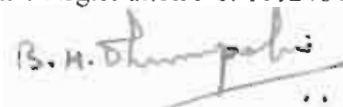
1. We have reviewed the accompanying Statement of un-audited financial results ('the Statement') of Mukta Arts Limited ('the Company') for the quarter ended 30 June 2012 and the year to date results for the period from 1 April 2012 to 30 June 2012, except for the disclosures regarding 'Public Shareholding and Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This statement is the responsibility of the Company's management and has been approved by the Board of Directors on 8 August 2012. Our responsibility is to issue a report on these financial results based on our review. Attention is drawn to the fact that the figures for the quarter ended 31 March 2012 as reported in these un-audited financial results are the balancing figures between the audited figures for the year ended 31 March 2012 and the published year to date un-audited figures up to the end of the third quarter of financial year ended 31 March 2012.
2. We conducted our review in accordance with the Standard on Review Engagement ('SRE') 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the un-audited financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel responsible for financial and accounting matters and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. *As explained in Note 3 to the accompanying Statement of un-audited financial results, the remuneration paid to the Managing Director of the Company for earlier years was in excess of the limits prescribed under Section 198 of the Companies Act, 1956. Application made to the Central Government seeking reconsideration/ post-facto approval for balance excess remuneration for earlier years is awaited. Application for the year 2011-12 seeking post facto approval is proposed to be made.*
4. *As explained in Note 2 to the accompanying Statement of un-audited financial results, the High Court of Judicature at Bombay ('High Court') has quashed the Joint Venture Agreement ('JVA') between the Company and Maharashtra Film, Stage and Cultural Development Corporation Limited ('MFSCDCL') relating to Whistling Woods International ('WWI') and passed consequential orders. WWI's petition for special leave to appeal filed with the Supreme Court of India has been dismissed. However, the Company and WWI have filed applications to review the said order with the High Court, which have not yet come up for hearing. Management is also evaluating future plans for WWI. 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 investments in and amounts due from WWI. Accordingly, the impact on the un-audited financial results is not determinable.*

Review Report *(Continued)*

Mukta Arts Limited

- 5 Based on our review conducted as referred to above, *except for the matter referred to in paragraph 4 above, the outcome and consequent adjustments to the un-audited financial results of which cannot be presently determined, and subject to the matter referred to in paragraph 3 above*, nothing has come to our attention that causes us to believe that the accompanying Statement of un-audited financial results for the quarter ended 30 June 2012 and the year to date results for the period 1 April 2012 to 30 June 2012 prepared in accordance with the accounting standards notified pursuant to the Companies (Accounting Standards) Rules, 2006 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed or that it contains any material misstatement.

For B S R & Co.
Chartered Accountants
Firm's Registration No: 101248W



Mumbai
8 August 2012

Bhavesh Dhupelia
Partner
Membership No: 042070