



5th September, 2024

To, BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 Scrip Code: 532357 - EQ	To, National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 Symbol: MUKTAARTS - EQ
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Kind Attn: Corporate Relations Department

Dear Sir/Madam,

**SUB: NOTICE OF ANNUAL GENERAL MEETING ALONG WITH ANNUAL REPORT
FOR THE FINANCIAL YEAR 2023-24**

In terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed herewith, Notice of 42nd Annual General Meeting (“AGM”) of the Company scheduled to be held on Friday, 27th September, 2024 at 04:30 p.m. (IST) through Video Conferencing/Other Audio-Visual Means, along with Annual Report of the Company for the financial year 2023-24, which is being sent through electronic mode to all the Members of the Company who have registered their e-mail address with the Company/Depository Participant(s) as on Friday, 30th August, 2024.

The Notice of AGM along with Annual Report for the financial year 2023-24, are available on the website of the Company at www.muktaarts.com, on the website of Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com and on the website of National Securities Depository Limited at www.evoting.nsdl.com.

Kindly take the above information on your records.

Thanking you.

Yours faithfully,

For Mukta Arts Limited

Hemal N. Pankhania
Company Secretary & Compliance Officer

Encl.: as above



ANNUAL REPORT 2024

MUKTA ARTS LIMITED





Celebrating 100 episodes of Jaanaki



Mukta A2 Cinemas at Ratnanjali, Gujarat opened during the year



Mukta A2 Cinemas at Chandkheda, Gujarat opened during the year



BOARD OF DIRECTORS

Mr. Subhash Ghai

Chairman, Executive Director
DIN: 00019803

Mr. Rahul Puri

Managing Director
DIN: 01925045

Mr. Parvez Farooqui

Non-Executive Director
DIN: 00019853

Mr. Kewal Handa

Independent Director
DIN: 00056826

Ms. Paulomi Dhawan

Independent Director
DIN: 01574580

Mr. Kapil Bagla

Independent Director
DIN: 00387814

Mr. Prabuddha Dasgupta

Chief Financial Officer

Ms. Hemal N. Pankhania

Company Secretary & Group Compliance Officer

M/s. Uttam Abuwala Ghosh & Associates

Statutory Auditors

M/s. Garg Devendra & Associates

Internal Auditors

M/s. KDA & Associates

Secretarial Auditors

Indian Bank

Banker

Registrar & Transfer Agents

Link Intime India Private Limited
C-101, Embassy 247, L.B.S. Marg,
Vikhroli (W), Mumbai-400 083
Tel. No.: +91 22 49186000
Fax: +91 22 49186060

Registered Office

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

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MUKTA ARTS LIMITED

PERFORMANCE AT A GLANCE

(₹ in millions)

	Year ended 31 st March 2024	Year ended 31 st March 2023	Year ended 31 st March 2022	Year ended 31 st March 2021	Year ended 31 st March 2020
Revenue from operations	275.16	198.74	483.43	186.31	216.06
Other Income	160.01	138.47	145.12	111.77	109.78
TOTAL INCOME	435.17	337.21	628.55	298.08	325.84
Profit/(Loss) before Interest, Depreciation and Tax	197.86	175.87	326.07	169.36	137.40
Depreciation	23.99	20.57	21.31	20.41	23.16
Interest	60.53	50.37	58.90	58.46	68.93
Profit/(Loss) before Tax	113.34	104.93	245.86	90.49	45.31
Profit/(Loss) after Tax	103.34	84.21	205.85	69.81	51.73
Dividend	-	-	-	-	28.23
Dividend Rate	-	-	-	-	25%
Gross Fixed Assets	782.45	766.86	770.55	767.56	767.55
Net Fixed Assets	237.81	244.63	263.40	281.28	301.68
Total Assets	2,707.89	2,675.48	2,508.94	2,512.37	2,193.32
Equity Share Capital	112.93	112.93	112.93	112.93	112.93
Reserves and Surplus	1,771.23	1,666.65	1,582.31	1,366.04	1,295.61
Net Worth	1,884.16	1,779.58	1,695.24	1,478.97	1,408.54
Earnings per Share (EPS) (in ₹)					
EPS Basic	4.58	3.73	9.16	3.12	2.23
EPS Adjusted to ₹ 5	4.58	3.73	9.16	3.12	2.23



CHAIRMAN'S STATEMENT 2024

The year gone by has been a somewhat muted one for the Global Media and Entertainment Industry. Dragged down by the dual shocks of a retracting global economy coupled with a protracted Writers and Actors strike in the US, the Industry grew by 5% which has outperformed the rest of the economy though.

Rationalization of linear TV networks, a slowdown in production for OTT and streaming and a theatrical market affected by strikes and an audience still unsure about the place of cinematic content in their lives post Covid, have been some of the global issues the M&E Industry has had to deal with. However, this has been offset with a growing short form content appetite, a boost in advertiser driven streaming services and more power to the influencer social media economy. AI has dominated the conversation and there is little doubt, it is poised to make a serious impact on the business in the years ahead.



The Indian scenario was somewhat similar but in the theatrical space, underperforming Hollywood biggies and many from the domestic market was interspersed with massive hits in Hindi like Pathaan, Gadar 2, Jawan and Animal and from the South with Jailer, Leo and Salaar. Smaller films too like The Kerala Story found an audience. Cricket remained the dominant draw as well with the IPL finding a massive audience on television and thanks to a new Free to Air ad funded model, through streaming also. OTT Content volumes in regional languages surpassed Hindi volumes for the first time. It is no doubt a sign of things to come as the vernacular audience pushes for more and more relatable content in their own dialect. Exciting times ahead for all kinds of producers no doubt.

From a Company point of view, Mukta Arts has made some steady progress over 2023. Our television series for Doordarshan, 'Jaanaki' was hugely successful completing its 208 episode run and being one of the highest rated serials on the channel throughout. It was indeed a different experience for me helming a TV show for the first time. I thoroughly enjoyed the process and believe that this first effort has opened many a door for the Company in times to come. In addition to this, we have made some strong progress on a few film projects. These were affected due to studio consolidation and slowdown within the industry but now we are sure that they are ready to head into production. I have spent a great deal of time working on these scripts and remain confident of their potential. More information will be shared in due course on all these projects.

We have done significant consolidation for our theatre business, Mukta A2 Cinemas ('MA2'). During the year, we closed down nine screens which were loss making and added twenty new ones which we believe will be far more profitable. It is rationalization like this that we believe will drive the business ahead. We are almost back to pre-Covid levels in terms of revenue for the business and have also signed an agreement for a significant investment into the business to help us expand strongly in years to come. We continue to strongly believe in the theatrical space and smart expansion has to be the name of the game moving ahead for MA2. The subsidiary in Bahrain though continues to have struggles. The change in policy of the Kingdom of Saudi Arabia, which historically had supplied a lot of the audience for Bahrain, has negatively impacted theatres across the country and MA2 has not been spared. We hope though that our upcoming management deals in Saudi Arabia, which we should commence by the year end, will help offset this business in a significant manner.

Whistling Woods International ('WWI') had a steady year in terms of its performance. Despite increased domestic and international competition, we have continued to recruit strongly for the upcoming Academic year. The school, further enhanced its international tie-ups and reputation by signing off Agreements and partnership MoUs with International Universities like University of Denver - London, South Bank University and The Korean Media Arts School. In addition to this, WWI has had exchange programs with a host of Universities like ECV in France, University of Denver in US, Gotland University in Sweden and our students visited ECV in Paris, Hult Business School in Boston, USA and Korean Media Arts School in South Korea. This growing internationalization of WWI shows the strong soft power emerging from India and WWI will be in the forefront of this from a media and entertainment education perspective. WWI also signed a strong agreement with Ubisoft, which is one of the world's leading gaming companies to ensure that our students and faculty get the value of their great experience and technology. It will make our students even more industry ready on graduation.

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We are of course hoping that our long-standing legal issue will also be resolved in the upcoming financial year. There has been movement in terms of hearings and with both the Film City and the Maharashtra Government supportive, we believe that a beneficial resolution is now well within sight.

As I complete my look back at 2023, it leaves me hopeful for what can come in 2024 and later. Decisions the Company takes now are important to ensure that it is on strong footing in the years ahead and I believe we have taken those decisions. Mukta has a strong set of upcoming productions, MA2 is taking tough calls with an ongoing rationalization and building ahead with further investment and WWI is again showing that it can attract attention from some of the most reputed brands in India and across the world. There is little doubt that the future ahead is bright and I appreciate that the road thus far has been bumping with ups and downs. My gratitude and thanks to all our stakeholders for the belief and faith in us and our mission. I believe the best is yet to come and it will be coming soon.

Regards,

Subhash Ghai
Chairman



MANAGEMENT DISCUSSION AND ANALYSIS, 2024

Global perspective

In 2023, while economic headwinds impacted overall economic growth, the global revenue of the entertainment and media industry rose 5% to US\$2.8 trillion in 2023 in spite of technological disruptions, outperforming overall economic growth.

Convergence has taken on a key role with gaming, streaming and social media overlapping into each other. User generated videos are now attracting advertising funds.

With changing patterns of consumption of entertainment, streaming services have grown in size and stature at a brisk pace driving the need for content. The Writers Guild of America went on strike against the use of AI in script-writing. The use of AI comes with benefits as well as risks. Used as a tool for creativity, it can be an efficient data analysis tool, but its power can be easily misused, for instance in recreating existing literature or in Deepfakes. While more regulation in this field is expected, both volume and quality of content may be expected to grow with the ethical use of AI in the near future.

Revenue growth in the E&M sector is being driven by growth in connectivity spending, advertising and direct consumer spending, in that order. While global spending is expected to grow at a CAGR of 4.6% till 2028, Indonesia, India and China are expected to grow at over 7%.

Indian Media and Entertainment Sector

By current estimates, the Indian Media and Entertainment Sector is expected to grow to ₹ 3 trillion by 2026, led by OTT, Gaming, Animation and VFX. India is expected to be the world's fastest growing OTT video streaming market. The 2023 IPL match between Chennai Super Kings and Gujarat Titans recorded an unprecedented 32 million views on the Reliance JIO Cinema app.

Further growth drivers for the Indian scenario are one of the lowest data tariffs in the world, skyrocketing smartphone user base and wide acceptance of digital payment modes.

Indian Film Industry

Content has continued to play a pivotal role in the box office performance of films in India. Some regional films have performed well at the box office while some star studded films have underperformed. Hollywood movies too, such as Oppenheimer, Fast X and Mission Impossible- Dead Reckoning – Part 1, performed well across the country. While some Bollywood hits like Jawan, Animal and Gadar 2 were the top performers for the year, some small-scale productions, like The Kerala Story and some South India productions like Leo, Salaar and Jailer also were Box office hits.

While Box office revenue and Food & Beverage sales per head grew, advertisement sales continued to remain noticeably below the pre-Covid levels. Many large exhibitors followed the approach of moving to a variable rent model as well as exiting from loss making cinemas.

With deeper penetration of internet access across the country, consumption of OTT content also increased rapidly. In addition, Regional OTT content volumes surpassed Hindi OTT content volumes. OTT Streaming services have been recording steady growth in their subscriber base.



Mukta A2 Cinemas at Navsari, Gujarat opened during the year

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Company performance

The Mukta group's performance has been following a gentle upward trend for the past few year. The Standalone revenue of ₹ 4,352 lacs posted by Mukta Arts for the financial year was 29% over its revenue for the previous financial year, with a healthy 24% margin of Profit after tax of ₹ 1,033 lacs. This was mainly attributable to television content. The Hindi language women-centric soap has been running successfully on Doordarshan. Apart from this new stream of revenue, the steady existing stream of revenue from the library of hit Hindi feature films and from the investment in property, continued.



Mukta A2 Cinemas at Kadapa, Andhra Pradesh opened during the year

Whistling Woods International, the subsidiary involved in the film and media education business, recorded a turnover of ₹ 5,448 lacs for the financial year, which was comparable to revenue of ₹ 5,511 lacs in FY 2023 while EBITDA margin improved from 5% in 2023 to 11% in the current financial year. Costs of new courses yet to pick up steam along with expenses on activities that had been postponed due to Covid, resulted in a loss of ₹ 588 lacs, which was a step in the right direction from the previous year's loss of ₹ 827 lacs.

Mukta A2 Cinemas, the domestic film exhibition subsidiary had a year of consolidation. It started the year with 62 screens, closed down 9 screens at 4 loss-making locations while adding 20 screens at 6 new locations. Its total revenue grew to ₹ 10,139 lacs, up 21% year on year, while posting a 79% increase in EBITDA to ₹ 1,330 lacs. Its loss after tax was ₹ 976 lacs, down 37% year on year. Revenue per screen now stands at 82% of pre-covid performance.

Mukta A2 Multiplex, the international film exhibition business continued to face headwinds. It continued to operate its 6 existing screens while also managing 10 new screens, also in Bahrain. While revenue increased from ₹ 1,272 lacs to ₹ 2,117 lacs, EBITDA continued to remain negative with loss after tax reducing marginally from ₹ 414 lacs to ₹ 212 lacs for the current financial year.

The Consolidated revenue of the Mukta Group crossed the ₹ 200 crore mark for the first time with the present business format. Consolidated Revenue stood at ₹ 20,860 lacs, up 20 % from ₹ 17,426 lacs in FY 2023 and EBITDA at ₹ 2,818 lacs at a margin of 14%. Losses for the year showed substantial reduction from ₹ 1,881 lacs in FY 2023 to ₹ 659 lacs for the current financial year.

This, in conclusion, has been a year that provided a small but definite confirmation that the film and media businesses of the Mukta Group are turning around and leaving the last remaining effects of Covid behind.



NOTICE

Notice is hereby given that the 42nd Annual General Meeting of Mukta Arts Limited will be held on Friday, 27th September, 2024 at 04:30 p.m. (IST) through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) to transact the following businesses.

ORDINARY BUSINESS

1. **To receive, consider and adopt the Annual Audited (Standalone and Consolidated) Financial Statements of the Company for the financial year ended 31st March, 2024, together with the Reports of the Board of Directors and the Auditors thereon.**

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

“**RESOLVED THAT** the Annual Audited (Standalone and Consolidated) Financial Statements of the Company for the financial year ended 31st March, 2024 and the Reports of the Board of Directors and Auditors thereon, be and are hereby approved and adopted.”

2. **To re-appoint Mr. Subhash Ghai (DIN:00019803) as Chairman, Executive Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment.**

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 152 and other applicable provisions of the Companies Act, 2013, read with Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Subhash Ghai (DIN:00019803), who retires by rotation at this meeting and being eligible, offers himself for re-appointment be and is hereby re-appointed as Chairman, Executive Director of the Company.”

**By Order of the Board of Directors
Mukta Arts Limited**

**Sd/-
Hemal N. Pankhania
Company Secretary and Compliance Officer
ICSI Membership Number: ACS31426**

Registered Office:

Mukta House, Behind Whistling Woods Institute,
Filmcity Complex, Goregaon (E), Mumbai-400 065

CIN: L92110MH1982PLC028180

Tel. No.: 022-3364 9400

Email: investorrelations@muktaarts.com

Date: 12/08/2024

Place: Mumbai

MUKTA ARTS LIMITED

NOTES:

- 1) In terms of Ministry of Corporate Affairs (“MCA”) General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 3/2022 dated May 05, 2022, 10/2022 dated December 28, 2022 and 09/2023 dated September 25, 2023 (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India Circulars SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 respectively read with SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/ CIR/2023/167 dated October 7, 2023 (hereinafter referred to as “SEBI Circulars”), it has been permitted to hold Annual General Meeting (“AGM”) through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”), without the physical presence of the Members at a common venue, till 30th September, 2024.

In compliance with the provisions of the Companies Act, 2013 (“the Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) MCA Circulars and SEBI Circulars, the 42nd AGM of the Company is being held through VC / OAVM on Friday, 27th September, 2024 at 04:30 p.m. (IST). The proceedings of the AGM is deemed to be conducted at Whistling Woods Institute, Dada Saheb Phalke Chitra Nagari, Goregaon (E), Mumbai-400065.

- 2) Details as required under Regulation 36(3) of SEBI Listing Regulations in respect of the Director seeking re-appointment at the AGM are provided as **Annexure-I** to the Notice.
- 3) 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 MCA and SEBI circulars through VC / OAVM, the requirement of physical attendance of the Members has been dispensed with.
- 4) Accordingly, in terms of the aforesaid circulars, the facility for appointment of proxies by the Members will not be available for this AGM and hence, the proxy form, attendance slip and route map of AGM are not annexed to this notice.
- 5) In compliance with the MCA and SEBI Circulars, Notice of AGM along with Annual Report for the financial year 2023-24 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 will also be available on the Company’s website at www.muktaarts.com, websites of 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 at www.evoting.nsdl.com. Physical copy of the Notice and Annual Report will be sent to the Members on their request, who have not registered their e-mail address with the Company or Depository Participant(s).

- 6) Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the AGM through VC/OAVM facility. Corporate Members/ Institutional Investors (i.e. other than Individuals, HUF’s, NRI’s etc.) who are intending to appoint their authorized representatives pursuant to Sections 112 and 113 of the Act, as the case may be, to attend the AGM through VC/OAVM or to vote through remote e-voting are requested to send a certified copy of the Board Resolution to the scrutinizer by e-mail at kaushaldalalcs@gmail.com with a copy marked to evoting@nsdl.com and investorrelations@muktaarts.com, not later than 48 hours before the scheduled time of the commencement of the meeting. Corporate Members/ Institutional Investors (i.e. other than Individuals, HUF’s, NRI’s etc.) can also upload their Board Resolution/ Power of Attorney/ Authority Letter etc. by clicking on the “upload Board Resolution/Authority Letter” displayed under the “e-voting” tab in their login.
- 7) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- 8) The Members can join the AGM in VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the meeting by following the procedure mentioned in the notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA circular. This will not include large Members (holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, auditors etc. who are allowed to attend the AGM, without restriction on account of a first come first served basis.
- 9) In terms of Regulation 40(1) of SEBI Listing Regulations, requests for effecting transfer/transmission/transposition of securities shall not be processed unless the securities are held in dematerialized form. Transfers of equity shares in electronic form are effected through depositories. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company’s Registrar and Transfer Agent (“RTA”), Link Intime India Private Limited at rnt.helpdesk@linkintime.co.in.
- 10) Members are requested to intimate changes, if any, about their name, postal address, e-mail address, telephone/mobile numbers, PAN, power of attorney registration, Bank Mandate details, etc. to their Depository Participant (“DP”) in case the shares are held in electronic form and to the RTA in case the shares are held in physical form, in prescribed Form No. ISR-1, quoting their folio number and enclosing the self-attested supporting documents. Further, Members may note that SEBI has mandated the submission of PAN by every participant in the securities market.



- 11) SEBI had, vide its circular number SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March, 2023 mandate to all the physical security holders for furnishing their PAN, KYC and Nomination details with the Company or RTA on or before 30th September, 2023. In case a holder of physical securities fails to furnish PAN, nomination, contact details, bank account details and specimen signature by 1st October, 2023, RTA will be obligated to freeze such folios.

The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on 31st December, 2025, the RTA/ the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and/or the Prevention of Money Laundering Act, 2002. In compliance with SEBI guidelines, the Company had sent communication intimating about the submission of above details to all the Members holding shares in physical form.

- 12) As per the provisions of Section 72 of the Act, the facility for making a nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nominations are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record a fresh nomination, he may submit the same in Form No. SH-14. Members who are not desiring to register for Nomination or would want to opt-out, are requested to fill out and submit Form No. ISR-3. The said forms can be downloaded from the RTA's website at www.linkintime.co.in. Members are requested to submit the said form to their DP's in case the shares are held in electronic form and to the RTA in case the shares are held in physical form, quoting their folio no.
- 13) Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company/RTA, the details of such folios together with the share certificates and self-attested copies of the PAN of the holders for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making the requisite changes. The consolidation will be processed in demat form.
- 14) Members desiring inspection of statutory registers and other relevant documents may send their request in writing to the Company at investorrelations@muktaarts.com.
- 15) To support the 'Green Initiative', Members who have not yet registered their email address are requested to register the same with their DP's in case the shares are held by them in electronic form and with the Company/RTA in case the shares are held by them in physical form.
- 16) In terms of SEBI circular dated 9th December, 2020, on e-voting facility provided by Listed Companies, Individual Members holding securities in Demat mode are allowed to vote through their Demat account maintained with Depositories and DP's. Members are required to update their mobile number and email ID correctly in their Demat account to access the e-voting facility.
- 17) According to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI Listing Regulations and MCA Circulars, the Company is providing the facility of remote e-voting to its Members in respect of the businesses to be transacted at the AGM. The Company has engaged the services of NSDL for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a Member using remote e-voting system as well as e-voting during the AGM will be provided by NSDL.
- 18) Members of the Company holding shares either in physical form or in electronic form as of the cut-off date, Thursday, 19th September, 2024, may cast their vote by remote e-voting. The remote e-voting period commences on Tuesday, 24th September, 2024 at 9:00 a.m. (IST) and ends on Thursday, 26th September, 2024 at 5:00 p.m. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members shall be in proportion to their share of the paid-up equity share capital of the Company as of the cut-off date. Subject to receipt of the requisite number of votes, the resolution passed by remote e-voting are deemed to have been passed as if they have been passed at the AGM.
- 19) Members will be provided with the facility for voting through an electronic voting system during the proceedings at the AGM and Members participating at the AGM, who have not cast their vote by remote e-voting, will be eligible to exercise their right to vote during such proceedings of the AGM. Members who have cast their vote by remote e-voting prior to the AGM will also be eligible to participate at the AGM but shall not be entitled to cast their vote again on such resolutions for which the Members has already cast the vote through remote e-voting.
- 20) 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 during the AGM.
- 21) A person whose name is recorded in the Register of Members or the Register of Beneficial Owners maintained by the depositories as on the cut-off date, shall be entitled to avail the facility of remote e-voting before the AGM as well as e-voting during the AGM. Any person holding shares in physical form and non-individual Members, who acquire shares of the Company and becomes a Member of the Company after the dispatch of this Notice and holding shares as on the cut-off date, may obtain the User ID and password by sending a request along with the requisite documents at evoting@nsdl.com. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by

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using “Forgot User Details/Password” or “Physical User Reset Password” option available at www.evoting.nsdl.com or contact at 022-4886 7000. In case of Individual Member holding securities in Demat mode and who acquires share 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 follow steps mentioned in the Notice. Any person who is in receipt of this notice but is not a Member as on the cut-off date should treat this notice for information purpose only. Notice will be circulated to the Members whose name appear in the Register of Members as on Friday, 30th August, 2024.

- 22) M/s. KDA & Associates, Practicing Company Secretaries (Unique Identification No. P2016MH047700) has been appointed as the Scrutinizer by the Board of Directors of the Company to scrutinize the remote e-voting process fairly and transparently.
- 23) The scrutinizer shall, after the conclusion of voting at the AGM, unblock the votes cast through e-voting (votes cast during the AGM and votes cast through remote e-voting) and shall submit, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, to the Chairman or a person authorised by him in writing, who shall countersign the same. The results declared along with the Scrutinizer’s Report shall be communicated to the stock exchanges within two working days, on which the Company’s shares are listed and will also be available on Company’s website at www.muktaarts.com.
- 24) Members are encouraged to submit their questions in advance, from their registered email address, mentioning their name, DP ID and Client ID /folio number and mobile number, to reach the Company’s email address at investorrelations@muktaarts.com before 5:00 p.m. (IST) on Monday, 23rd September, 2024.
- 25) 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 timelines. 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.mca.gov.in. For further details, please refer to Corporate Governance Report which forms part of this Annual Report.

How do I vote electronically using NSDL e-voting system?

The way to vote electronically on NSDL e-voting system consists of “Two Steps” which are mentioned below:





Step 1: Access to NSDL e-voting system

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

Login method for Individual Members holding securities in demat mode is given below:

Type of Members	Login Method
Individual Members holding securities in demat mode with NSDL	<ol style="list-style-type: none">1) Existing IDeAS user can visit the e-services website of NSDL Viz. https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-services home page click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-voting services under value added services. Click on “Access to e-voting” under e-voting services and you will be able to see e-voting page. Click on Company name or e-voting service provider i.e. NSDL and you will be re-directed to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.2) If you are not registered for IDeAS e-services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp.



	<p>3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a personal computer or on a mobile. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. 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. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on 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.</p> <p>4) Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div data-bbox="624 606 959 808" style="border: 1px solid black; padding: 5px; text-align: center;"> <p>NSDL Mobile App is available on</p> <p>  App Store  Google Play </p> <div style="display: flex; justify-content: space-around;">   </div> </div>
<p>Individual Members holding securities in demat mode with CDSL</p>	<p>1) Users who have opted for CDSL Easi/Easiest facility, can login through their existing User ID and Password. Option will be made available to reach e-voting page without any further authentication. The users to login Easi/Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & new system Myeasi tab and then use your existing my easi User ID and Password.</p> <p>2) After successful login, Easi/Easiest user will be able to see the e-voting option for eligible Companies where the e-voting is in progress as per the information provided by Company. By clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.</p> <p>Additionally, there is also links provided to access the system of all e-voting service providers, so that the user can visit the e-voting service providers’ website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & new system Myeasi tab and then click on registration option.</p> <p>4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from e-voting link available on www.cdslindia.com home page.</p> <p>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 able to see the e-voting option where the e-voting is in progress and able to directly access the system of all e-voting service provide</p>
<p>Individual Members (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. Upon logging 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. Click on 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 and voting during the meeting.</p>

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned websites.

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Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depositories i.e. NSDL and CDSL

Login type	Helpdesk details
Individual Members 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.com or call on 022-4886 7000.
Individual Members 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 toll free no. 1800 22 55 33.

B) Login method for e-voting and joining virtual meeting for Members other than Individual Members holding securities in demat and 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 e-services i.e. IDeAS, you can log-in at <https://eservices.nsdl.com> with your existing IDeAS login. Once you log-in to NSDL e-services 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 Members other than Individual Members are given below:
 - a) If you are already registered for e-voting, then you can use 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. .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) If your email ID is not registered, please follow steps mentioned below in process for those Members 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.com mentioning your demat account number/folio number, your PAN, your name and your registered address, etc.



- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
- 7) After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- 8) Now, you will have to click on “Login” button.
- 9) After you click on the “Login” button, Home page of e-voting will open.

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

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

- 1) After successful login at Step 1, you will be able to see all the Companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
- 2) Select “EVEN” of Company for which you wish to cast your vote during the remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join 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 Members

- 1) 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 at www.evoting.nsdl.com to reset the password.
- 2) Members are requested to note that SEBI vide its circular dated 30th May, 2022 have framed Standard Operating Procedure (SOP) for resolving investor grievances through arbitration mechanism. Link of the SEBI circular is as follows:

<https://www.sebi.gov.in/legal/circulars/may-2022/standard-operating-procedures-sopfordispute-resolution-under-the-stock-exchange-arbitration-mechanism-for-disputesbetween-alisted-Company-and-or-registrars-to-an-issue-and-share-transfer-agents-59345.html>
- 3) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on 022-4886 7000 or send a request at evoting@nsdl.com

Process for those Members 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 the Member, 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 e-mail to investorrelations@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 investorrelations@muktaarts.com. If you are an Individual Member 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 Members holding securities in demat mode.
3. Alternatively, Members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.

Instructions for Members for e-voting on the day of AGM are as under:

1. The procedure for e-voting on the day of AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members, who will be present at 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 at the AGM.

MUKTA ARTS LIMITED

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 AGM shall be the same person mentioned for remote e-voting.

Instructions for Members for attending the AGM through VC/OAVM are as under:

1. Members will be provided with a facility 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**" placed under "**Join 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 to avoid last minute rush.
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.

**By Order of the Board of Directors
Mukta Arts Limited**

**Sd/-
Hemal N. Pankhania
Company Secretary and Compliance Officer
ICSI Membership Number: ACS31426**

Registered Office:

Mukta House, Behind Whistling Woods Institute,
Filmcity Complex, Goregaon (E), Mumbai-400 065

CIN: L92110MH1982PLC028180

Tel. No.: 022-3364 9400

Email: investorrelations@muktaarts.com

Date: 12/08/2024

Place: Mumbai



Annexure - I

DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT
[Pursuant to Regulation 36(3) of SEBI Listing Regulations]

Name of the Director	Mr. Subhash Ghai
DIN	00019803
Nationality	Indian
Resume and Expertise in specific functional areas	<p>He is a Writer, Director, Producer and one of the most renowned names among Indians and globally for his excellent record as an Indian filmmaker in mainstream cinema for the last 50 years and his contribution to Film & Media education.</p> <p>During his journey of 50 years he has been honored with many awards including Life Time Achievement Award. Under his leadership, the Company has produced many films, most of them were super hit.</p> <p>Under his leadership and guidance Mukta A2 Cinemas has setup and built a chain of cinemas under the brand name of Mukta A2 Cinemas at various locations in India and Bahrain.</p> <p>As Chairman & Founder of Whistling Woods International, 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-make</p> <p>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.</p>
Shareholding in the Company as on 31st March, 2024	1,24,97,990 shares
Directorships in other Listed Companies as on 31st March, 2024	CHL Limited
Chairman/Member of Committees in other Listed Companies as on 31st March, 2024	Nil
Listed Companies from which the Director has resigned from Directorship in last 3 years	Nil
Inter-se relationship with other Directors and Key Managerial Personnel of the Company	Mr. Rahul Puri, Managing Director of the Company is son-in-law.

By Order of the Board of Directors
Mukta Arts Limited

Sd/-
Hemal N. Pankhania
Company Secretary and Compliance Officer
ICSI Membership Number: ACS31426

Registered Office:
Mukta House, Behind Whistling Woods Institute,
Filmcity Complex, Goregaon (E), Mumbai-400 065
CIN: L92110MH1982PLC028180
Tel. No.: 022-3364 9400
Email: investorrelations@muktaarts.com

Date: 12/08/2024
Place: Mumbai

MUKTA ARTS LIMITED

BOARD'S REPORT

Dear Members,

The Board of Directors are delighted to present the 42nd Annual Report on the business and operations of the Company along with the summary of financial statements for the year ended 31st March, 2024.

In compliance with the applicable provisions of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), this Board's Report is prepared based on standalone financial statements and also present the key highlights of performance of Subsidiary Companies and their contribution to the overall performance of the Company during the year under review.

The financial performance of the Company for the year ended 31st March, 2024 is summarised hereunder:

Particulars	F.Y. 2023-24 (₹ In '000)	F.Y. 2022-23 (₹ In '000)
Profit/(Loss) before interest, depreciation & tax	1,97,862.68	1,75,865.90
Less: Interest	(60,536.14)	(50,370.40)
Profit/(Loss) after interest, before depreciation & tax	1,37,326.54	1,25,495.50
Less: Depreciation	(23,988.15)	(20,567.83)
Profit/(Loss) before tax	1,13,338.39	1,04,927.67
Less: Provision for taxation	(11,100)	(17,900.26)
Deferred Tax Liability /(Asset)	2,128.68	(296.77)
Taxes for earlier years	(1,024.94)	(2,523.00)
Profit/(Loss) after Tax	1,03,342.13	84,207.65
Less: Interim / Final Dividend	0	0
Tax on Interim / Final Dividend	0	0
Profit/(Loss) for the year	1,03,342.13	84,207.65
Other comprehensive income	1,249.96	130.70
Ind AS 116 adjustments	(7.00)	0
Add: Balance brought forward	6,09,883.42	52,55,61.16
Less: Transfer to General Reserve	0	0
Profit/(Loss) carried forward to Balance Sheet	7,14,468.51	6,09,883.42

Key Financial Ratios:

Particulars	F.Y. 2023-24	F.Y. 2022-23
Debt Equity Ratio (Total Debt/ Total Equity)	0.32	0.33
Debt Service Coverage Ratio EBITDA/ (Interest expenses + Principal repayments of long term borrowings due within 12 months from the balance sheet date)	5.60	5.56
Current Ratio (Total current assets - Derivatives financial assets) / (Total current liabilities - Short term borrowings)	5.15	4.98
Trade receivables turnover ratio (Sale of services/ closing trade receivables)	1.25	1.25
Trade payables turnover (Total expenses less depreciation/ closing trade payables)	7.73	9.08
Net Profit/ (Loss) Margin (%) (see note 1) (Profit/(Loss) after Tax/ Revenue from operations)	1.43	1.13
Return on Equity Ratio [%] (Profit / (Loss) after Tax/ Total equity)	0.06	0.05
Return on Capital Employed Ratio [%] (Earnings before Interest & Taxes (EBIT)/ Total Capital Employed)	0.07	0.07
Net Capital Turnover Ratio (Total revenue from operations/ (Total current asset- Derivative financial asset) - (Total current liability-Short term borrowings)	0.28	0.20

Reasons for variance exceeding 25%

Note 1- Due to increase in net profit during FY 2023-24.



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

Overview of Company's Financial performance

Standalone Revenue from Operations for the year was ₹2,752 lakhs, increased as compared to ₹1,987.39 lakhs in financial year 2022-23.

Standalone total income, comprising of Revenue from Operations and Other Income, for the year was ₹4,351.69 lakhs, increased as compared to ₹3,372.08 lakhs in financial year 2022-23.

Standalone Profit before tax for the year was ₹1,133.38 lakhs, increased as compared to ₹1,049.28 lakhs in financial year 2022-23 and Standalone Profit after tax for the year was ₹1,033.42 lakhs, increased as compared to ₹842.08 lakhs in financial year 2022-23.

Consolidated Revenue from Operations for the year was ₹19,454.68 lakhs, increased as compared to ₹16,317.85 lakhs in financial year 2022-23.

Consolidated total income, comprising Revenue from Operations and Other Income for the year was ₹20,860.46 lakhs, increased as compared to ₹17,425.61 lakhs in financial year 2022-23.

Consolidated loss before tax was ₹623.28 lakhs for the year, decreased as compared to loss of ₹1,738.26 lakhs in financial year 2022-23. Consolidated loss after tax was ₹665.90 lakhs for the year, decreased as compared to ₹1,875.37 lakhs in financial year 2022-23.

Consolidated Financial Statements

The Audited Consolidated Financial Statements of the Company for the year ended 31st March, 2024, prepared in accordance with the applicable Indian Accounting Standards (Ind AS), SEBI Listing Regulations and the Act, forms part of this Annual Report.

Dividend

To preserve the resources for future growth, the Company has not declared any dividend for the current year.

Transfer to Reserves

Your Company does not propose to transfer any amount to General Reserves.

Share Capital

The paid-up equity share capital of the Company as on 31st March, 2024 is ₹11,29,26,000.

a) Buy-back of Securities

The Company has not bought back any of its securities during the year under review.

b) Sweat Equity

The Company has not issued any sweat equity shares during the year under review.

c) Bonus Shares

The Company has not issued any bonus shares during the year under review.

d) Employee Stock Option

The Company has not provided any stock option scheme to the employees during the year under review.

e) Rights Issue of Equity Shares

The Company has not issued any shares on right basis during the year under review.

f) Equity Shares with differential rights

The Company has not issued equity shares with differential rights as to dividend, voting or otherwise during the year under review.

Changes in the nature of business

During the year under review, there have been no changes in the nature of business conducted by the Company.

Material changes and commitments

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.

MUKTA ARTS LIMITED

BUSINESS OVERVIEW

Your Company completed the delivery of the daily soap “Jaanaki” which was telecast on Doordarshan and remained one of the most popular soaps on the channel. Monetisation of the Hindi Film library also continued steadily. Scripts have been finalised for a few film projects which are now ready for production.

Subsidiary Companies

As on 31st March, 2024, the Company has seven subsidiary Companies namely, Whistling Woods International Limited, Connect.1 Limited, Mukta Telemedia Limited, Mukta Creative Ventures Limited (*Formerly Coruscant Tec Limited*), *Mukta A2 Cinemas Private Limited (*Formerly Mukta A2 Cinemas Limited*), Mukta A2 Multiplex W.L.L, Bahrain and #Mukta V N Films Limited.

**The Office of Regional Director, Western Region on 6th June, 2024 passed an order approving the conversion of the Company from “Public Limited” to “Private Limited” and consequent change in the name of the Company from “Mukta A2 Cinemas Limited” to “Mukta A2 Cinemas Private Limited” vide revised certificate of incorporation dated 10th July, 2024.*

#Mukta V N Films Limited is a subsidiary of the Company as per the Companies Act, 2013, whereas it is considered as a Joint Venture Company in terms of Ind AS in the consolidated financials of the Company.

Whistling Woods International Limited and Mukta A2 Cinemas Private Limited are material subsidiaries of the Company within the meaning of Regulation 16(1)(c) of SEBI Listing Regulations.

Whistling Woods International Limited (“WWI”) which is recognised as India’s premier Media, Entertainment, Communication and Creative Arts Institute, has had a highly active year. WWI’s roadmap of innovation has seen the inclusion of multiple technological workflows of Virtual Production, and its associated elements like Photogrammetry, Motion Capture & Camera Tracking into our curriculum.

Further, WWI has also commenced development of curriculum and teaching methodologies in the innovative area of Generative AI and how / where Gen AI will play a role in the filmmaking workflows for the future.

Academically, WWI has renewed its association with the Tata Institute of Social Sciences for awarding of Degrees for all its programs and continues down the path of mainstreaming Media & Entertainment Education. WWI has also significantly expanded its global Academic Partnerships roster with several universities signed up with in US, Australia, Europe, UK and South Korea. Some of these associations have also seen activity on-ground with international cohorts of students visiting WWI and WWI students travelling to these universities.

Mukta A2 Cinemas Private Limited (“MA2”) focussed on consolidation by closing down 9 screens at 4 loss-making locations and opening 20 screens at 6 new properties. Some of the existing properties with good potential have been earmarked for refurbishment to give them a new lease of life. So, from an opening screen count of 62 screens in 24 locations, MA2 closed the year with 73 screens in 26 locations. The 14 screens under its JV with Asian Cinemas continue to perform. It has moved to a management model for 5 properties with 17 screens, located in Telangana and Gujarat. While a substantial portion of the year has had lacklustre performance of movies at the box office, some superhits stood out, like Pathaan, Jawan, Gadar 2 and Animal. This financial year has as a result, yielded improved performance over the previous year.

Mukta A2 Multiplex W.L.L has along with operating the existing 6 screens in Juffair, Bahrain, started handling Programming and Distribution for the 10 screen property in Dana Mall which the Company was earlier managing. Further, in connection with the agreement to manage a chain of multiplexes in Saudi Arabia, 5 cinemas are scheduled for launch in the next few months, with 7 screens adding in Onaizah and Khafji in September, 3 screens in Dammam in October, 3 screens at Hafr Al Batin in November and 3 at Methneb in December. This will take the total tally to 32 screens.

Both the Dana Mall property and the Saudi Arabia business are already contributing revenue.

Another subsidiary of the Company, **Connect.1 Limited** monetises content on digital platforms.

Mukta Telemedia Limited is a subsidiary of the Company which handles production of TV-serials, management of event shows and entertainment software.

Mukta Creative Ventures Limited is a subsidiary providing mobile based solutions with a focus on content, applications and commerce.

The programming business of **Mukta V N Films Limited** is now performing steadily. As the exhibition sector returns to pre-covid levels of business, its health also continues to improve. The number of Cinema screens that the Company services has grown during the year.

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 Act, 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 the website of the Company.

Corporate Governance

Your Company has been practicing the principles of good Corporate Governance over the years and it is a continuous and ongoing process. A detailed Report on Corporate Governance practices followed by the Company in terms of the SEBI Listing Regulations, is attached as **Annexure-B** together with a Certificate from the Secretarial Auditors confirming compliance with the conditions of Corporate Governance are provided separately in this Annual Report as **Annexure-I**.

Board of Directors

The Board of the Company is comprised of eminent persons with proven competence and integrity. Besides experience, strong financial acumen and leadership qualities, they have a significant degree of commitment towards the Company and devote adequate time to the meetings and preparation.

In terms of the requirement of the SEBI Listing Regulations, the Board has identified core skills, expertise, and competencies of the Directors in the context of the Company's businesses for effective functioning. The list of key skills, expertise and core competencies of the Board of Directors is detailed in the Corporate Governance Report.

Board Diversity

The Company acknowledges and embraces the significance of a diverse Board in achieving its goals. It believes that a Board encompassing diverse perspectives in thought, knowledge, skills, regional and industry experience, cultural and geographical backgrounds, age, ethnicity, race, and gender enhances its competitive edge. To formalize its commitment, the Board has adopted the Board Diversity Policy as part of the NRC Policy, outlining its approach to fostering diversity among its Directors. The policy can be accessed on the Company's website.

Meetings of the Board of Directors

Regular meetings of the Board and its Committees are held to discuss and decide on various business policies, strategies, financial matters and other businesses.

Board of Directors met 5 times during the financial year 2023-24. The intervening gap between two Board Meetings did not exceed 120 days. The detail of the meetings and the attendance of the Directors are mentioned in the Report on Corporate Governance which forms part of the Annual Report.

Committees of the Board

In compliance with the requirements of the Act and SEBI Listing Regulations, the Board has constituted various Board Committees including Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. Details of scope, constitution, terms of reference, number of meetings held during the year under review along with attendance of Committee Members therein forms part of the Corporate Governance Report which is an integral part of the Annual Report.

Vigil Mechanism / Whistle Blower Policy

Over the years, the Company has established a reputation for doing business with integrity and maintained zero tolerance towards any form of unethical behavior.

Your Company has formulated a Vigil Mechanism / Whistle Blower Policy intending to provide a mechanism for employees to report violations. The Policy also lays down the procedures to be followed to report violations, conducting investigations and taking disciplinary actions. It also provides assurances and guidelines on confidentiality of the reporting process and protection from reprisal to complainants. No personnel have been denied access to the Audit Committee of the Board. The Audit Committee oversees the functioning of this policy. Protected disclosures can be made by a whistle-blower through several channels to report actual or suspected frauds and violation of the Company's Code of Conduct.

Extract of Annual Return

As required under Section 134(3)(a) of the Act, the Annual Return for the financial year 2023-24, is placed on the Company's website and can be accessed at <http://www.muktaarts.com/Aboutus/annual-returns.php>.

AUDIT AND AUDITORS

Statutory Auditors

M/s. Uttam Abuwala Ghosh & Associates, Chartered Accountants, Mumbai (Firm Registration No. 111184W), were re-appointed as the Statutory Auditors of the Company at the 39th Annual General Meeting ("**AGM**") held on 23rd September, 2021 until the conclusion of 43rd AGM to be held in the year 2025.

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The Company's explanation to the Auditors' opinion in their Report have been detailed in the notes to the financial statements for the year ended 31st March, 2024 which forms part of the Annual Report.

Apart from as mentioned above, the Auditors' Report for the financial year 2023-24 does not contain any adverse reservation, qualification, remark or disclaimer, on the financial statements of the Company. Auditors' Report is self-explanatory and therefore, does not require further comments and explanation. The Report given by the Auditors on the financial statements of the Company forms part of this Annual Report.

Secretarial Auditors

Pursuant to the provisions of Section 204(1) of the Act read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company has appointed M/s. KDA & Associates, Practicing Company Secretaries, Mumbai (Unique Identification No. P2016MH047700), as Secretarial Auditors of the Company for the financial year 2023-24.

The Secretarial Audit Report of the Company issued by Secretarial Auditors in Form No. MR-3 for the year ended 31st March, 2024 is attached as **Annexure-C** to this Report.

Secretarial Audit Report for the financial year 2023-24 does not contain any adverse reservation, qualification, remark or disclaimer. Secretarial Audit Report is self-explanatory and therefore, does not require any further comments and explanation.

Secretarial Audit Report of Unlisted Material Subsidiaries

Secretarial Audit Report of Whistling Woods International Limited and Mukta A2 Cinemas Private Limited (*Formerly Mukta A2 Cinemas Limited*), Unlisted Material Subsidiaries of the Company issued by M/s. KDA & Associates, Practicing Company Secretaries, Mumbai (Unique Identification No. P2016MH047700), in Form No. MR-3 for the financial year 2023-24 is annexed as **Annexure-D** to this Report.

The said Reports does not contain any adverse reservation, qualification, remark or disclaimer.

Annual Secretarial Compliance Report

Pursuant to Regulation 24A of SEBI Listing Regulations readwith SEBI as issued from time to time, has mandated listed entities to conduct an Annual Secretarial Compliance Audit. This Audit is performed by a Practicing Company Secretary, which ensures compliance with all applicable SEBI Regulations, circulars, and guidelines.

The Secretarial Compliance Report is separate from the Secretarial Audit Report submitted under Form No. MR-3 and must be submitted to the Stock Exchanges within 60 days from the end of the financial year.

The Company has engaged M/s. KDA & Associates, Practicing Company Secretaries, Mumbai (Unique Identification No. P2016MH047700), to provide the report. M/s. KDA & Associates has furnished the report for the financial year ending 31st March, 2024.

Internal Auditors

Pursuant to the provisions of Section 138 of the Act, the Company has appointed M/s. Garg Devendra & Associates, Chartered Accountants, Mumbai (Firm Registration No. 130993W) to conduct the Internal Audit of the Company for the financial year 2023-24.

Reporting of frauds by Auditors

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

Cost Audit

The Company is not engaged in the production of goods or providing services as prescribed by the Central Government under Section 148(1) of the Act and rule 3 of the Companies (Cost Records and Audit) Rules, 2014. Hence, maintenance of cost records by the Company is not required.

Compliance of Secretarial Standards

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

Declaration by Independent Directors

The Company's Independent Directors have submitted requisite declarations confirming that they continue to meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations. The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's



Code of Conduct. The Board is of the opinion that the Independent Directors of the Company hold the highest standards of integrity and possess requisite expertise, proficiency and experience required to fulfil their duties as Independent Directors.

In terms of Regulation 25(8) of the SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstances or situations that exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. The Directors have further confirmed that they are not debarred from holding the office of the Director under any SEBI order or any other such authority.

Further, in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have included their names in the data bank of Independent Directors and complied with the requirements of passing proficiency test, as applicable.

Particulars of loans, guarantees or investments by the Company

Details as required under Section 186 of the Act, are given in notes to Financial Statements for the financial year ended 31st March, 2024.

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

The Company has a well-defined process for identifying related parties and managing transactions with them, including approval and review procedures. The Policy on Related Party Transactions, formulated by the Audit Committee and approved by the Board, is publicly available on the Company's website.

During the financial year 2023-24, all contracts, arrangements, and transactions with related parties were conducted in the ordinary course of business and on arm's length basis, and with prior approval from the Audit Committee. For repetitive transactions, the Audit Committee granted periodic approvals, and unforeseen transactions were authorized under omnibus approvals. Further, detailed information on transactions with related parties in the ordinary course of business and on arm's length basis during the year are disclosed in the accompanying financial statements of the Company.

Further, none of the contracts, arrangements, or transactions with related parties required approval of the Board or Members under Section 188(1) of the Act and Regulation 23(4) of the SEBI Listing Regulations.

There are no contracts, arrangements, transactions with Related Parties which are not at arm's length basis, therefore, no information is required to be reported in form AOC-2 in terms of Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014 and Section 188 of the Act.

Conservation of Energy and Technology Absorption

(a) Energy Conservation measures taken by the Company

Company has made significant efforts to reduce energy consumption through the use of energy-efficient computers and the procurement of energy-efficient equipment. Company prioritize purchasing computers, laptops, air conditioners, and other devices that meet stringent environmental standards, opting for higher star ratings whenever feasible.

(b) Technology Absorption

The Company's research and development initiative mainly consists of ideation of new subjects for our content production business. The expenses incurred on such initiatives are not practically quantifiable. The Company is an integrated player in the entertainment industry and our business is such that there is limited scope for new technology absorption, adaptation and innovation.

However, the Company is proposing to install Solar panels. Solar power is pollution-free and causes no greenhouse gases to be emitted after installation. Reduced dependence on foreign oil and fossil fuels also resulting in reduced utility bills.

Foreign Exchange earnings and outgo

Particulars regarding Foreign Exchange required under the provisions of Section 134(3)(m) of the Act 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.

Risk Management

The Company has in place Risk Management Policy, pursuant to the provisions of Section 134 of the Act. The risk management framework enables identification and evaluation of business risks and opportunities, seeks to create transparency, minimize adverse impact on business objectives and enhance the Company's competitive advantage. Major risks identified by the business and functions are systematically addressed through mitigation actions on a periodic basis.

Corporate Social Responsibility ("CSR")

In accordance with Section 135 of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended, the Company has established a CSR Committee. Statutory disclosures pertaining to the CSR Committee and

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an Annual Report on CSR Activities are included in this Report as **Annexure-E**. The CSR Policy, recommended by the CSR Committee and approved by the Board, is accessible on the Company's website at www.muktaarts.com.

Details of meetings and attendance of the Members at such Meetings are mentioned in the Report on Corporate Governance, which forms part of the Annual Report.

Board Evaluation

Pursuant to the provisions of Section 134(3)(p) of the Act, a structured questionnaire was prepared after taking into consideration of 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 was carried out by the Independent Director. The Board of Directors expresses their satisfaction with the evaluation process.

The Board noted the key improvement areas emerging from this exercise and action plans to address the same.

Appointment/Re-appointment of Directors during the year

Mr. Subhash Ghai (DIN: 00019803) was re-appointed as the Chairman, Executive Director of the Company at the Board Meeting held on 25th May, 2023 for a further period of 5 years commencing from 30th May, 2023 to 29th May, 2028 as recommended by Nomination and Remuneration Committee, which was subsequently approved by the Members of the Company through Postal Ballot.

Mr. Rahul Puri (DIN:01925045) was re-appointed as Managing Director of the Company at the Board Meeting held on 25th May, 2023 for a further period of 5 years commencing from 30th May, 2023 to 29th May, 2028 as recommended by Nomination and Remuneration Committee, which was subsequently approved by the Members of the Company through Postal Ballot.

In terms of Section 152 of the Act, Mr. Parvez Farooqui (DIN: 00019853), Non-Executive Director of the Company, being liable to retire by rotation, was re-appointed by the Members at the AGM held on 27th September, 2023.

Re-appointment of Director retiring by rotation

In terms of provisions of the Act, Mr. Subhash Ghai (DIN: 00019803), Chairman, Executive Director of the Company, retires by rotation at the ensuing AGM and being eligible, seeks re-appointment. A resolution seeking the re-appointment forms part of the Notice convening the ensuing AGM. The profile along with other details of Mr. Subhash Ghai are provided in the annexure to the Notice of AGM.

Key Managerial Personnels

The Company has following Key Managerial Personnels:

Sr. No.	Name	Designation
1.	Mr. Subhash Ghai	Chairman, Executive Director
2.	Mr. Rahul Puri	Managing Director
3.	Mr. Prabuddha Dasgupta	Chief Financial Officer
4.	Ms. Hemal N. Pankhania	Company Secretary and Compliance Officer

Deposits

No public deposits have been accepted or renewed by the Company during the year under review pursuant to the provisions of Section 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the Act or the details of deposits which are not in compliance with Chapter V of the Act is not applicable to the Company.

Significant and material orders passed by the regulators or courts

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

Internal Financial Control systems and their adequacy

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

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



Based on the report of Internal Auditors, departmental 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 2023-24.

Human Resources

Human Resource is considered as one of the most critical resources in the business which can be continuously smoothened to maximise the effectiveness of the Organisation. Human Resources build the Enterprise and the sense of belonging would inculcate the spirit of dedication and loyalty amongst them towards strengthening the Company's Policies 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 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 and Redressal) Act, 2013, Company has constituted Internal Complaints Committee and the composition of the said Committee is as under:

Ms. Hemal N. Pankhania	Chairperson, Company Secretary and Compliance Officer
Mr. Prabuddha Dasgupta	Chief Financial Officer
Mr. Ravi Gupta	Advisor - Business, Finance and Accounts
Mr. Prem Taparia	General Manager - Finance and Accounts
Ms. Pratima Jamwal	External Member

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

- iii) Information under Section 197 of the Act, read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
- a. **The ratio of remuneration of the Directors to the median remuneration of the employees of the Company for the financial year:**

The median remuneration of employees of the Company during the financial year 2023-24 was ₹2,89,999.

The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2023-24 is mentioned below:

Name of the Director	Designation	Ratio
Mr. Subhash Ghai	Chairman, Executive Director	29.61
Mr. Rahul Puri	Managing Director	21.65

- b. **The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year:**

Name	Designation	% increase
Mr. Subhash Ghai	Chairman, Executive Director	Nil
Mr. Rahul Puri	Managing Director	7.93
Mr. Prabuddha Dasgupta	Chief Financial Officer	7.99
Ms. Hemal N. Pankhania	Company Secretary and Compliance Officer	Nil

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

There was an increase of 5.80% in the median remuneration of employees during the financial year 2023-24.

- d. **The number of permanent employees on the rolls of the Company as on 31st March, 2024: 57**

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- 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 percentage increase in the managerial remuneration and justification thereof and point out if, there are any exceptional circumstances for increase in the managerial remuneration:**

Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2023-24 was 5.86% whereas the increase in managerial remuneration for the financial year 2023-24 was 6.32%.

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

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

Particulars of Employees

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

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

Sr. No.	Name of the Employee	Designation	Nature of Employment (Permanent/ Contractual)	Qualification	Experience (in years)	Date of Commencement of Employment	Age (in years)	Last Employment Held	Remuneration (₹)
1.	Mr. Subhash Ghai	Chairman - Executive Director	Permanent	B.com and Diploma in Cinema from Film & Television Institute of India	57	09.07.1982	81	Mukta Arts Since inception	85,87,400
2.	Mr. Rahul Puri	Managing Director	Permanent	Graduate from Kings College - London and Bsc-Business Management	25	01.04.2004	46	Nimbus Communications Limited	62,79,846
3.	Mr. Prabuddha Dasgupta	Chief Financial Officer	Permanent	Chartered Accountant	32	07.07.2014	58	Neo Sports Broadcast Private Limited	52,81,260
4.	Mr. Siraj Farooqui	Chief Operating Officer - Production & Studio	Permanent	Inter Arts	48	01.01.1987	70	Mukta Arts Since inception	50,76,663
5.	Mr. Prem Taparua	General Manager- Finance & Accounts	Permanent	Chartered Accountant	20	25.07.2007	44	Simplex Mills Company Limited	31,93,188
6.	Mr. Sanjay Ghai	Chief Operating Officer - Distribution & Exhibition	Permanent	Graduate	41	09.01.2008	58	Mukta Shakti Combine	30,54,000
7.	Ms. Hemal N. Pankhania	Company Secretary and Compliance Officer	Permanent	B.Com, Company Secretary and Bachelor in Laws	13	22.08.2022	37	Gigaplex Estate Private Limited (Raheja Group Company)	15,50,004
8.	Mr. Sameer Farooqui	Sr. Manager - Productions	Permanent	Bachelor of Commerce	32	17.09.1997	53	Cinerad Communication	14,69,626
9.	Mr. Seemant Raj	Web Programmer	Permanent	Diploma in Advance Computing	17	15.09.2007	47	Mukta Arts since inception	12,35,185
10.	Mr. Gopi Nair	Studio Manager	Permanent	IX th	37	31.05.1998	60	Sumeet Films	9,01,872

Disclosure under Section 197(14) of the Companies Act, 2013

Mr. Subhash Ghai (DIN:00019803) Chairman, Executive Director of the Company received remuneration of ₹30,00,000 (Thirty Lakhs Only) and Mr. Rahul Puri (DIN:01925045) Managing Director of the Company received professional fees of ₹34,49,957 (Thirty Four Lakhs Forty Nine Thousand Nine Hundred and Fifty Seven Only) from Whistling Woods International Limited, Subsidiary Company during the financial year 2023-24.

Proceedings under Insolvency and Bankruptcy Code, 2016

There are no proceedings, either filed by the Company or filed against the Company, pending under the Insolvency and Bankruptcy Code, 2016, before National Company Law Tribunal or other courts during the financial year 2023-24.



Disclosure regarding exercise of voting rights by employees under Section 67(3)(c) of the Act

Disclosure under Section 67(3)(c) of the Act read with rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014, with respect to voting rights not exercised directly by the employees of the Company is not applicable as there are no instance of voting rights not exercised directly by the employees of the Company.

Business Responsibility and Sustainability Report

Pursuant to Regulation 34 of SEBI Listing Regulations, top 1000 listed entities based on market capitalization are required to furnish Business Responsibility and Sustainability Report (“BRSR”).

However, as the Company do not fall under the list of top 1000 Companies based on market capitalization, the requirement of furnishing BRSR is not applicable for the financial year 2023-24.

Management Discussion and Analysis Report

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

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.

Director’s Responsibility Statement

Your Directors would like to assure that the Financial Statements for the year under review, confirms in their entirety to the requirements of the Act and guidelines issued by SEBI.

Pursuant to the provisions of Section 134(3)(c) of the Act, to the best of their knowledge and based on the information and explanations received from the Company, Directors make the following statements:

- i) In the preparation of Annual Financial Statements for the year ended 31st March, 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) The Directors had 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 affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the Directors had prepared the Annual Accounts on a going concern basis;
- v) That the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- vi) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Acknowledgements

Your Directors express their deep sense of gratitude to the Artists, 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
Mukta Arts Limited**

**Sd/-
Subhash Ghai
Chairman
DIN: 00019803**

Date: 12/08/2024
Place: Mumbai

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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 subsidiary companies

Part "A": Subsidiaries

(Amount in ₹)

Name of the subsidiary	Connect.1 Limited	Mukta Telemidia Limited	Mukta Creative Ventures Limited	Mukta A2 Multiplex W.L.L.	Mukta A2 Cinemas Private Limited (Formerly Mukta A2 Cinemas Limited)	Whistling Woods International Limited	Mukta V N Films Limited*
The date since when subsidiary was acquired	03/02/2000	20/09/2002	19/09/2008	10/05/2016	16/11/2016	10/01/2001	19/03/2014
Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	April-March	April-March	April-March	April-March	April-March	April-March	April-March
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	N.A.	N.A.	N.A.	BHD	N.A.	N.A.	N.A.
Paid up Share capital	6,00,000	5,00,000	75,00,000	9,94,89,600	1,50,00,000	20,00,00,000	6,36,00,000
Reserves and Surplus	10,79,201	27,14,887	(58,56,244)	(37,01,88,642)	(82,42,02,031)	(96,88,40,124)	(32,27,474)
Total Assets	17,45,422	32,38,487	16,67,356	7,56,55,650	85,65,71,243	51,02,69,909	15,27,09,903
Total Liabilities	66,221	23,600	23,600	34,63,54,692	1,66,57,73,274	1,27,91,10,033	9,23,37,377
Investments	0	0	0	0	45,000	0	0
Turnover	2,15,167	6,09,063	1,04,260	21,17,35,435	1,01,39,17,116	54,48,24,771	2,24,47,344
Profit before taxation	(29,850)	5,70,258	54,277	(2,11,73,214)	(9,76,47,302)	(5,87,84,687)	26,89,203
Provision for taxation	0	0	0	0	(57,33,539)	0	0
Profit after taxation	(29,850)	5,70,258	54,277	(2,11,73,214)	(9,19,13,763)	(5,87,84,687)	26,89,203
Proposed Dividend	0	0	0	0	0	0	0
Extent of shareholding (in percentage)	100%	99.92%	100%	60%	70%	84.99%	51.89%

*Mukta V N Films Limited is a subsidiary of the Company as per Companies Act, 2013, whereas it is considered as a Joint Venture Company in terms of Ind AS in the consolidated financials of the Company.

Notes:

- Names of the subsidiaries which are yet to commence operations: Nil
- Names of the subsidiaries which have been liquidated or sold during the year: Nil

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of the Associate Companies/Joint Ventures	Nil
Latest audited Balance Sheet Date	
Date on which the Associate Companies/Joint Ventures was associated	
No. Shares of Associate Companies/Joint Ventures held by the Company on the year end	
Amount of Investment in Associate Companies/Joint Ventures	
Extent of Holding (in percentage)	
Description of how there is significant influence	
Reason why the Associate Companies/Joint Ventures is not consolidated	
Net worth attributable to shareholding as per latest audited Balance Sheet	
Profit or Loss for the year	
Considered in Consolidation	
Not Considered in Consolidation	

Notes:

- Names of Associate Companies/Joint Ventures which are yet to commence operations: Nil
- Names of Associate Companies/Joint Ventures which have been liquidated or sold during the year: Nil



Annexure-C

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Mukta Arts Limited
Mukta House, Behind Whistling Woods Institute,
Filmcity Complex, Goregaon (E), Mumbai – 400065.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Mukta Arts Limited (**hereinafter called "the Company"**), incorporated on 7th September, 1982 having CIN: L92110MH1982PLC028180 and Registered office at Mukta House, Behind Whistling Woods Institute, Filmcity Complex, Goregaon (E), Mumbai-400065. 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.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and 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 on 31st March, 2024 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 31st March, 2024, according to the following provisions of (including any statutory modifications, amendments or re-enactment thereof for the time being in force):

- (i) The Companies Act, 2013 (**'the Act'**) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and the Bye-Laws framed thereunder;
- (iv) 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 - **Not Applicable to the Company during the Audit period;**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**), as amended from time to time:-
 - 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 (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - **Not Applicable to the Company during the Audit period;**
 - d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
 - f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **Not Applicable to the Company during the Audit period;**
 - g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not Applicable to the Company during the Audit period;**
 - h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not Applicable to the Company during the Audit period;**
 - i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not Applicable to the Company during the Audit period;**
 - j) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - **Not Applicable to the Company during the Audit period.**

MUKTA ARTS LIMITED

We have relied on the representations made by the Company and its officers for the systems and the mechanism formed by the Company for the Compliances under the applicable Acts and the Regulations to the Company.

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

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards mentioned above to the extent applicable except our comments and observations as stated below.

- 1) As at 31st March, 2024, 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 ₹ 19,95,11,218/- and loans and advances, deposits, interest receivable and rent receivable aggregate to ₹ 64,13,83,146/- recoverable from WWIL.

As fully explained in Note 42 of Audited Financial Statements, the Order of February 9, 2012 passed by the High Court of judicature at Bombay ('High Court'), had quashed the joint Venture Agreement ('JVA') between the Company and MFSCDCL. MFSCDCL raised net demand of ₹ 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 ₹10,00,38,000/- by January 2015 against payment of arrears of rent for the year 2000-01 to 2013-14 and payment of ₹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, ₹ 11,35,38,000/- has been paid by the Company and for financial year 2017-18 to 2021-22 ₹ 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, 2024. 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.

- 2) The Company has submitted the proceedings of AGM held on 27th September, 2023 within 24 hours.
- 3) 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 fees to the said stock exchange and stopped filing any statement, returns and forms from the financial year 2015-16. However, the Company has not yet received any confirmation from CSE for delisting. Further, the trading in script of the Company remains suspended by CSE. The Company had filed with SEBI a written complaint in this regard and the matter of delisting still remains pending.
- 4) The Company has failed to accrue interest in Financial Year 2023-24 for Inter Corporate Deposits previously given. The Company is in process of recovering the dues.
- 5) During the year under review, the Company had taken approval under Section 197 and other applicable provisions of the Act read with rules made thereunder for re-appointment of Executive Directors including remuneration through Postal Ballot notice dated 25th May, 2023. In our view, remuneration paid to Executive Directors exceeds the limit specified under the aforesaid provisions.

Further, we hereby advised to the Company, that discrete Resolution(s) are required to be passed for aforesaid matter. As a result, the Company shall seek the necessary discrete approvals from the Members of the Company within the designated timelines.

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 Director. There were no changes in the Composition of the Board of Directors and Key Managerial Personnel. However, the Managing Director and Chairman-Executive Director of the Company were re-appointed during the period under review.

Adequate notice is given to all Directors to schedule the Board Meetings and to respective Directors for Committee Meetings, agenda and detailed notes on agenda were sent as per the provisions of the Companies Act, 2013 and the rules made thereunder, 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 including meeting through video conferencing.



All decisions made at Board Meetings and Committee Meetings have unanimous consent of Directors as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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 during the audit period, the Company has following specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc:

- a) The Members of the Company through Postal Ballot approved re-appointment of Mr. Subhash Ghai (DIN: 00019803) as Chairman, Executive Director of the Company and re-appointment of Mr. Rahul Puri (DIN: 01925045) as Managing Director of the Company by passing Special Resolutions on 16th August, 2023.
- b) The Members of the Company through Postal Ballot approved Sale/Divestment/Dilution/Disposal of the Company's Investment in Material Subsidiary by passing Special Resolution on 4th April, 2024.

For KDA & Associates
(Formerly known as KDT & Associates)
Practicing Company Secretaries

Date: 12/08/2024
Place: Mumbai

Sd/-
Nikunj Makwana
Partner
Membership No.: ACS 62943
COP No.: 23501
PR No.: 5840/2024
UDIN: A062943F000957111

MUKTA ARTS LIMITED

To,
The Members
Mukta Arts Limited
Mukta House, Behind Whistling Woods Institute,
Filmcity Complex, Goregaon (E), Mumbai – 400065

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Wherever 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, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on test check basis.
6. The Secretarial Audit Report 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 KDA & Associates
(Formerly known as KDT & Associates)
Practicing Company Secretaries**

Date: 12/08/2024
Place: Mumbai

**Sd/-
Nikunj Makwana
Partner
Membership No.: ACS 62943
COP No.: 23501
PR No.: 5840/2024
UDIN: A062943F000957111**



Annexure-D

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Whistling Woods International Limited
Whistling Woods Institute,
Dada Saheb Phalke Chitra Nagari,
Goregaon (E), Mumbai- 400 065

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Whistling Woods International Limited (**hereinafter called "the Company"**), incorporated on 10th January, 2001 having CIN: U92141MH2001PLC130394 and Registered office at Whistling Woods Institute, Dada Saheb Phalke Chitra Nagari, Goregaon (E), Mumbai-400 065.

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.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and 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 on 31st March, 2024 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 31st March, 2024 as made available to us, according to the following provisions of (including any statutory modifications, amendments or re-enactments thereof for the time being in force):

- (i) The Companies Act, 2013 (**'the Act'**) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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 - **Not Applicable to the Company during the Audit period;**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**):
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- **Not Applicable to the Company during the audit period;**
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 - **Not Applicable to the Company during the audit period;**
 - The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021- **Not Applicable to the Company during the audit period;**
 - The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - **Not Applicable to the Company during the audit period;**
 - The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 - **Not Applicable to the Company during the audit period;**
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **Not Applicable to the Company during the audit period;**

MUKTA ARTS LIMITED

- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not Applicable to the Company during the audit period;**
- The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 - **Not Applicable to the Company during the audit period;**
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not Applicable to the Company during the audit periods;**
- The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - **Not applicable to the Company during the audit period.**

We have relied on the representation made by the Company and its officers for the systems and the mechanism formed by the Company for the Compliances under the other laws (Acts and the regulations) as may be applicable to the Company.

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

- Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above to the extent applicable.

We report that, Majority of equity shares have been dematerialised. However, for a few remaining Members, the Company has not received any request for dematerialisation. Additionally, one application is pending before Depository Participant for dematerialisation.

We further report that-

The Board of Directors of the Company is duly constituted and the Company has complied with the provisions relating to appointment of Independent Director. Further, there were no changes in composition of the Board of Directors during the period under review.

Adequate notice is given to all Directors to schedule the Board Meetings, including committees thereof, along with agenda and detailed notes on agenda were sent as per the provisions of the Act and the rules made thereunder 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. During the period under review, the Directors attended some of the Board Meetings through Video Conferencing/Other Audio-Visual means.

All decisions made at Board Meetings and Committee Meetings are carried through the unanimous consent of all the Board of Directors and recorded as part of the minutes.

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 during the audit period the Company has no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc:

**For KDA & Associates
(Formerly Known as KDT & Associates)
Practicing Company Secretaries**

**Sd/-
Ratish Tagde
Partner**

**Membership No.: FCS 6162
COP No.: 22018
PR No.: 5840/2024
UDIN: F006162F000933321**

Date: 08/08/2024
Place: Mumbai



To,
The Members
Whistling Woods International Limited
Whistling Woods Institute,
Dada Saheb Phalke Chitra Nagari,
Goregaon (E), Mumbai- 400 065

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes 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 provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events and on the suits pending against the Company in the Court.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulation, 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 efficiency or effectiveness with which the management has conducted the affairs of the Company.

For KDA & Associates
(Formerly Known as KDT & Associates)
Practicing Company Secretaries

Sd/-
Ratish Tagde
Partner
Membership No.: FCS 6162
COP No.: 22018
PR No.: 5840/2024
UDIN: F006162F000933321

Date: 08/08/2024
Place: Mumbai

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

*[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 A2 Cinemas Private Limited
(Formerly Mukta A2 Cinemas Limited)
Mukta House, Behind Whistling Woods Institute,
Filmcity Complex, Goregaon (E), Mumbai- 400 065

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Mukta A2 Cinemas Private Limited (Formerly Mukta A2 Cinemas Private Limited), (hereinafter called "the Company"), incorporated on 16th November, 2016 having CIN: U74999MH2016PTC287694 and Registered office at Mukta House, Behind Whistling Woods Institute, Filmcity Complex, Goregaon (E), Mumbai - 400 065. 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.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and 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 on 31st March, 2024 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 31st March, 2024 as made available to us, according to the following provisions of (including any statutory modifications, amendments or re-enactment thereof for the time being in force):

- (i) The Companies Act, 2013 (**'the Act'**) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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- **Not Applicable during the period under review;**
- (v) 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- **Not Applicable during the period under review;**
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 - **Not Applicable during the period under review;**
 - c) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - **Not Applicable during the period under review;**
 - d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 - **Not Applicable during the period under review;**
 - e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 - **Not Applicable during the period under review;**
 - f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- **Not Applicable during the period under review;**
 - g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not Applicable during the period under review;**



- h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 - **Not Applicable during the period under review;**
- i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not Applicable during the period under review;**
- j) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - **Not Applicable during the period under review;**

We have relied on the representation made by the Company and its officers for the systems and the mechanism formed by the Company for the Compliances under the applicable Acts, Laws and the Regulations to the Company.

We have also examined compliance with the applicable clauses of:

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

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above to the extent applicable except our comments as stated below.

- 1) The Company is in the process to file e- Form SH-7 with Registrar of Companies, Maharashtra, Mumbai for re-classification and Increase in Authorised Share Capital of the Company which was approved by the Members at the Extra Ordinary General Meeting held on 14th March, 2024.
- 2) Except for 1 (One) Equity Share of the Company for which an application is pending with the Depository Participant for dematerialisation, all the equity shares are held by the Members in dematerialised form.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Director. There were no changes in the Composition of the Board of Directors. However, the Non-Executive Director and Whole Time Director of the Company were re-appointed during the period under review.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent as per the provisions of the Companies Act, 2013 and the rules made thereunder, and adequate system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting including participation through video conferencing.

During the period under review, Directors of the Company had attended the Board Meetings through Video Conferencing/ Other Audio Video Means.

All decisions are carried through the unanimous consent of all the Board of Directors and recorded as part of the minutes.

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, the Company has following specific events having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc:

The Members of the Company at the Extra Ordinary General Meeting held on 14th March, 2024 had approved the following events:

1. Re-classification of the Authorised Share Capital of the Company from existing ₹ 5,00,00,000 (Rupees Five Crores) divided into 50,00,000 (Fifty Lakhs) Equity Shares to ₹ 5,00,00,000 (Rupees Five Crores) divided into 39,50,000 (Thirty Nine Lakhs Fifty Thousand) Equity Shares of ₹ 10 (Rupees Ten) each aggregating to ₹ 3,95,00,000 (Three Crore Ninety Five Lakhs) and 10,50,000 (Ten Lakh Fifty Thousand) "Class B" Equity Shares of ₹ 10 (Rupees Ten) each aggregating to ₹ 1,05,00,000 (Rupees One Crore Five Lakhs) and consequent change in the Memorandum of Association of the Company.
2. Increase in Authorised Share Capital of the Company from ₹ 5,00,00,000 (Rupees Five Crores) divided into 39,50,000 (Thirty Nine Lakhs Fifty Thousand) Equity Shares of ₹ 10 (Rupees Ten) each aggregating to ₹ 3,95,00,000 (Three Crore Ninety Five Lakhs) and 10,50,000 (Ten Lakh Fifty Thousand) "Class B" Equity Shares of ₹ 10 (Rupees Ten) each aggregating to ₹ 1,05,00,000 (Rupees One Crore Five Lakhs) to ₹ 25,00,00,000 (Rupees Twenty Five Crores) divided into 39,50,000 (Thirty Nine Lakhs Fifty Thousand) Equity Shares of ₹ 10 (Rupees Ten) each aggregating to ₹ 3,95,00,000 (Three Crore Ninety Five Lakhs) and 10,50,000 (Ten Lakh Fifty Thousand) "Class B" Equity Shares of ₹ 10 (Rupees Ten) each aggregating to ₹ 1,05,00,000 (Rupees One Crore Five Lakhs) and 2,000 (Two Thousand) Preference Shares of ₹ 1,00,000 (Rupees One Lakh) each aggregating to ₹ 20,00,00,000 (Rupees Twenty Crores) and consequent change in the Memorandum of Association of the Company.

MUKTA ARTS LIMITED

3. Conversion of the Company from "Public Limited" to "Private Limited" and consequent change in the name of the Company from "Mukta A2 Cinemas Limited" to "Mukta A2 Cinemas Private Limited".

Further, the Office of Regional Director, Western Region on 6th June, 2024 passed an order approving the conversion of the Company from "Public Limited" to "Private Limited" and consequent change in the name of the Company from "Mukta A2 Cinemas Limited" to "Mukta A2 Cinemas Private Limited".

**For KDA & Associates
(Formerly Known as KDT & Associates)
Practicing Company Secretaries**

Sd/-

**Ratish Tagde
Partner**

Membership No.: FCS 6162

COP No.: 22018

PR No.: 5840/2024

UDIN: F006162F000933132

Date: 08/08/2024

Place: Mumbai



To,
The Members,
Mukta A2 Cinemas Private Limited
(Formerly Mukta A2 Cinemas Limited)
Mukta House, Behind Whistling Woods Institute,
Filmcity Complex, Goregaon (E), Mumbai - 400 065

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes 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 provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations, happening of events.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulation, 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 efficiency or effectiveness with which the management has conducted the affairs of the Company.

For KDA & Associates
(Formerly Known as KDT & Associates)
Practicing Company Secretaries

Date: 08/08/2024
Place: Mumbai

Sd/-
Ratish Tagde
Partner
Membership No.: FCS 6162
COP No.: 22018
PR No.: 5840/2024
UDIN: F006162F000933132

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR THE FINANCIAL YEAR 2023-24

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

1) Brief outline on CSR Policy of the Company

To contribute to the social and economic development of the communities in which the Company operates. 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.

Company's CSR strategy framework is based on the principles of "Responsible Business" and "Shared Value". The CSR programme framework is both in line with the Company's long-term commitment to building positive value for the communities (including stakeholders) as well as addresses key developmental priorities as identified by Schedule VII to the Act.

2) Composition of CSR Committee

Sr. No.	Name of the Member	Designation / Nature of Directorship	Number of meetings held during the year	Number of meetings attended during the year
1.	Mr. Kewal Handa	Chairman and Independent Director	2	2
2.	Mr. Rahul Puri	Member and Managing Director	2	2
3.	Mr. Parvez Farooqui	Member and Non-Executive Director	2	2

3) Web-link where Composition of CSR committee and CSR Policy approved by the Board are disclosed on the website of the Company

a) Composition of CSR Committee:

http://www.muktaarts.com/Aboutus/investorsrelation/Corporate-Governance/MAL_Composition%20of%20Committee.pdf

b) CSR Policy:

<http://www.muktaarts.com/Aboutus/investorsrelation/policies/Corporate-Social-Responsibility-Policy.pdf>

4) 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: Not Applicable

5) Details of 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: Nil

6) Average net profit of the Company as per Section 135(5): ₹13,95,73,516

7) (a) Two percent of average net profit of the Company as per Section 135(5): ₹ 27,91,471

(b) Surplus arising out of the CSR projects or programmes 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): ₹ 27,91,471

8) (a) CSR amount spent or unspent for the financial year:

Total amount spent for the financial year (in ₹)	Amount Unspent (in ₹)				
	Total amount transferred to unspent CSR account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
27,91,471	N.A.	N.A.	N.A.	N.A.	N.A.

(b) Details of CSR amount spent on ongoing projects for the financial year: Company does not have any ongoing project.



(c) Details of CSR amount spent on other than ongoing projects for the financial year:

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Promoting Education	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Maharashtra	Mumbai	27,91,471	No	Whistling Woods International Foundation	CSR00029471
Total						27,91,471			

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: N.A.

(f) Total amount spent for the financial year (8b+8c+8d+8e): ₹ 27,91,471

(g) Excess amount for set off, if any: Nil

Sr. No.	Particulars	Amount (in ₹)
1.	Two percent of average net profit of the Company as per Section 135(5)	27,91,471
2.	Total amount spent for the financial year	27,91,471
3.	Excess amount spent for the financial year	Nil
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
5.	Amount available for set off in succeeding financial years	Nil

9) (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding financial years	Amount transferred to unspent CSR account under Section 135(6) (in ₹)	Amount spent in the reporting financial year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2022-23	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2.	2021-22	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
3.	2020-21	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): N.A.

10) 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: Company has not created or acquired any capital asset through CSR spent during the financial year.

11) Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5): N.A.

By Order of the Board of Directors
Mukta Arts Limited

Sd/-
Rahul Puri
Managing Director
DIN: 01925045

Sd/-
Kewal Handa
Chairman of CSR Committee
DIN: 00056826

Date: 12/08/2024
Place: Mumbai

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Mukta Arts Limited views Corporate Governance as a fundamental tool for maximizing value across all stakeholder groups, including investors, employees, members, customers, suppliers, the environment and the community at large. Our commitment to good governance is ingrained in the organizational culture and mindset. We draw inspiration from robust governance and disclosure practices established within our group.

Integrity and transparency form the cornerstone of our corporate governance framework, essential for cultivating and maintaining trust among our stakeholders consistently. We strictly adhere to all relevant provisions of the SEBI Listing Regulations. Corporate Governance stands as a crucial pillar in fostering an efficient and sustainable business environment. Our Company upholds the highest standards of governance practices, emphasizing integrity, transparency and accountability.

Our Corporate Governance Philosophy is reinforced by the implementation of comprehensive policies, including the Code of Conduct for Board Members and Senior Management, robust Board processes and a Code of Conduct to Prevent Insider Trading in Mukta Arts Securities.

Furthermore, adherence to SEBI Listing Regulations empowers our Board to make impartial decisions, ensuring objectivity and transparency in all aspects of management and corporate dealings. The Governance Guidelines, encompassing Board composition, roles of the Chairman and Directors, Board diversity, independence criteria, Director's tenure and retirement age and Board committees, are meticulously followed. These guidelines empower the Board with the necessary authority and structured processes to effectively review and assess our operations as needed.

A Report on compliance with the Corporate Governance provisions as prescribed under the SEBI Listing Regulations is given below.

BOARD OF DIRECTORS

A. Duties and functions of the Board

The primary duty of the Board is to promote both short-term and long-term success for the Company by ensuring sustainable business practices, that enhance value for its stakeholder. In pursuit of this goal, the Board establishes the Company's corporate culture, upholds rigorous ethical standards in corporate conduct and maintains transparency in all business dealings.

Furthermore, the Board is charged with supervising the Company's operations and providing guidance to the management team, which is responsible for daily business activities. This oversight includes offering strategic direction, monitoring operational performance and ensuring the implementation of robust policies and procedures. The Board also oversees risk management efforts, integrity in financial reporting, adequacy of internal controls, compliance with applicable laws and fulfills its corporate social responsibility obligations.

Specifically, the Board, based on the recommendations of its Audit Committee, reviews and approves quarterly/half-yearly unaudited financial results as well as audited annual financial statements, both on a standalone and consolidated basis. It sets corporate strategies, approves business plans and annual budgets, establishes corporate objectives, monitors their execution and oversees significant capital expenditures. The Board assesses overall operational performance.

Moreover, the Board directs and guides management activities towards achieving established goals, ensures accountability and conducts Board Meetings in accordance with SEBI Listing Regulations and SS-1 requirements. Each agenda item for these meetings is substantiated by relevant information, documents and presentations to facilitate informed decision-making. The Board ensures all recommendations from its committees are endorsed and maintains independence from management influence to uphold its fiduciary duties effectively.

B. Managing Director

The Managing Directors oversees day-to-day operations and ensuring the implementation of its strategic goals. Responsibilities includes monitoring the competitive landscape, staying abreast of industry developments and standards, identifying expansion opportunities and enhancing Members value. The MD also plays a crucial role in articulating and implementing the organization's vision, mission and overall direction. Acting under the guidance of the Board, bridge the gap between the Board and the management team, ensuring policies are adhered to and decisions are effectively executed through Board Committees. Through diligent leadership and strategic foresight, the MD guides the Company towards excellence while upholding its core values, principles and collaborate closely with the Board to devise and execute business strategies aligned with the Company's overarching goals.



C. Composition of the Board

The composition of the Board is in conformity with Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”) read with Section 149 of the Companies Act, 2013 (“**the Act**”).

As on 31st March, 2024, the Board consists of six Directors comprising of 3 Independent, Non-Executive Directors (including one Woman Director), 1 Promoter, Non-Executive Director, 1 Promoter, Executive Director and 1 Executive Director.

D. Attendance at Board Meetings

During the year under review, the Board met 5 times i.e. on 25th May, 2023, 10th August, 2023, 9th November, 2023, 14th February, 2024 and 26th February, 2024.

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 Chairmanship/Membership 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.

Chairmanship/Membership of Board Committees include only Audit Committee and Stakeholders' Relationship Committee.

Sr. No.	Name of the Directors	Category	Number of Board Meetings during the year 2023-24		Number of Directorships in other Public Companies	Membership / Chairmanship of Committees in other Listed Public Companies		Directorship in Listed Companies	Attended Annual General Meeting held on 27 th September, 2023
			Held	Attended		Chairman	Membership		
1.	Mr. Subhash Ghai	EC	5	4	6	Nil	Nil	CHL Limited - Independent Director	Yes
2.	Mr. Rahul Puri	MD	5	5	3	Nil	Nil	Nil	Yes
3.	Mr. Parvez Farooqui	NED	5	5	3	Nil	Nil	Nil	Yes
4.	Mr. Kewal Handa	ID	5	5	7	Nil	3	Borosil Limited - Independent Director Borosil Scientific Limited - Independent Director Heubach Colorants India Limited - Independent Director	Yes
5.	Mr. Kapil Bagla	ID	5	5	4	Nil	2	RAP Media Limited - Independent Director	No
6.	*Ms. Paulomi Dhawan	ID	5	5	5	Nil	2	Pokarna Limited - Independent Director D.B. Corp Limited - Independent Director	Yes

*Note: Ms. Paulomi Dhawan has been appointed as an Independent Director at Pokarna Limited w.e.f. 1st April, 2024.

EC: Executive Chairman, MD: Managing Director, NED: Non-Executive Director, ID: Independent Director

E. Inter-se relationship among Directors

Mr. Rahul Puri is son-in-law of Mr. Subhash Ghai. Apart from this, there are no inter-se relationship among the Directors.

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

Sr. No.	Name of the Non-Executive Director	No. of shares held
1.	Mr. Parvez Farooqui	77,300

None of the other Non-Executive Directors hold any share in the Company. Further, the Company has not issued any convertible instrument.

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G. Independent Directors

The Independent Directors on the Board of the Company, upon appointment are given formal appointment letter *inter-alia* containing the terms of appointment, role, duties, 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 Act, that he/she meets the criteria of independence as laid down in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations. The Independent Directors do not have any material pecuniary relationship or transaction with the Company, its Executive Directors, Promoters or Management, which may affect their judgement.

The terms and conditions for appointment of Independent Directors and familiarisation programme are disclosed on the website of the Company at www.muktaarts.com.

Chart Matrix

In terms of the requirements of SEBI Listing Regulations, the Board has identified the following core skills/ expertise/ competencies of the Directors in the context of the Company's business for effective functioning as given below:

Skills / Expertise / Competencies	Mr. Subhash Ghai	Mr. Parvez Farooqui	Mr. Kewal Handa	Mr. Kapil Bagla	Ms. Paulomi Dhawan	Mr. Rahul Puri
Leadership Skills	✓	✓	✓	✓	✓	✓
Industry experience	✓	✓	✓	✓	✓	✓
Comprehensive understanding of financial accounting, reporting & controls and analysis	✓	✓	✓	✓	✓	✓
Experience in providing guidance on major risks, compliances and various legislations	✓	✓	✓	✓	✓	✓
Governance Experience in developing and maintaining high governance standards	✓	✓	✓	✓	✓	✓

Detailed reasons for the resignation of an Independent Director who resigns before the expiry of tenure along with a confirmation by such Director that there are no other material reasons other than those provided: During the year under review, none of the Independent Director resigns before the expiry of the tenure.

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 path for improvements.

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 Act and SEBI Listing Regulations.

Separate Meeting of Independent Directors

In compliance with Regulation 25(3) of SEBI Listing Regulations and Schedule IV of the Act, a separate meeting of Independent Directors was convened on 6th March, 2024 for the financial year 2023-24. The meeting was held without the presence of Non-Independent Directors and Members of the management. The objective of the meeting was to review the performance of Non-Independent Directors and the Board as a whole, assess the performance of the Chairman of the Company and evaluate the quality, quantity and timeliness of the flow of information between the Company's management and the Board.

The Independent Directors discussed matters pertaining to the Company's affairs and presented their collective views to the Board of Directors.



COMMITTEES OF THE BOARD

(A) AUDIT COMMITTEE

In terms of the requirements of Regulation 18 of SEBI Listing Regulations and Section 177 of the Act, the Board has constituted a qualified and independent Audit Committee.

The Members of the Audit Committee have relevant experience in financials as well as have accounting or related financial management expertise and are considered financially literate as defined in Regulation 18(1)(c) of SEBI Listing Regulations.

The required quorum was present at all meetings. All Members of the Audit Committee are financially literate and possess financial/accounting expertise. Ms. Hemal N. Pankhania, Company Secretary acted as the Secretary of the Committee. The Statutory Auditors and Internal Auditors of the Company are invitees to the Audit Committee Meetings. The Audit Committee hold discussions with the Statutory Auditors on the limited review of the quarterly and half yearly accounts of the Company and yearly Audit of the Company's accounts, Auditor's Report and other related matters. The report of the Internal Auditors is also reviewed by the Audit Committee.

Composition of the Audit Committee is as under:

Sr. No.	Name of the Members	Category
1.	Mr. Kapil Bagla	Chairman and Independent, Non-Executive Director
2.	Ms. Paulomi Dhawan	Member and Independent, Non-Executive Director
3.	Mr. Kewal Handa	Member and Independent, Non-Executive Director
4.	Mr. Parvez Farooqui	Member and Non-Executive Director

Ms. Paulomi Dhawan has resigned as the chairperson and will continue to be a member of Audit Committee and Mr. Kapil Bagla has been appointed as the chairman of the Audit Committee w.e.f. 10th August, 2023.

Meetings and attendance

During the year under review, the Committee met 4 times i.e. on 25th May, 2023, 10th August, 2023, 9th November, 2023 and 14th February, 2024.

Sr. No.	Name of the Members	Meetings Held	Meetings Attended
1.	Mr. Kapil Bagla	4	4
2.	Ms. Paulomi Dhawan	4	4
3.	Mr. Kewal Handa	4	4
4.	Mr. Parvez Farooqui	4	4

Mr. Kapil Bagla, Chairman of the Audit Committee, did not attend the Company's last Annual General Meeting held on 27th September, 2023, due to his prior commitments. Further, he had authorized Ms. Paulomi Dhawan to address the Members queries on his behalf.

Brief description of Terms of Reference

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, audit of the Company's financial statements, appointments, independence, performance and remuneration of the statutory auditors and internal auditors.

The Committee, *inter-alia*, performs the following functions:

- 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.
- 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 including terms of appointment.
- Approval of payment to statutory auditors for any other services rendered by them.
- 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 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies & 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.

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- f. Disclosure of any related party transactions.
- g. Modified opinion(s) in the draft audit report.
- Reviewing with the management, the quarterly financial statements before recommending to the board for approval.
- Reviewing with the management, the statement of uses / application of funds as and when raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors on any significant findings and follow up thereon.
- 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.
- 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.
- To look into the reasons for substantial defaults in the payment of dividend to Members and payment to creditors.
- To review the functioning of the Whistle Blower mechanism, in case, the same is existing.
- Carrying out any other function as is assigned to the Audit Committee.
- Such other powers and duties as may be required to be included in terms of SEBI Listing Regulations as 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

In terms of the requirements of Regulation 19 of SEBI Listing Regulations and Section 178 of the Act, the Board has constituted Nomination and Remuneration Committee ("NRC").

The Composition of NRC is as under:

Sr. No.	Name of the Members	Category
1.	Mr. Kewal Handa	Chairman and Independent, Non-Executive Director
2.	Ms. Paulomi Dhawan	Member and Independent, Non-Executive Director
3.	Mr. Kapil Bagla	Member and Independent, Non-Executive Director

Three meetings of NRC were held during the financial year 2023-24 i.e. on 25th May, 2023, 10th August, 2023 and 6th March, 2024.

Sr. No.	Name of the Members	Meetings held	Meetings Attended
1.	Mr. Kewal Handa	3	3
2.	Ms. Paulomi Dhawan	3	3
3.	Mr. Kapil Bagla	3	3

Mr. Kewal Handa, Chairman of NRC attended the last Annual General Meeting of the Company held on 27th September, 2023, to answer the Members queries.

Brief description of Terms of Reference:

- To nominate persons who are qualified to become Directors and who may be appointed as a Senior Management in accordance with the criteria laid down.
- Recommend to the Board their appointment, 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 and any compensation, recommendation for fixation and periodic revision of compensation policy (including performance bonus, incentives, perquisites and benefits) for senior management personnel.
- Carrying out any other function as is assigned to the Nomination and Remuneration Committee.



- Such other powers and duties as may be required to be included in terms of SEBI Listing Regulations as amended from time to time and as referred to the Committee by the Board of Directors of the Company.

Nomination and Remuneration Policy

The Nomination and Remuneration Policy has been formulated by the NRC in compliance with Section 178 of the Act, and 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 www.muktaarts.com.

Criteria for performance evaluation of Directors

Performance evaluation of each Director was carried out based on the criteria as laid down by the NRC.

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 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 relationship or transaction 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.

The Remuneration details of Executive Director and Managing Director during the financial year 2023-24 are mentioned below:

Particulars	Mr. Subhash Ghai Chairman, Executive Director	Mr. Rahul Puri Managing Director
Salary	82,50,000	62,32,446
Perquisites	3,37,400	47,400
Total	85,87,400	62,79,846
Service Contract	5 years	5 years
Notice period	3 months	3 months

During the year 2023-24, the Company has paid sitting fees to the Directors as under:

Name of the Directors	Sitting fees (₹)	Salary & Perquisites (₹)	Commission (₹)	Total (₹)
Mr. Kewal Handa	75,000	Nil	Nil	75,000
Ms. Paulomi Dhawan	75,000	Nil	Nil	75,000
Mr. Kapil Bagla	75,000	Nil	Nil	75,000
Mr. Parvez Farooqui	75,000	Nil	Nil	75,000
TOTAL				3,00,000

(C) STAKEHOLDERS RELATIONSHIP COMMITTEE

In terms of the requirements of Regulation 20 of SEBI Listing Regulations and Section 178 of the Act, the Board has constituted Stakeholders Relationship Committee ("SRC"), composition and terms of reference of which are in conformity with the said provisions.

The Composition of SRC is as under:

Sr. No.	Name of the Members	Category
1.	Ms. Paulomi Dhawan	Chairperson and Independent, Non-Executive Director
2.	Mr. Parvez Farooqui	Member and Non-Executive Director
3.	Mr. Kapil Bagla	Member and Independent, Non-Executive Director

Ms. Paulomi Dhawan, Chairperson of SRC attended the last Annual General Meeting of the Company held on 27th September, 2023, to answer the Members queries.

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SRC met once during the year 2023-24 i.e on 25th May, 2023.

Sr. No.	Name of the Members	Meeting held	Meeting Attended
1.	Ms. Paulomi Dhawan	1	1
2.	Mr. Parvez Farooqui	1	1
3.	Mr. Kapil Bagla	1	1

Brief description of Terms of Reference:

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

- To deal and approve shares/securities transfers, request for split, issue of duplicate share certificate, etc.
- To delegate authority to Senior Executives for approval of transfer, transmission and transposition of securities issued by the Company.
- To deal with 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.
- Carrying out any other functions as is assigned to the Committee.
- Such other powers and duties as may be required to be included in terms of SEBI Listing Regulations as amended from time to time and as referred to the Committee by the Board of Directors of the Company.

Details of investor complaints received and redressed during the year 2023-24 are as follows:

Pending at the beginning of the year	Received during the year	Resolved during the year	Pending at the end of the year
Nil	Nil	Nil	Nil

SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/ CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/ OIAE/OIAE_IAD-1/P/ CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal (“ODR Portal”) for resolution of disputes arising in the Indian Securities Market. Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can also initiate dispute resolution through the ODR platform at <https://smartodr.in/login>.

There are no pending complaints registered with SCORES and ODR for the financial year ended 31st March, 2024.

Name and designation of Compliance Officer

Ms. Hemal N. Pankhania is the Company Secretary and Compliance Officer of the Company.

(E) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In terms of the provisions of Section 135 of the Act, the Board has constituted Corporate Social Responsibility (“CSR”) Committee. The Composition and terms of reference of the committee are in conformity with the said provisions.

The Composition of CSR Committee is as under:

Sr. No.	Name of the Members	Category
1.	Mr. Kewal Handa	Chairman and Independent, Non-Executive Director
2.	Mr. Rahul Puri	Member and Manging Director
3.	Mr. Parvez Farooqui	Member and Non-Executive Director

Meetings and attendance

CSR Committee met twice during the year 2023-24 on 10th August, 2023 and 14th February, 2024.

Sr. No.	Name of the Members	Meetings held	Meetings attended
1.	Mr. Kewal Handa	2	2
2.	Mr. Rahul Puri	2	2
3.	Mr. Parvez Farooqui	2	2



Brief description of Terms of Reference:

- To formulate and recommend to the Board, a CSR Policy which will indicate the activities to be undertaken by the Company in accordance with Schedule VII of the Companies Act, 2013.
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company.
- To monitor the CSR policy of the Company from time to time.
- Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.
- Such other powers and duties as may be required to be included pursuant to the provisions of the Act and rules made thereunder as amended from time to time and as referred to the Committee by the Board of Directors of the Company.

(F) SENIOR MANAGEMENT

The Company has identified following, under category of Senior Management, pursuant to the provisions of Regulation 16(1)(d) and Schedule V of the SEBI Listing Regulations. Details of Senior Management as on 31st March, 2024, are as follows:

Sr. No.	Name	Designation
1.	Mr. Siraj Farooqui	Chief Operating Officer - Head - Production and Studio
2.	Mr. Sanjay Ghai	Chief Operating Officer- Distribution and Exhibition
3.	Mr. Prabuddha Dasgupta	Chief Financial Officer
4.	Ms. Hemal N. Pankhania	Company Secretary & Compliance Officer

General Body Meetings

(a) Details of General Meetings and Special Resolutions passed:

Annual General Meetings (“AGM”) held during the last 3 years and the Special Resolutions passed therein:

Financial Year ended	Date	Time	Venue	Details of Special Resolutions
31 st March, 2023	27 th September, 2023	4:00 p.m.	Through Video Conferencing/ Other Audio Visual Means. Deemed Venue: Whistling Woods Institute Auditorium, Dada Saheb Phalke Chitra Nagari, Goregaon (East), Mumbai – 400 065.	Nil
31 st March, 2022	27 th September, 2022	4:00 p.m.	Through Video Conferencing/ Other Audio Visual Means. Deemed Venue: Whistling Woods Institute Auditorium, Dada Saheb Phalke Chitra Nagari, Goregaon (East), Mumbai – 400 065.	Nil
31 st March, 2021	23 rd September, 2021	3:00 p.m.	Through Video Conferencing/ Other Audio Visual Means. Deemed Venue: Whistling Woods Institute Auditorium, Dada Saheb Phalke Chitra Nagari, Goregaon (East), Mumbai – 400 065.	Nil

(b) Extra Ordinary General Meeting

No Extra Ordinary General Meeting of the Members of the Company was held during the financial year 2023-24.

(c) Postal Ballot and Procedure

During the year, the Company has passed Special Resolutions through Postal Ballots. The Company has provided electronic voting facility to all its Members in compliance with Regulation 44 of SEBI Listing Regulations and as per the provisions of Sections 108 and 110 of the Act, read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014, read with General Circulars issued by the Ministry of Corporate Affairs.

The Company has engaged the services of National Securities Depository Limited for facilitating e-voting to enable the Members to cast their votes electronically. The Board of Directors has appointed M/s. Kaushal Dalal & Associates, Practicing Company Secretaries (FCS: 7141 and COP: 7512) and M/s. KDA & Associates, Practicing Company

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Secretaries (FCS: 7141 and COP: 7512), as the Scrutinizers, for conducting the Postal Ballot process, in a fair and transparent manner.

The Company also published notice in the newspapers declaring the details of completion of dispatch, e-voting details and other requirements in terms of the Act read with the Rules issued thereunder and the SS issued by the ICSI. Voting rights were reckoned on the paid-up value of shares of the Company registered in the names of the Members as on the cut-off date.

The Scrutinizer submitted his report to the Company Secretary of the Company, after the completion of scrutiny and the consolidated results of the voting by postal ballot were then announced by the Company Secretary as authorised by the Board of the Company.

The results are available on the Company's website and also on the website of the Stock Exchanges and NSDL.

Details of resolutions passed through postal ballot during financial year 2023-24:

Description	Type of resolution	Votes			
		Favour	%	Against	%
Re-appointment of Mr. Subhash Ghai (DIN:00019803) as Chairman, Executive Director of the Company	Special Resolution	165442	98.8221	1972	1.1779
Re-appointment of Mr. Rahul Puri (DIN:01925045) as Managing Director of the Company	Special Resolution	202442	99.0353	1972	0.9647
To approve Sale/ Divestment/ Dilution/ Disposal of the Company's Investment in Material Subsidiary	Special Resolution	266002	90.7058	27256	9.2942

Details of Special Resolution(s) proposed to be transacted through postal ballot

None of the business is proposed to be transacted at the ensuing AGM which requires passing of a Special Resolution through postal ballot.

Disclosure of Agreements binding the Company

Company, Mukta A2 Cinemas Private Limited (*Formerly Mukta A2 Cinemas Limited*), Maverick Media Private Limited, being investor in Mukta A2 and Mr. Rajiv Rameshchandra Malhotra, being promoter of Mukta A2, have entered into a binding Term Sheet on 28th February, 2024 and Shareholders and Securities Subscription Agreement on 7th August, 2024. The Company has furnished comprehensive details regarding this transaction through a Postal Ballot Notice dated 26th February 2024.

Means of Communication

a) Quarterly/Half-yearly and Yearly Financial Results

The quarterly/half-yearly and annual financial results along with the Segments Report of the Company are published in the newspapers, posted on the website of the Company at www.muktaarts.com and also submitted to the Stock Exchanges.

The results are generally published in Financial Express (All India Edition-English Newspaper) and Mumbai Lakshadeep (Marathi Newspaper) which are national and local dailies respectively. These results are also posted on the Company's website at www.muktaarts.com.

b) Company's Website

The important information including the Annual Reports, important policies, the quarterly, half yearly and yearly financial results, financials of subsidiaries, shareholding pattern, corporate governance report, etc. are placed on the Company's website at www.muktaarts.com.

c) Release of official news

Your Company from time to time and as may be required, communicates with its Members through multiple channels of communications such as dissemination of information on the website of the stock exchanges, press releases, Annual Reports and uploading relevant information on its websites. Your Company discloses to the stock exchanges, all the information required to be disclosed as per SEBI Listing Regulations.

d) Communication to the Members

Company has sent the communication for furnishing of KYC details and nomination by physical Members as per SEBI, vide its circular dated November 03, 2021 (*subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023*).



General Members Information

Annual General Meeting

Day and Date : Friday, 27th September, 2024
Time : 04:30 p.m.
Venue : Deemed to be Whistling Woods Institute, Dada Saheb Phalke Chitra Nagari, Goregaon (E), Mumbai-400 065

Financial Year

The Company follows the financial year as prescribed under the Act, that is period of 12 months starts from 1st day of April of a year and ending on 31st day of March of the following year.

Financial Calendar (tentative) results:

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 : Within 60 days from the end of the quarter/year

Listing : **National Stock Exchange of India Limited**
Exchange Plaza, C-1, G-Block, Bandra Kurla Complex,
Bandra (E), Mumbai- 400051
BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001

Corporate Identity Number : L92110MH1982PLC028180
ISIN NO. : INE374B01019
BSE Scrip Code : 532357
NSE Symbol : MUKTAARTS

**The Calcutta Stock Exchange 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 delisting is still awaited from CSE. The matter of delisting is still being followed up by the Company with CSE and a written letter has been filed with the SEBI in this regard. Response from SEBI as well as CSE is still awaited.*

The Listing fees for the financial year 2023-24 have been paid by the Company to all the Stock Exchanges where the Company's shares are listed except CSE.

Payment of Depository fees for the financial year 2023-24

Annual Custody/Issuer fees for the financial year 2023-24 has been paid by the Company to National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL").

Market Price Data – High and Low during each month during the Financial Year 2023-24:

Months	BSE		NSE	
	High	Low	High	Low
April 2023	56.15	44.80	56.45	45.35
May 2023	58.99	48.75	58.80	48.35
June 2023	53.00	48.77	53.35	48.55
July 2023	55.00	49.00	54.70	48.60
August 2023	62.60	49.55	62.40	49.35
September 2023	68.40	58.00	68.70	57.85
October 2023	90.39	61.96	90.45	62.00
November 2023	83.00	68.61	84.00	69.55
December 2023	81.00	74.00	83.45	74.05
January 2024	98.35	76.47	99.05	76.60
February 2024	91.98	80.01	91.85	78.20
March 2024	90.63	71.75	90.15	72.00

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Performance of Company's share in comparison to broad-based indices - S&P BSE Sensex and Nifty 50 are given below:

Months	Company's closing price at BSE	S&P BSE Sensex closing	Company's closing price at NSE	Nifty 50 closing
April 2023	53.26	61,112.44	53.00	18065.00
May 2023	50.57	62,622.24	51.00	18534.40
June 2023	49.48	64,718.56	49.55	19189.05
July 2023	52.85	66,527.67	53.05	19753.80
August 2023	60.11	64,831.41	59.45	19253.80
September 2023	64.25	65,828.41	64.40	19638.30
October 2023	71.84	63,874.93	71.15	19079.60
November 2023	78.01	66,988.44	78.50	20133.15
December 2023	76.71	72,240.26	76.85	21731.40
January 2024	83.72	71,752.11	79.40	21725.70
February 2024	81.24	72,500.30	81.20	21982.80
March 2024	73.56	73,651.35	74.40	22326.90

Name and Address of the Registrar and Transfer Agent

Name: Link Intime India Private Limited

Address: C-101, Embassy 247,
L.B.S Marg, Vikhroli (W),
Mumbai – 400083.

Tel. No.: 810 811 6767

Fax: 022-4918 6060

E-mail: rnt.helpdesk@linkintime.co.in

Share Transfer System

As per the SEBI Listing Regulations, shares cannot be transferred unless they are held in dematerialized mode. Members who hold shares in physical form are advised to convert them into dematerialized mode to avoid the risk of losing shares, fraudulent transactions and to receive better investor servicing. Only valid transmission or transposition cases that comply with the SEBI guidelines will be processed by the RTA of the Company. To transfer, transmit or transpose shares in physical form, Members should submit them to the office of the Company's RTA. The RTA will process these cases only if they are technically found to be complete and in order.

Members are advised to refer the latest SEBI guidelines/circulars issued for all the holders holding securities in listed companies in physical form from time to time and keep their KYC details updated all the time to avoid freezing their folio as prescribed by SEBI.

Distribution of Shareholding as on 31st March, 2024

Distribution Schedule as on 31 st March, 2024					
Sr. No.	Shareholding of Shares	No. of Members	% of Shares held	Shares held	% of Shares held
1.	1 - 500	6421	87.9589	675095	2.9891
2.	501 - 1000	409	5.6027	333205	1.4753
3.	1001 - 2000	180	2.4658	280480	1.2419
4.	2001 - 3000	77	1.0548	200000	0.8855
5.	3001 - 4000	32	0.4384	116481	0.5157
6.	4001 - 5000	36	0.4932	170545	0.7551
7.	5001 - 10000	61	0.8356	457003	2.0235
8.	10001 and above	84	1.1507	20352391	90.1138
	Total	7300	100	22585200	100

Dematerialization of shares and liquidity

The Company's equity shares are traded in dematerialized form on both NSE and BSE. As of 31st March, 2024, 99.96% paid-up equity share capital of the Company are in dematerialized mode. The shares are assigned, International Securities Identification Number (ISIN) INE374B01019 under the Depository System. The two depositories where the shares are available are National Securities Depository Limited and Central Depository Services (India) Limited.



Sr. No.	Name of the Depository	No. of Shares	% of total issued capital
1.	NSDL	20421989	90.42
2.	CDSL	2153510	9.54
3.	Physical	9701	0.04
TOTAL		22585200	100

The Company has not issued any GDRs/ ADRs, Warrants or any other convertible instruments.

Disclosure on commodity price risk and hedging activities

Your Company actively monitors the foreign exchange movements and takes appropriate measures to reduce the risk associated with transactions in foreign currencies, if any.

Company's Branches/Locations

Registered and Corporate Office

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

Tel. No.: (022) 3364 9400

Fax No.: (022) 3364 9401

Email ID: investorrelations@muktaarts.com

Website: www.muktaarts.com

Premises Owned by the Company

Flat Nos. 2 & 3, Bait-Ush-Sharaf,
29th Road, Bandra (W), Mumbai-400 050

"Audeus" Plot No. A – 18, Opp. Laxmi Industrial Estate,
Off Link Road, Andheri (W), Mumbai-400 053

Flat Nos.302 & 402, Crest Park View, 28th Road,
TPS- III, Bandra (W), Mumbai-400 050

Other premises occupied

Mukta House, Filmcity Complex,
Goregaon (E), Mumbai-400 065

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

Address for Correspondence

Members can address their correspondence to the Registered Office of the Company and/or to Company's RTA:

	Company	Registrar and Transfer Agent
Name Address	Mukta Arts Limited Mukta House, Behind Whistling Woods Institute, Filmcity Complex, Goregaon (E), Mumbai - 400 065.	Link Intime India Private Limited C-101, Embassy 247, L.B.S Marg, Vikhroli (W), Mumbai - 400 083.
Tel. No.	(022) 3364 9400	(022) 4918 6000
Fax No.	(022) 3364 9401	(022) 4918 6060
Email	investorrelations@muktaarts.com	rnt.helpdesk@linkintime.co.in

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Credit Rating

The Company has not obtained any Credit Rating during the financial year 2023-24.

Other Disclosures

Disclosure on material significant Related Party Transactions

During the year, the Company has not entered into any material significant Related Party Transactions that may have potential conflict with the interests of the Company at large.

The policy for Related Party Transactions can be accessed on Company's website.

Disclosure on instance of non-compliance

There have been no instance of non-compliance on any matter with the rules and regulations prescribed by the Stock Exchanges, SEBI or any other statutory authority relating to the capital market during the last three year.

Directors & Officers Insurance

The Company has taken Directors and Officers Insurance for all its Directors and KMP's for quantum and risks as determined by the Board of the Company.

Disclosure on Vigil Mechanism/Whistle Blower Policy

The Company had established Vigil Mechanism/Whistle Blower Policy for its Directors and Employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and is displayed on Company's website. The Company takes cognizance of complaints made and suggestions given by the employees and other No personnel have been denied access to the Audit Committee of the Board of Directors of the Company. No Complaints have been received by the Company during the year under review.

Compliance with mandatory requirements and adoption of non-mandatory requirements

The Company has complied with all mandatory requirements of SEBI Listing Regulations for the financial year 2023-24 and also non-mandatory requirements to the extent as per Part E of Schedule II of SEBI Listing Regulations.

Policy for determining Material Subsidiaries

Your Company has formulated a policy for determining Material Subsidiaries as defined under Regulation 16 of SEBI Listing Regulations. The policy is available on the Company's website.

Disclosure of utilization of funds raised through preferential allotment or qualified institutions placement

As no funds were raised during the year through preferential allotment or qualified institutions placement, disclosure regarding utilization of funds as specified under Regulation 32(7A) of SEBI Listing Regulations is not required.

Non-suspension of the securities of the Company

The securities of the Company were not suspended from trading at any time during the year.

Certificate confirming non-debarment and non-disqualification of Directors

Certificate has been received from M/s. KDA & Associates, Practicing Company Secretaries (Unique Identification No. P2016MH047700), 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 SEBI, Ministry of Corporate Affairs or any such statutory authority. The said certificate has been appended as **Annexure-II** to this report.

Recommendations of the Committees

There was no such instance during the financial year 2023-24, where the Board of Directors has not accepted any recommendation of any Committee of the Board.

Details of consolidated fees paid to Statutory Auditors

Total fees paid for all services availed by the Company and its subsidiaries during the financial year 2023-24, on a consolidated basis to M/s. Uttam Abuwala Ghosh & Associates, Chartered Accountants, Mumbai (Firm Registration No. 111184W) Statutory Auditors of the Company are given below:

Particulars	Amount (In ₹)
Statutory Audit Fees	15,00,000
Other services including reimbursement of expenses	38,000
Total	15,38,000

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Number of complaints filed during the financial year	Number of complaints disposed of during the financial year	Number of complaints pending as on end of the financial year
Nil	Nil	Nil



Details of loans and advances in the nature of loans to firms/companies in which Directors are interested as at 31st March, 2024

Sr. No.	Entity to whom Loan is Given	Relationship with the Company	Opening Balance	Amount of loan given during the year	Amount of loan repaid during the year	Outstanding loan as at 31 st March, 2024
1.	Mukta V N Films Limited	Enterprises over which key management personnel have control/ substantial interest/ significant influence	2,00,00,000	0	0	2,00,00,000
2.	Mukta A2 Cinemas Private Limited (Formerly Mukta A2 Cinemas Limited)	Subsidiary	60,00,00,000	3,29,00,000	2,29,00,000	61,00,00,000
3.	Mukta A2 Multiplex W.L.L.	Subsidiary	13,07,36,015	0	0	15,52,93,099
4.	Whistling Woods International Limited	Subsidiary	18,51,00,000	2,81,00,000	3,20,00,000	18,12,00,000

Disclosure on Material Subsidiaries

In compliance with the SEBI Listing Regulations, the Board has formulated the Policy for determining Material Subsidiaries. The policy is available on the Company's website.

Name of the Material Subsidiary	Details of Incorporation		Details of Statutory Auditors	
	Date	Place	Name	Date of appointment
Whistling Woods International Limited	10/01/2001	Mumbai	M/s. KNAV & Co. LLP, Chartered Accountants	Board Meeting: 12/05/2022 AGM: 20/09/2022
Mukta A2 Cinemas Private Limited (Formerly Mukta A2 Cinemas Limited)	16/11/2016	Mumbai	M/s. Uttam Abuwala Ghosh & Associates, Chartered Accountants	Board Meeting: 24/11/2016 AGM: 12/09/2017 Re-appointment Board Meeting: 08/08/2022 AGM: 20/09/2022
Mukta A2 Multiplex W.L.L.	17/05/2016	Bahrain	Moore Stephens, Public Accountants and Consultants	AGM: 29/02/2024

Compliance with Corporate Governance requirements

The Company has complied with the requirements of Corporate Governance set forth in Regulation 17 to 27, as well as Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Listing Regulations.

Subsidiary Companies

The Audit Committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies.

Unclaimed Dividend

In accordance with the provisions of Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends not encashed/ claimed within 7 (Seven) consecutive years from the date of declaration are to be transferred to the Investor Education and Protection Fund Authority ("IEPF").

The IEPF Rules mandate Companies to transfer shares of Members whose dividends remain unpaid/ unclaimed for a period of 7 (Seven) consecutive years or more to the demat account of IEPF established by the Central Government. The Members, whose dividends/ shares are transferred to the IEPF, can claim their shares/ dividends from the IEPF Authority. In accordance with the said IEPF Rules, as amended, the Company shall send notices to all the Members whose shares are due to be transferred to IEPF requesting them to comply with the requirements to claim back the Dividends and avoid transfer of shares and shall simultaneously publish newspaper advertisement for the same.

The Company is required to transfer dividends, which have remained unpaid/ unclaimed for a period of 7 (Seven) consecutive years from the date, the dividend is due for payment to IEPF established by the Government.

The statutory timelines for claiming unclaimed and unpaid dividends declared by the Company is provided hereunder and also available on the Company's website.

The following table provides information about outstanding dividends/sale proceeds from fractional shares and their respective due dates for claiming it from the Company:

Financial year ended	Date of Declaration	Last date to claim	Due Date for transfer to IEPF
2018-2019	28 th August, 2019	3 rd October, 2026	2 nd November, 2026

Further, in accordance with the provisions contained in Rule 7(2A) of the IEPF Rules, the Company Secretary has been

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appointed as the Nodal Officer. Contact information of the Nodal Officer for the purpose of co-ordination with the IEPF Authority are available on the website of the Company.

Furthermore, shares in respect of which dividend shall remain unclaimed for 7 (Seven) consecutive years, will be reviewed for transfer to the IEPF as required by law. The Company will transfer the said shares, after sending an intimation of the proposed transfer in advance to the concerned Members, as well as publish a public notice in this regard.

Details of unpaid/ unclaimed dividend and Members whose shares are liable to be transferred to IEPF authority are uploaded on Company's website.

Code of Conduct

The Company has laid down code of conduct for all its Board Members and Senior Management Personnel of the Company which is posted on the Company's website. The code of conduct also includes code for Independent Directors which is a guide to professional conduct for Independent Directors pursuant to Section 149(8) and Schedule IV of the Act. 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-III**.

Prevention of Insider Trading

Pursuant to the SEBI PIT Regulations, the Company has formulated the "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" (**hereinafter referred to as "Code"**) to Regulate, Monitor and Report Trading by Designated Persons, which allows the formulation of a trading plan subject to certain conditions and requires preclearance for dealing in Company's shares, it also prohibits dealings in the Company's shares by Directors, Designated Persons, Connected Persons and their immediate relatives, while in possession of unpublished price sensitive information in relation to the Company and during the period(s) when the Trading Window to deal in the Company's share is closed. The Code is being revised in line with the amendments to the SEBI PIT Regulations from time to time.

The Company has put in place adequate and effective system of internal controls to ensure compliance with the requirements of the SEBI PIT Regulations. A structured digital database of all the Designated Persons is being digitally maintained by the Company. The Company Secretary ensures the implementation of the Code for fair disclosure and conduct.

The Board of Directors, Designated Persons and other Connected Persons have affirmed compliance with the Code. The Code is available on the website of the Company at www.muktaarts.com.

Reconciliation of Share Capital Audit

Reconciliation of Share Capital Audit is being carried out every quarter by Practicing Company Secretary and the Reports are placed before the Board for their consideration and review and filed regularly with National Stock Exchange and Bombay Stock Exchange within the stipulated time. 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.

MD and CFO certification

Pursuant to the provisions outlined in Regulation 17(8) of the SEBI Listing Regulations, Managing Director and Chief Financial Officer have issued a certificate affirming that the financial statements are free from any materially false statement and accurately reflect the Company's current state of affair The said certificate has been appended as **Annexure-IV** to this report.

Green initiative

As a responsible corporate entity, the Company wholeheartedly endorses and supports the 'Green Initiative' launched by the Ministry of Corporate Affairs, Government of India. This initiative facilitates electronic delivery of documents, including the Annual Report and other such documents to Members' registered e-mail addresses with their DPs or with the Company or its RTA.

We urge Members who have not yet registered their e-mail addresses to do so without delay. Members who hold shares in Demat form can register their e-mail address with their respective DPs. For Members who hold shares in physical form, are request that they register their e-mail addresses with the RTA.

By Order of the Board of Directors
Mukta Arts Limited

Sd/-
Subhash Ghai
Chairman, Executive Director
DIN: 00019803



Annexure-I

**CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**To,
The Members
Mukta Arts Limited
Mukta House, Behind Whistling Woods Institute,
Filmcity Complex, Goregaon (E), Mumbai-400 065.**

We have examined all relevant records of Mukta Arts Limited (**'the Company'**) for the purpose of certifying compliance of the disclosure requirements and Corporate Governance norms as specified for the Listed Companies as prescribed 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 Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**'LODR'**), for the Financial Year ended 31st March, 2024. We have obtained all the information and explanations to the best of our knowledge and belief, which were necessary for the purpose of this certification.

We state that the compliance of conditions of Corporate Governance is the responsibility of the management and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the 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, we certify that the Company has complied with the conditions of Corporate Governance as specified for listed Company.

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

**For KDA & Associates
(Formerly known as KDT & Associates)
Practicing Company Secretaries**

Date: 12/08/2024
Place: Mumbai

**Sd/-
Nikunj Makwana
Partner
Membership No: ACS 62943
COP No: 23501
PR No.: 5840/2024
UDIN: A062943F000976493**

MUKTA ARTS LIMITED

Annexure-II

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V, Para C, Clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
Mukta Arts Limited
Mukta House, Behind Whistling Woods Institute,
Filmcity Complex, Goregaon (E), Mumbai – 400 065.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of MUKTA ARTS LIMITED (hereinafter called “the Company”) having CIN: L92110MH1982PLC028180 and registered office at Mukta House, Behind Whistling Woods Institute, Filmcity Complex, Goregaon (E), Mumbai - 400065, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with sub-clause 10(i) of Para-C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have 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 other Statutory Authorities.

Sr. No.	Name of the Directors	DIN	Date of appointment
1.	Mr. Subhash Ghai	00019803	07/09/1982
2.	Mr. Kewal Handa	00056826	07/06/2014
3.	Ms. Paulomi Dhawan	01574580	13/11/2014
4.	Mr. Rahul Puri	01925045	20/09/2008
5.	Mr. Parvez Farooqui	00019853	24/03/2000
6.	Mr. Kapil Bagla	00387814	09/08/2022

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate 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 KDA & Associates
(Formerly known as KDT & Associates)
Practicing Company Secretaries

Sd/-
Nikunj Makwana
Partner
Membership No.: ACS 62943
COP No.: 23501
PR No.:5840/2024
UDIN: A062943F000976781

Date: 14/08/2024
Place: Mumbai



Annexure-III

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

[Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

I, Rahul Puri, Managing Director of Mukta Arts Limited hereby declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the Financial Year 2023-24.

**By Order of the Board of Directors
Mukta Arts Limited**

**Sd/-
Rahul Puri
Managing Director
DIN: 01925045**

Date: 12/08/2024
Place: Mumbai

MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION

[Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year ended 31st March, 2024]

We, the undersigned, certify that:

- A. We have reviewed the financial statements and the cash flow statements for the financial year ended 31st March, 2024 and that to the best of our knowledge and belief:
 1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 2. 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.
 3. These statements do not contain any false or misleading statement or figures and do not omit any material fact which make the statements or figures contained therein misleading.
- B. This is to the best of our knowledge and belief, no transactions entered into by the Company during the financial year which are fraudulent, illegal or violate Company's code of conduct.
- C. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company, pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify those deficiencies.
- D. We have indicated to the Auditors and the Audit committee that:
 1. There has not been any significant change in internal control over financial reporting during the year under review;
 2. There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 3. We are not aware of any instance during the year, of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

**By Order of the Board of Directors
Mukta Arts Limited**

**Sd/-
Rahul Puri
Managing Director
DIN: 01925045**

**Sd/-
Prabuddha Dasgupta
Chief Financial Officer**

Date: 28/05/2024
Place: Mumbai



INDEPENDENT AUDITORS' REPORT

To the Members
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, 2024, 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, 2024, 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, 2024, the company's investment in its subsidiary (including deemed investment), Whistling woods International Limited (WWIL) a joint venture between the company and Maharashtra Film, Stage and Cultural Development Corporation Limited (MFSCDCL), aggregates to Rs. 19,95,11,218/- and loans and advances, deposits, interest receivable and rent receivable aggregate to Rs. 64,13,83,146/- recoverable from WWIL.

As fully explained in Note 42 to the accompanying audited financial statements, the Order of February 9, 2012 passed by the High Court of judicature at Bombay ('High Court'), had quashed the joint Venture Agreement ('JVA') between the company and Maharashtra Film Stage Cultural Development Corporation ('MFSCDCL'). Maharashtra Film Stage and Cultural Development Corporation ('MFSCDC') raised net demand of Rs. 59,19,66,210/- and asked WWIL to vacate the premises. WWIL's petition for special leave to appeal filed with the Supreme Court of India had also been dismissed. The Company and WWIL had filed application to review the said order with the High Court and an Interim stay was granted on July 30, 2014 which required deposit of Rs.10,00,38,000/- by January 2015 against payment of arrears of rent for the year 2000-01 to 2013-14 and payment of Rs.45,00,000/- per annum from Financial Year 2014-15 till the settlement of the case, to MFSCDCL. As per the terms of the said Order, till financial year 2016-17, Rs. 11,35,38,000/- has been paid by the Company and for financial year 2017-18 to 2021-22 Rs. 45,00,000/- per annum has been paid by WWIL. The State Govt. of Maharashtra and MFSCDCL challenged the order of the High Court in the Supreme Court which was dismissed by the Supreme Court on September 22, 2014. The amount so paid / being paid by the- Company have been accounted under Non - Current Other Financial Assets in the Standalone Financial Statements to be adjusted on the settlement of the case. Management of WWIL informs that these will be accounted as an expense, if required, on the settlement of the case.

Additionally, without giving effect to the matter as stated above, WWIL's net worth stands fully eroded as at March 31, 2024. 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 2024.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure(s) to Board's Report, but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MUKTA ARTS LIMITED

Independent Auditors' Report (Continued)

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.

The 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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, 2020 ("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, read with rule 7 of the **Companies (Accounts) Rules, 2014**;
 - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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, 2024 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, 2024 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. 45.
 - iii. There was no amount required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024 – Refer Note No. 46.
 - iv. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - v. The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) contain any material mis-statement.
 - vi. The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.
 - vii. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

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

Sd/-
CA. Subhash Jhunjunwala
Partner
Membership No. 016331
UDIN: 24016331BKBHEG3893

Date: May 28, 2024
Place: Mumbai

MUKTA ARTS LIMITED

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, 2024

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:

- i) a) The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipment.
- b) The company has concluded physical verification of Plant and Equipment during the year.
- c) According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company.
- d) The company has not revalued its Property, Plant, and Equipment during the year. Therefore, the provisions of Clause (i)(d) of paragraph 3 of the order are not applicable to the company.
- e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Therefore, the provisions of Clause (i)(e) of paragraph 3 of the order are not applicable to the company.
- ii) a) As explained by the Management, Company does not have any inventory for physical verification. Accordingly, paragraph 3(ii) of the Order is not applicable to the Company.
- b) During any point of time of the year, the company has not been sanctioned any working capital limits, from banks or financial institutions on the basis of security of current assets. Therefore, the provisions of Clause (ii)(b) of paragraph 3 of the order are 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) of the Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, with reference to the provisions of Section 185 and 186 of the Act, which regulates 'Intercorporate Loans & Investments', the Company failed to, accrue Interest on the following for the F.Y.2023-24:
 - a) Loan received from 'Surbhi Investments & Trading Company Private Ltd.' Of Rs. 52,00,000/- and Inter-Corporate Deposit from A.A.Films private limited of Rs.4,80,00,000/-
 - b) Inter-Corporate Deposits/ Cinema Deposits landed to following Parties where no Interest has been accrued for the F.Y.2023-24:

Sr No	Name of the Parties	Amount (Rs.)	Sr No	Name of the Parties	Amount (Rs.)
1	M/s Om Films Pvt. Ltd.	2,52,07,184/-	3	VKL Resorts India Pvt Ltd.	1,70,57,670/-
2	Vergheese Kurian	3,25,44,877/-	4	VKL Builders India Pvt Ltd.	78,66,236/-

According to management, the purpose of extending the aforementioned deposits was always for business purposes. The company intended to utilize these funds to execute agreements with the involved parties, and the motive was never to accrue/earn interest on the deposits given.

Furthermore, management indicates that recovery proceedings are underway regarding certain parties, with the company not anticipating the realization of the understandings and discussions previously held with them.

- 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, 2024 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 Appellate 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) According to the information and explanation given to us, company has no transactions, not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961)
- ix) (a) 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.
- (b) In our opinion and according to the information and explanations given to us, Company is not declared wilful defaulter by any bank or financial institution or other lender
- (c) In our opinion and according to the information and explanations given to us, the loans were applied for the purpose for which the loans were obtained.
- (d) In our opinion and according to the information and explanations given to us, there are no funds raised on short-term basis which have been utilised for long-term purposes.
- (e) In our opinion and according to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) In our opinion and according to the information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x) 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.
- xi) (a) 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.
- (b) During the year no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As auditors, we did not receive any whistle-blower complaints during the year.
- xii) 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.
- xiii) 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.
- xiv) 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.
- xv) According to the information and explanations given to us, we are of the opinion that:
- 1) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
 - 2) The company has not conducted any Non-Banking Financial or Housing Finance activities during the year.
 - 3) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, accordingly the provisions of clause 3(xvi) of the Order are not applicable.
 - 4) As per the information and explanations received, the group does not have any CIC as part of the group.

MUKTA ARTS LIMITED

- xvi) (a) According to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business;
- (b) We have considered the reports of the Internal Auditors for the period under audit;
- xvii) According to the information and explanations given to us and based on the audit procedures conducted we are of opinion that the company has not incurred any cash losses in the financial year and the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors during the year and accordingly, the provisions of clause 3(xviii) of the Order is not applicable
- xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is incapable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company.
- xx) We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xxi) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, the provisions of clause 3(xx) of the Order is not applicable.
- xxii) 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.
- xxiii) 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.

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

Sd/-
CA. Subhash Jhunjhunwala
Partner
Membership No. 016331
UDIN: 24016331BKBHEG3893

Date: May 28, 2024
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

We have audited the internal financial controls over financial reporting of **Mukta Arts Limited** ("the Company") for the year ended on March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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



Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and specified under sub-section 10 of Section 143 of the Companies Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Qualified Opinion

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls system over financial reporting as of March 31, 2024, 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, 2024.

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, 2024, and the material weakness doesn't affect our opinion on the standalone financial statements of the Company.

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

**Sd/-
CA. Subhash Jhunjunwala
Partner
Membership No. 016331
UDIN: 24016331BKBHEG3893**

Date: May 28, 2024
Place: Mumbai

MUKTA ARTS LIMITED

Standalone Balance Sheet As At 31 March, 2024

Particulars	Note No.	(₹ in '000)	
		As at 31 March 2024	As at 31 March 2023
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	6 (a)	111,244	115,139
(b) Right-of-use assets	6 (b)	4,859	6,232
(c) Capital work-in-progress	6(c)	1,287	1,287
(d) Investment property	7	126,569	129,484
(e) Intangible assets	6 (d)	-	-
(f) Intangible Assets under Development	6 (e)	29,332	37,034
(g) Financial assets			
(i) Investments	8 (a)	330,887	315,204
(ii) Loans	8 (b)	353,006	356,906
(iii) Others financial assets	8 (c)	421,335	392,731
(h) Deferred tax assets (net)	9	24,033	21,905
(i) Other non-current assets	10	95,300	106,274
Total Non-current assets		1,497,852	1,482,196
Current assets			
(a) Financial assets			
(i) Trade receivables	11 (a)	220,833	159,590
(ii) Cash and cash equivalents	11 (b)	3,372	67,961
(iii) Bank balances other than (ii) above	11 (c)	62,731	59,630
(iv) Loans	11 (d)	824,428	800,829
(v) Others financial assets	11 (e)	64,080	68,218
(b) Other current assets	12	34,602	37,053
Total Current assets		1,210,046	1,193,281
Total Assets		2,707,898	2,675,477
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	13	112,926	112,926
(b) Other Equity	14	1,771,231	1,666,650
Total Equity		1,884,157	1,779,576
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15 (a)	530,957	532,220
(ii) Lease Liabilities	15 (b)	14,305	18,483
(iii) Other financial liabilities	15 (c)	27,234	44,976
(b) Employee Benefits Obligations	16	12,071	12,827
(c) Other non-current liabilities	17	2,571	46,414
Total Non-Current Liabilities		587,138	654,920
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18 (a)	67,238	48,000
(ii) Lease Liabilities	18 (b)	7,083	6,766
(iii) Trade payables	18 (c)	38,520	23,308
(iv) Other financial liabilities	18 (d)	21,346	16,716
(b) Short Term Provisions	19	4,210	17,030
(c) Other current liabilities	20	98,206	129,162
Total Current liabilities		236,603	240,982
Total Equity and Liabilities		2,707,898	2,675,477

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

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

Sd/-
CA Subhash Jhunjunwala
Partner
Membership No: 016331

Sd/-
Subhash Ghai
Chairman Director
DIN: 00019803

Sd/-
Rahul Puri
Managing Director
DIN: 01925045

Sd/-
Parvez A. Farooqui
Director
DIN: 00019853

Date: 28 May 2024
Place: Mumbai

Sd/-
Prabuddha Dasgupta
Chief Financial Officer

Sd/-
Hemal Pankhania
Company Secretary
Membership No: ACS31426



Standalone Statement of Profit and Loss for the year ended on 31 March, 2024

(₹ in '000)

Particulars		Note No.	Year ended 31 March 2024	Year ended 31 March 2023
(I)	Revenue from operations	21	275,160	198,740
(II)	Other income	22	160,010	138,469
(III)	Total Income (I+II)		435,170	337,208
(IV)	Expenses			
	(a) Cost of production, distribution and exhibition	23	116,293	3,860
	(b) Employee benefits expense	24	54,802	50,329
	(c) Finance costs (net)	25	60,536	50,370
	(d) Depreciation and amortisation expenses	26	23,988	20,568
	(e) Other expenses	27	66,212	107,155
	Total Expenses		321,832	232,282
(V)	Profit/(Loss) before tax (III - IV)		113,338	104,928
	Tax expense			
	Current tax		11,100	17,900
	Deferred tax		(2,129)	297
	Taxes for earlier years		1,025	2,523
(VI)	Profit for the period after tax (VI+VII)		103,342	84,208
(VII)	Other comprehensive income			
	Items that will not be reclassified to profit or loss			
	Less : Remeasurement gain on defined benefit plan		1,250	131
	Other comprehensive income for the year		1,250	131
(VIII)	Total comprehensive income for the year (IX+X)		104,592	84,338
(IX)	Earnings per share	31		
	Basic (in Rs) (nominal value ₹ 5)		4.58	3.73
	Diluted (in Rs) (nominal value ₹ 5)		4.58	3.73

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**
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Prabuddha Dasgupta
Chief Financial Officer

Sd/-
Hemal Pankhania
Company Secretary
Membership No: ACS31426

MUKTA ARTS LIMITED

Statement of Changes in Equity as at 31 March, 2024

(₹ in '000)

	Number	Amount
Balance as at 1 April 2022	22,585,200	112,926
Add: Changes in equity share capital	-	-
Balance as at 31 March 2023	22,585,200	112,926
Add: Changes in equity share capital	-	-
Balance as at 31 March 2024	22,585,200	112,926

	Securities Premium	General Reserve	Capital Reserve	Retained Earnings	Total other equity
Balance as at 1 April 2022	973,605	83,145	12	525,545	1,582,306
Profit/(loss) for the year	-	-	-	84,208	84,208
Ind As 116 adjustments	-	-	-	-	-
Dividend and dividend tax	-	-	-	-	-
Other comprehensive income for the year	-	-	-	131	131
Total Comprehensive income for the year	-	-	-	84,339	84,339
Dividend and dividend tax	-	-	-	-	-
Employee stock option compensation expense	-	-	-	-	-
Balance as at 31 March 2023	973,605	83,145	12	609,884	1,666,646
Net profit after tax for the year	-	-	-	103,342	103,342
Ind As 116 adjustments	-	-	-	(7)	(7)
Dividend and dividend tax	-	-	-	-	-
Other comprehensive income for the year	-	-	-	1,250	1,250
Total Comprehensive income for the year	-	-	-	104,585	104,585
Transfer from/to share option outstanding account	-	-	-	-	-
Employee stock option compensation expense	-	-	-	-	-
Balance as at 31 March 2024	973,605	83,145	12	714,469	1,771,231
The above standalone statement of changes in equity account should be read in conjunction with the accompanying notes.					

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

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Mukta Arts Limited
CIN: L92110MH1982PLC028180

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DIN: 00019853

Date: 28 May 2024
Place: Mumbai

Sd/-
Prabuddha Dasgupta
Chief Financial Officer

Sd/-
Hemal Pankhania
Company Secretary
Membership No: ACS31426



Standalone Cash Flow Statement for the year ended 31 March, 2024

Particulars	(₹ in '000)	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash flow from operating activities		
Profit before tax	113,338	104,928
Non-cash adjustments to reconcile Profit before tax to net cash flows		
Depreciation and amortisation	23,988	20,568
Bad debts/ advances/ intangible assets under development written-off	1,615	7,165
Finance costs	60,536	50,370
Interest income	(111,947)	(101,826)
(Gain) on sale of tangible assets (net)	(680)	(1,669)
Operating profit before working capital changes	86,851	79,536
Movements in working capital:		
Increase/(Decrease) in other current liabilities	(30,956)	47,475
Increase/(Decrease) in other financial liabilities	4,630	(40,177)
Increase/(Decrease) in other non current liabilities	(43,843)	(15,850)
Increase/(Decrease) in other non current lease liabilities	(4,178)	(23,997)
Increase/(Decrease) in other non current financial liabilities	(17,742)	49,126
Increase/(Decrease) in current lease liabilities	317	3,660
Increase/(Decrease) in trade payables	15,212	(7,458)
Increase/(Decrease) in current provisions	(12,820)	13,686
Increase/(Decrease) in non current provisions	(755)	629
(Increase)/Decrease in trade receivables	(61,243)	(13,637)
(Increase)/Decrease in loans and advances	3,900	17,500
(Increase) /Decrease in other non- current assets	10,974	(15,652)
(Increase)/Decrease in short-term loans and advances	(23,599)	(122,037)
(Increase)/Decrease in other financial assets	4,138	(12,513)
(Increase) /Decrease in other current assets	2,451	(15,652)
(Increase)/Decrease in other current financial assets	(28,604)	(386)
Cash generated from (used in) operations	(95,267)	(55,749)
Taxes paid (net)	(16,351)	(25,620)
Net cash generated from (used in) operating activities (A)	(111,618)	(81,369)
Cash flow from investing activities		
Investments in equity shares of subsidiaries	(6,183)	(29,108)
Investments in liquid mutual funds	(9,500)	-
Purchase of fixed assets (tangible and intangible)	(13,779)	(9,506)
Proceeds from maturity/ (reinvestment) of fixed deposits, net	3,604	2,356
Amortisation of intangible assets	692	30,550
Proceeds from sale of fixed assets	5,909	6,505
Interest income	111,947	101,826
Net cash used in investing activities (B)	92,690	102,622
Cash flow from financing activities		
Secured loan (repaid)/taken, net	(1,263)	81,030
Unsecured loan (repaid)/taken , net	19,238	3,467
Finance charges (net)	(60,536)	(50,370)
Net cash flow from / (used in) financing activities (C)	(42,560)	34,127
Net increase /(decrease) in cash and cash equivalents (A + B + C)	(61,489)	55,381
Cash and cash equivalents at the beginning of the year	67,739	12,357
Cash and cash equivalents at the end of the year	3,150	67,739

MUKTA ARTS LIMITED

Particulars	(₹ in '000)	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Reconciliation of cash and cash equivalents as per the cash flow statement		
Notes:		
(a) The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard - 7 prescribed in the Companies (Accounting Standards) Rules, 2006, which continue to apply under Section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules 2014.		
(b) Cash and cash equivalents at year-end comprises:		
(i) Cash on hand	87	340
(ii) Balances with scheduled banks in - in current accounts and deposits	3,063	67,399
Balances per statement of cash flows	3,150	67,739

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

Sd/-

CA Subhash Jhunjunwala

Partner

Membership No: 016331

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Subhash Ghai

Chairman Director

DIN: 00019803

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Rahul Puri

Managing Director

DIN: 01925045

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Parvez A. Farooqui

Director

DIN: 00019853

Date: 28 May 2024

Place: Mumbai

Sd/-

Prabuddha Dasgupta

Chief Financial Officer

Sd/-

Hemal Pankhania

Company Secretary

Membership No: ACS31426



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

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 15 March 2000 and renamed as Mukta Arts Limited. The Company is promoted by Mr. Subhash Ghai who holds 55.34% of the outstanding equity share capital as at 31 March 2024.

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 and National Stock Exchange of India Limited.

2 Summary of significant accounting policies

2.1 Basis of preparation

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

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

(ii) Historical Cost Convention

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

2.2 Current versus non-current classification

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

2.3 Segment Reporting

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

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

2.4 Foreign Currency Transactions

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

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

2.5 Revenue Recognition

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

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company, revenue can be reliably measured and recoverability is reasonably certain and the goods or services have been transferred to the Customer. The amount recognised as income is exclusive of goods and services tax and net of trade discounts. Revenue from fixed rate contracts is recognised over the period as per the contractual 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.

MUKTA ARTS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

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

Income from distribution and exhibition

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

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

Revenue from equipment hire/ facility rental

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

Revenue from business support service

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

Dividend & Interest income

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

2.6 Employee benefits

Short term employee benefits

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

Post-employment benefits

Defined contribution plan:

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

Defined benefit plan:

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



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

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.

Assets given on operating lease

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

2.9 Taxation

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

Current tax

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

Minimum Alternative Tax Credit entitlement

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

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

Deferred tax

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

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

2.10 Property, plant and equipment (PPE)

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

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

Transition to Ind AS

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

Depreciation methods, estimated useful lives and residual value

MUKTA ARTS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

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 technical 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.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

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

2.14 Inventory

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

2.15 Cash and cash equivalents

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

2.16 Financial Instruments

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

Financial Asset

The entity classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Initial recognition and measurement

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

Subsequent measurement

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

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

Financial Assets measured at amortised cost

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

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

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

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

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

MUKTA ARTS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

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

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

Equity investments

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

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

Derecognition of Financial Assets

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

Impairment of financial assets :

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

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

Trade receivables

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

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

Financial Liabilities

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

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



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

Financial liabilities at fair value through Profit or Loss:

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

Financial Liabilities measured at amortised cost:

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

Derecognition of Financial Liabilities

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

Offsetting :

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

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.

MUKTA ARTS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

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 losses.

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 31 MARCH, 2024 (CONTD.)

6(a) - Property, plant and equipment

(₹ in '000)

	Ownership Premises	Leasehold Premises	Plant & Machinery	Motor Vehicles	Fixtures & Fittings	Computers	Total
Cost or deemed cost (Gross Carrying Amount)							
<i>As at 1 April 2022</i>	106,072	127,767	198,659	87,974	34,668	14,340	569,480
Additions	-	-	522	8,357	518	194	9,591
Disposals	-	-	-	1,572	-	-	1,572
Other adjustment							
<i>As at 31 March 2023</i>	106,072	127,767	199,181	94,758	35,185	14,534	577,498
<i>As at 1 April 2023</i>	106,072	127,767	199,181	94,758	35,185	14,534	577,498
Additions	-	-	295	20,179	97	320	20,891
Disposals	-	-	233	5,058	-	-	5,291
Other adjustment							
<i>As at 31 March 2024</i>	106,072	127,767	199,243	109,879	35,282	14,854	593,098
Accumulated Depreciation/Amortisation							
<i>As at 1 April 2022</i>	55,272	80,678	188,167	76,020	32,460	13,675	446,273
Charge for the year	4,144	6,303	839	4,175	436	191	16,087
Deduction	-	-	-	-	-	-	-
Other adjustment	-	-	-	-	-	-	-
<i>As at 31 March 2023</i>	59,416	86,981	189,005	80,195	32,896	13,866	462,359
<i>As at 1 April 2023</i>	59,416	86,981	189,005	80,195	32,896	13,866	462,359
Charge for the year	3,794	6,320	603	8,325	409	250	19,700
Deduction	-	-	8	177	-	-	184
Other adjustment	(22)	-	-	-	-	-	(22)
<i>As at 31 March 2024</i>	63,188	93,301	189,601	88,343	33,304	14,116	481,854
Carrying amounts (Net)							
<i>At 1 April 2022</i>	50,800	47,088	10,492	11,954	2,208	665	123,207
<i>At 31 March 2023</i>	46,656	40,786	10,175	14,563	2,290	668	115,139
<i>At 31 March 2024</i>	42,884	34,466	9,642	21,536	1,978	738	111,244

6(b) Right-of-use assets

	Amount (in '000)		Amount (in '000)	Net (in '000)
Cost or deemed cost (Gross Carrying Amount)		Accumulated Depreciation/Amortisation		
<i>As at 1 April 2022</i>	11,713	<i>As at 1 April 2022</i>	4,112	7,601
Additions	-	Charge for the year	1,369	
Disposals	-	Deduction	-	
<i>As at 31 March 2023</i>	11,713	<i>As at 31 March 2023</i>	5,481	6,232
<i>As at 1 April 2023</i>	11,713	<i>As at 1 April 2023</i>	5,481	6,232
Additions	-	Charge for the year	1,373	
Disposals	-	Deduction	-	
<i>As at 31 March 2024</i>	11,713	<i>As at 31 March 2024</i>	6,854	4,859

MUKTA ARTS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

6(c) Capital Work in Progress

(₹ In '000)

	Amount (Rs. in '000)
As at 1 April 2022	1,287
Additions	-
Disposals	-
As at 31 March 2023	1,287
As at 1 April 2023	1,287
Additions	-
Disposals	-
As at 31 March 2024	1,287

6(d) - Intangible Assets

(₹ In '000)

	Distribution Rights	Negative Rights	Exhibition Rights	Total
Cost or deemed cost				
As at 1 April 2022	240,000	809,728	2,500	1,052,229
Additions	-	-		-
Disposals	-			-
Other adjustment				-
As at 31 March 2023	240,000	809,728	2,500	1,052,229
As at 1 April 2023	240,000	809,728	2,500	1,052,229
Additions		-		-
Disposals				-
Other adjustment				-
As at 31 March 2024	240,000	809,728	2,500	1,052,229
Accumulated amortisation and impairment losses				
As at 1 April 2022	240,000	809,728	2,500	1,052,229
Charge for the year	-	-		-
Deduction	-			-
Other adjustment				-
As at 31 March 2023	240,000	809,728	2,500	1,052,229
As at 1 April 2023	240,000	809,728	2,500	1,052,229
Charge for the year		-		-
Deduction				-
Other adjustment				-
As at 31 March 2024	240,000	809,728	2,500	1,052,229
Carrying amount (Net)				
At 1 April 2021	-	-	-	-
At 31 March 2022	-	-	-	-
At 31 March 2023	-	-	-	-



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

6(e) Intangible assets under development

(₹ In '000)

	Amount (Rs. in '000)
As at 1 April 2022	17,489
Additions	19,545
Disposals	-
Other adjustment	-
As at 31 March 2023	37,034
As at 1 April 2023	37,034
Additions	-
Disposals	7,702
Other adjustment	-
As at 31 March 2024	29,332

Note : 1. During the year ended on 31 March 2024 and 31 March 2023, there is no impairment loss determined at each level of CGU. The recoverable amount was based on value in use and was determined at the level of CGU.

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

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

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

7 Investment property

(₹ In '000)

Particular	Building	Land	Total
As at 1 April 2022	122,968	66,389	189,357
Additions	-	-	-
Disposals	-	-	-
Other adjustment	-	-	-
As at 31 March 2023	122,968	66,389	189,357
As at 1 April 2023	122,968	66,389	189,357
Additions	-	-	-
Disposals	-	-	-
Other adjustment	-	-	-
As at 31 March 2024	122,968	66,389	189,357
Accumulated Depreciation/Amortisation			
As at 1 April 2022	56,761	-	56,761
Charge for the year	3,112	-	3,112
Deduction	-	-	-
Other adjustment	-	-	-
As at 31 March 2023	59,873	-	59,873
As at 1 April 2023	59,873	-	59,873
Charge for the year	2,915	-	2,915
Deduction	-	-	-
Other adjustment	-	-	-
As at 31 March 2024	62,788	-	62,788
Carrying amounts (Net)			
At 1 April 2022	66,207	66,389	132,596
At 31 March 2023	63,095	66,389	129,484
At 31 March 2024	60,180	66,389	126,569

MUKTA ARTS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ in '000)

(i) Information regarding Income and expenditure of Investment properties

	As at 31 March 2024	As at 31 March 2023
Rental income derived from Investment properties	53,354	57,916
Direct operating expenses	3,785	4,078
Profit arising from investment properties before depreciation and indirect expenses	49,569	53,838
Less: Depreciation	2,915	3,112
Profit arising from investment properties before indirect expenses	46,654	50,726

(ii) Fair Value

Particulars	Valuation Techniques (See note below)	Fair Value Hierarchy (See note below)	As at 31 March 2024	As at 31 March 2023
Investment properties	Stamp duty Reckoner rate	Level 2	1,301,375	1,301,375

Estimation of fair value

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

8 Non Current Financial Asset

8(a) Investments

	As at 31 March 2024	As at 31 March 2023
A Non current investments		
Unquoted equity shares		
i) Investment in equity shares of subsidiaries at FVTPL		
Connect 1 Limited		
600 (31 March 2023 : 600) equity shares of ₹ 1000 each, fully paid-up (6 shares are jointly held with individuals)	600	600
Whistling Woods International Limited		
169,997 (31 March 2023 : 169,997) equity shares of ₹ 1000 each, fully paid-up	169,997	169,997
Mukta Tele Media Limited		
4,996 (31 March 2023 : 4,996) equity shares of ₹ 100 each, fully paid-up	500	500
Mukta Creative Ventures Limited		
750,000 (31 March 2023 : 750,000) equity shares of ₹ 10 each, fully paid-up	9,900	9,900
Mukta A2 Multiplex WLL		
2700 (31 March 2023 : 2700) equity shares of BHD 100 each, fully paid-up	59,692	53,508
Mukta A2 Cinemas Limited		
10,50,000 (31 March 2023 : 10,50,000) equity shares of ₹ 10 each 'fully paid-up	10,500	10,500
Deemed Investment in Subsidiary		
Whistling Woods International Ltd	1,320	1,320
Preference Share - Interest	28,194	28,194
Mukta A2 Multiplex WLL	2,498	2,498



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ in '000)

	As at 31 March 2024	As at 31 March 2023
ii) Investment in equity shares of joint venture at FVTPL		
Mukta VN Films Limited		
3,299,950 (31 March 2023 : 3,299,950) equity shares of ₹ 10 each, fully paid-up	33,000	33,000
Deemed Investment in Joint Venture		
Mukta VN Films Limited	5,185	5,185
Total (i+ii)	321,386	315,203
iii) Investment in equity instruments-others at FVTPL (un-quoted)		
Bashiron Co. Op. Housing Society Limited 10 Shares (2023: 10) of Rs 50 each	1	1
Bait-Ush-Sharaf Co. Op. Housing Society Limited 10 Shares (2023: 10) of Rs 50 each	1	1
Total (iii)	1	1
iv) Investment in others - Debt Liquid Fund	9500	-
Total (i+ii+iii)	330,887	315,204

8(b) Loans

	As at 31 March 2024	As at 31 March 2023
Unsecured		
Amounts due from related parties Whistling Woods International Limited	181,200	185,100
ii) Investment in preference shares of subsidiary (un-quoted)		
200,000 (2023: 200,000) 8% Redeemable cumulative preference shares of Whistling Woods International Limited of Rs 1,000 each, fully paid-up (note 3.41). These preference shares were issued on 27 August 2007 and are redeemable at par at any time on or after 21 June 2012 and before 21 June 2027.	171,806	171,806
Total	353,006	356,906

8(c) Other financial assets

	As at 31 March 2024	As at 31 March 2023
Security deposits to		
- Others	5,167	4,972
Other advances	133,673	123,341
Interest receivables Account (Preference Dividend)	282,495	264,418
Total	421,335	392,731

9 Deferred tax assets (net)

	As at 31 March 2024	As at 31 March 2023
Deferred tax liability on		
Arising on account of timing differences in:	-	-
Total	-	-
Deferred tax asset on		
Provision for leave encashment and gratuity	4,233	3,921
Provision for doubtful debts and advances	440	368
Property, Plant and Equipment and intangible assets	13,947	15,750
Others	5,414	1,866
Total	24,033	21,905
Deferred tax assets (net)	24,033	21,905

MUKTA ARTS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ in '000)

Movement in deferred tax assets	Employee Benefits Obligations	Allowance for doubtful debts – trade receivables	Property, Plant and Equipment and intangible assets	Others	Total
At April 1, 2023	3,921	368	15,750	1,866	21,905
(Charged)/credited:					
- to profit or loss	312	72	(1,803)	3,548	2,129
- to other comprehensive income	-	-	-	-	-
At March 31, 2024	4,233	440	13,947	5,414	24,033
(Charged)/credited:					
- to profit or loss	-	-	-	-	-
- to other comprehensive income	-	-	-	-	-
At March 31, 2024	4,233	440	13,947	5,414	24,033

10 Other non- current assets

	As at 31 March 2024	As at 31 March 2023
Advance tax (including TDS)	94,884	105,740
Deferred Income Account	416	534
Total	95,300	106,274

11 Current Financial Assets

11(a) Trade receivables

	As at 31 March 2024	As at 31 March 2023
Trade receivables - Billed	72,060	10,539
Trade receivables - Unbilled	-	-
Receivables from related parties	150,464	150,464
Less: Loss allowance	(1,691)	(1,414)
Total trade receivables	220,833	159,590
Current portion	220,833	159,590
Non-current portion	-	-
Total	220,833	159,590
Break-up of security details		
Secured, considered good	222,524	161,003
Unsecured, considered good	-	-
	222,524	161,003
Loss Allowance	(1,691)	(1,414)
Total trade receivables	220,833	159,590



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ in '000)

As on 31st March 2024

Particulars	Outstanding for the following periods from due date of payment						
	Unbilled	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables-Considered good	-	81,078	58,637	57,670	19,222	5,917	222,524
Undisputed Trade Receivables-Which have significant credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables-Credit Impaired	-	-	-	-	-	-	-
Disputed Trade Receivables-Considered good	-	-	-	-	-	-	-
Disputed Trade Receivables-Which have significant credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables-Credit Impaired	-	-	-	-	-	-	-
Gross trade receivables	-	81,078	58,637	57,670	19,222	5,917	222,524
Loss allowance	-	-	-	-	-	1,691	1,691
Net trade receivables	-	81,078	58,637	57,670	19,222	4,225	220,833

As on 31st March 2023

Particulars	Outstanding for the following periods from due date of payment						
	Unbilled	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables-Considered good	-	67,907	50,456	21,794	19,439	1,408	161,003
Undisputed Trade Receivables-Which have significant credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables-Credit Impaired	-	-	-	-	-	-	-
Disputed Trade Receivables-Considered good	-	-	-	-	-	-	-
Disputed Trade Receivables-Which have significant credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables-Credit Impaired	-	-	-	-	-	-	-
Gross trade receivables	-	67,907	50,456	21,794	19,439	1,408	161,003
Loss allowance	-	-	-	1	4	1,408	1,414
Net trade receivables	-	67,907	50,456	21,793	19,435	-	159,590

11 Current Financial Assets

11(b) Cash and cash equivalents

	As at 31 March 2024	As at 31 March 2023
a. Cash on hand	87	340
b. Balances with banks		
In current account	3,063	67,399
Balance in dividend account	223	223
Total	3,372	67,961

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

	As at 31 March 2024	As at 31 March 2023
Interest accrued on FD	1,195	1,208
Deposits with original maturity of more than 3 months and less than 12 months	61,537	58,422
Total	62,731	59,630

MUKTA ARTS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ in '000)

11(d)Loans

	As at 31 March 2024	As at 31 March 2023
Staff Advances	747	1,205
Inter-corporate deposit:		
- Related parties	785,293	750,736
- Others	38,389	48,889
Total	824,428	800,829

11(e)Other financial assets

	As at 31 March 2024	As at 31 March 2023
Interest receivables Account (Preference Dividend)	18,277	18,078
Security deposits	40,413	40,411
Interest Accrued on Investments:		
Related Parties	1,513	3,202
Others	3,876	6,527
Total	64,080	68,218

12 Other current assets

	As at 31 March 2024	As at 31 March 2023
Prepaid expenses	17,067	19,811
Advances	5,440	5,431
Service Tax Input	6,216	6,216
GST input	5,880	5,595
Total	34,602	37,053

13 Equity share capital

	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
Authorised share capital				
Equity shares of ₹ 5 each	24,000,000	120,000	24,000,000	120,000
	24,000,000	120,000	24,000,000	120,000
Issued, subscribed and fully paid- up				
Equity shares of ₹ 5 each	22,585,200	112,926	22,585,200	112,926
Total	22,585,200	112,926	22,585,200	112,926

Terms and rights attached to equity shares

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



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ in '000)

Reconciliation of paid-up share capital (Equity Shares)

	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
Balance at the beginning of the year	22,585,200	112,926	22,585,200	112,926
Add: Issued during the year	-	-	-	-
Add: Acquisition of a subsidiary	-	-	-	-
Balance at the end of the year	22,585,200	112,926	22,585,200	112,926

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

	As at 31 March 2024		As at 31 March 2023	
	Number	% holding in the class	Number	% holding in the class
Equity shares of ₹ 5 each				
1. Mr. Subhash Ghai	12,497,990	55.34%	12,497,990	55.34%
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 2024	As at 31 March 2023
Securities premium		
Balance at the beginning of the year	973,605	973,605
Add: Transfer during the year	-	-
Balance at the end of the year	973,605	973,605
General reserve		
Balance at the beginning of the year	83,145	83,145
Add: Transfer during the year	-	-
Balance at the end of the year	83,145	83,145
Capital reserve		
Balance at the beginning of the year	12	12
Add: Transfer during the year	-	-
Balance at the end of the year	12	12
Retained earnings		
Balance at the beginning of the year	609,884	525,545
Add: Net profit after tax for the year	103,342	84,208
Add : Ind As 116 adjustments	(7)	-
Less : Dividend and dividend tax	-	-
Other comprehensive income	1,250	131
Balance at the end of the year	714,469	609,884
Total	1,771,231	1,666,650

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.

MUKTA ARTS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ in '000)

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.

Shares held by the promoters at the end of the year

Name of the Promoters	No. of Shares as on March 31, 2024	% of Total Shares on March 31, 2024	No. of Shares as on March 31, 2023	% of Total Shares on March 31, 2023	% Change during the year
Subhash Ghai	12,497,990	55.34	12,497,990	55.34	Nil
Meghna Ghai Puri	1,650,000	7.31	1,650,000	7.31	Nil
Mukta Ghai	1,650,000	7.31	1,650,000	7.31	Nil
Parvez Akhtar Farooqui	77,300	0.34	77,300	0.34	Nil
Siraj Farooqui	44,000	0.19	44,000	0.19	Nil
Ashok K. Ghai	37,000	0.16	37,000	0.16	Nil
Sunita Bahri #	8,700	0.04	-	-	-
Nargis Parvez Farooqui	4,300	0.02	4,300	0.02	Nil
Total	1,59,69,290	70.71	1,59,60,590	70.67	Nil

Note: *percentage calculated is on equity paid up share capital of the Company.

Sunita Bahri holds 8700 Equity Shares in the Company which was transferred to IEPF and claimed back during the financial year 2023-24 and there is no % change during the year.

15 Non Current Financial Liabilities

15(a) Long-term borrowings

	As at 31 March 2024	As at 31 March 2023
Secured		
Term loan from banks and others		
Indian Bank*	501,163	505,799
Hero Fincorp Ltd**	19,994	24,355
Motor vehicle finance loans***	29,684	17,533
Less: current maturity of term loan	(19,884)	(15,467)
Total	530,957	532,220

* 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.

** Term loan against property is secured against two flats of the Company by way mortgage 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. 87,09,197/- (2023: Rs 22,24,654/-) is repayable in 48 equated monthly installments of Rs 287,198 till May 2025 and Rs. 102,380 from June 25 to May 2028. Interest rate 14.25%.
BMW India Financial Services Pvt Ltd	Outstanding amount of loan Rs. 1,55,57,835/- (2023:Rs 57,78,728/-) is repayable in 48 monthly installments of Rs 3,00,050/- May 2027. Interest rate 10.30%
HDFC Bank Limited	Outstanding amount of loan Rs. 54,16,709/- (2023: Rs 95,29,129/-) is repayable in 60 equated monthly installments of Rs 1,43,045/- till August 2028. Interest rate 10.50%

15(b) Lease Liabilities

	As at 31 March 2024	As at 31 March 2023
Lease Liability	14,305	18,483
Total	14,305	18,483



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ in '000)

15(c) Other financial liabilities

	As at 31 March 2024	As at 31 March 2023
Security deposits	27,234	44,976
Total	27,234	44,976

16 Employee Benefits Obligations

	As at 31 March 2024	As at 31 March 2023
Provision for Leave Salary	3,007	3,164
Provision for gratuity	9,064	9,663
Total	12,071	12,827

17 Other non-current liabilities

	As at 31 March 2024	As at 31 March 2023
Income Received in advance	2,571	46,414
Total	2,571	46,414

18 Current Financial Liabilities

18(a) Short-term borrowings

	As at 31 March 2024	As at 31 March 2023
Repayable on demand		
Unsecured		
From Banks and Institutions	14,038	-
Inter corporate deposits - Others	53,200	48,000
Total	67,238	48,000

18(b) Lease Liabilities

	As at 31 March 2024	As at 31 March 2023
Lease Liabilities	7,083	6,766
Total	7,083	6,766

18(b) Trade payable

	As at 31 March 2024	As at 31 March 2023
Other than micro and small enterprises	37,532	23,308
Micro and small enterprises	988	-
Total	38,520	23,308

18(c) Other financial liabilities

	As at 31 March 2024	As at 31 March 2023
Current maturities of long term borrowings	19,884	15,467
Interest accrued but not due on borrowings		
Interest on loan taken	196	-
Sundry advances received		
From related party	1,019	982
Others	24	44
Unclaimed dividend	223	223
Total	21,346	16,716

MUKTA ARTS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ in '000)

19 Short Term Provisions

	As at 31 March 2023	As at 31 March 2022
Provision For Taxation	-	14,906
Provision For Employee benefit:		
Provision for leave salary	2,247	1,874
Provision for gratuity	1,963	249
Total	4,210	17,030

20 Other current liabilities

	As at 31 March 2023	As at 31 March 2022
Deferred Expense Account	1,309	1,276
Income Received in advance	94,038	112,368
Statutory dues payable		
Provident fund	150	145
ESIC	2	2
TDS payable	2,700	1,439
Profession tax	9	9
VAT / GST	-	13,922
Total	98,206	129,162

21 Revenue from operations (net)

	Year ended 31 March 2024	Year ended 31 March 2023
(a) Sale of products/ film rights		
Own Film/ Content production	185,518	86,743
	185,518	86,743
(b) Distribution, Exhibition, Theatrical and Film Production Income		
Distribution and exhibition	40	349
Equipment hire income	2,082	1,390
	2,122	1,739
(c) Other operating revenue		
Rent and amenities charges	81,400	104,138
Business support services	6,120	6,120
	87,520	110,258
Total	275,160	198,740

22 Other income

	Year ended 31 March 2024	Year ended 31 March 2023
Interest income on bank deposits	3,713	2,261
Interest income on others	103,979	97,120
Other Non Operating Income		
Interest on income tax refund	4,254	2,445
Profit on sale of assets, (net)	680	1,669
Sundry balances written back	928	3,245
Miscellaneous income (net)	46,455	31,730
Total other income	160,010	138,469



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ in '000)

23 Cost of production, distribution, exhibition and theatrical operation

	Year ended 31 March 2024	Year ended 31 March 2023
Cost of Production of films / Content	111,753	-
Expenses for old Films	4,541	3,860
Total Distributor and producer's share	116,293	3,860

24 Employee benefits expense

	Year ended 31 March 2024	Year ended 31 March 2023
Salaries and bonus	49,560	46,986
Contribution to provident and other funds	2,026	1,897
Gratuity expense	2,971	1,163
Staff welfare expenses	245	282
Total employee benefit expense	54,802	50,329

(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. 2,025,532 (Previous year : Rs. 1,897,272) is recognised as expense and included in the above Note 24

(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 2024	31 March 2023
Discount Rate (per annum)	7.20%	6.80%
Salary growth rate	8.00%	8.25%

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

Particulars

	Gratuity	
	31 March 2024	31 March 2023
Present Value of Obligation as at the beginning	14,039	14,143
Interest cost	882	802
Current Service Cost	570	545
Past Service cost	-	-
Total amount recognised in statement of profit and loss	1,452	1,347
Re-measurement (or Actuarial) (gain) / loss arising from:		
change in demographic assumption	-	-
change in financial assumption	168	(424)
experience changes	176	367
Total amount recognised in Other Comprehensive Income	344	(57)
Benefits Paid	(571)	(1,394)
Liabilities assumed / (settled)	-	-
Present Value of Obligation as at the end	15,263	14,039

MUKTA ARTS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ in '000)

(B) Changes in the Fair value of Plan Assets

Particulars

	Gratuity	
	31 March 2024	31 March 2023
Fair Value of Plan Assets as the beginning	3,996	3,594
Interest on plan assets	194	126
Total amount recognised in statement of profit and loss	194	126
Re-measurement (or Actuarial) gain / (loss) arising from:		
Actual return on plan assets less interest on plan assets	83	74
Total amount recognised in Other Comprehensive Income	83	74
Employer's contribution	534	1,596
Benefits Paid	(571)	(1,394)
Transfer In / (Out)	-	-
Fair value of plan assets at the end	4,236	3,996

(C) Amount recognised in the Balance sheet

Particulars

	Gratuity	
	31 March 2024	31 March 2023
Present Value of obligations as at Balance Sheet date	15,263	13,364
Fair Value of Plan Assets as at the end of the period	4,236	5,195
Net (asset)/ liability recognised as at year end	11,027	8,169

(D) Constitution of Plan Assets

Particulars

	Gratuity	
	31 March 2024	31 March 2023
Administered 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:

Particulars

Defined benefit obligation (base)

As on March 31, 2024

	Gratuity	
	Decrease	Increase
Discount Rate (- / + 0.5%)	438	-411
(% change compared to base due to sensitivity)	2.87%	-2.69%
Salary Growth Rate (- / + 0.5%)	-310	327
(% change compared to base due to sensitivity)	-2.03%	2.14%

Particulars

Defined benefit obligation (base)

As on March 31, 2023

	Gratuity	
	Decrease	Increase
Discount Rate (- / + 0.5%)	541	-502
(% change compared to base due to sensitivity)	3.49%	-3.24%
Salary Growth Rate (- / + 0.5%)	-361	384
(% change compared to base due to sensitivity)	-2.33%	2.48%

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

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

Expected contributions to post employment benefit plan for the year ending March 31, 2024 is Rs. 25 Lakhs (March 31, 2023 : Rs. 25 Lakhs)



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ in '000)

(F) Defined benefit liability and employer contributions

The weighted average duration of the Benefit Obligation is 5.56 years

Particulars

	Gratuity	
	31 March 2024	31 March 2023
Weighted average duration (based on discounted cashflows)		
Year 1	6,198	4,245
Year 2	1,520	2,105
Year 3	414	1,346
Year 4	845	384
Year 5	331	1,006
Thereafter	16,747	15,933

(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. 3,39,662 (March 31, 2023: Rs. 1,47,092)

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.

25 Finance costs

	Year ended 31 March 2024	Year ended 31 March 2023
Interest cost on:		
Car loan	2,841	1,607
Inter corporate deposits	2,410	94
Others	611	383
Term loan	50,900	44,101
Lease Liability	2,905	3,328
Processing cost and other charges	869	857
Total Finance Cost	60,536	50,370

26 Depreciation and amortisation expense

	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation of property, plant and equipment	21,073	17,474
Depreciation on investment property	2,915	3,094
Total Depreciation and amortisation expense	23,988	20,568

MUKTA ARTS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ in '000)

27 Other expenses

	Year ended 31 March 2024	Year ended 31 March 2023
Power and fuel	13,027	33,087
Rent	4,842	4,921
Repairs and maintenance	2,768	2,697
Insurance	1,160	1,688
Rates and taxes	7,891	23,280
Legal and professional	21,230	19,723
Communication expenses	471	535
Travelling and conveyance	102	97
Bad debts/ advances/ intangibles under development written-off	1,615	7,165
Security charges	1,149	915
Business promotion	366	844
CSR Activity Expenses	2,791	2,401
Motor vehicle expenses	1,407	2,470
Printing and stationery	322	321
Bank charges	1,052	1,175
Payment to auditor (Refer details below)	538	535
Miscellaneous expenses	5,482	5,302
Total	66,212	107,155

27 a - Payment to auditor

	Year ended 31 March 2024	Year ended 31 March 2023
Audit Fees	500	500
Reimbursement of Expenses	38	35
Total	538	535

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

	31 March 2024	31 March 2023
Income Tax Expense		
Current tax		
Current tax on profits for the year	11,100	17,900
Total Current Tax Expense	11,100	17,900
Deferred Tax		
Decrease (increase) in deferred tax assets	(2,129)	297
(Decrease) increase in deferred tax liabilities	-	-
Total Deferred Tax Expense	(2,129)	297
Income Tax Expense	8,971	18,197

(B) Reconciliation of tax expense:

	31 March 2024	31 March 2023
Profit before income tax expense	113,338	104,928
Add: Net Disallowances		
Permanent Disallowances	-	-
Temporary Disallowances	689	559
Total Taxable Income	114,027	105,487
Income Tax Expense	11,100	17,900

(C) Amounts Recognised directly in Equity - Nil (31 March 2023 - Nil)



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ in '000)

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 4,842,158 (2023: Rs 4,920,663) 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 2024	31 March 2023
Amounts due within one year	7,124	6,766
Amounts due after one year but not later than five years	19,015	26,751
Amounts due later than five years	-	-
	26,139	33,517

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 53,354,001 (2023: Rs 57,915,536) has been included under 'Rent and amenities charges' in the Statement of profit and loss.

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

Particulars	31 March 2024	31 March 2023
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 2024	31 March 2023
Gross block	172,281	172,281
Accumulated depreciation	63,139	60,224
Net block	109,141	112,057
Depreciation for the year	2,915	3,112

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 28,045,802 (2023: Rs 46,222,212) 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 2024	31 March 2023
Gross block	85,536	85,536
Accumulated depreciation	82,610	76,308
Net block	2,925	9,228
Depreciation for the year	6,303	6,303

30 Capitalisation of expenditure

During the year, the Company has capitalised the salaries, wages and bonus amounting to Rs Nil (2023: 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.

MUKTA ARTS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ in '000)

31 Earnings per equity share:

	Year ended 31 March 2024	Year ended 31 March 2023
Net (loss)/ profit after tax attributable to shareholders	103,342	84,208
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	4.58	3.73
Dilutive EPS	4.58	3.73
Nominal value per share	5	5

32 Fair value measurement

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

	31 March 2024			31 March 2023		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Other Financial Assets	-	-	485,415	-	-	460,949
Trade Receivables	-	-	220,833	-	-	159,590
Cash and cash equivalents	-	-	3,372	-	-	67,961
Loans	-	-	1,177,434	-	-	1,157,735
Investment	330,887	-	-	315,204	-	-
Othe bank balance	-	-	62,731	-	-	59,630
Total financial assets	330,887	-	1,949,785	315,204	-	1,905,865
Financial liabilities						
Borrowings	-	-	598,195	-	-	580,220
Trade Payables	-	-	38,520	-	-	23,308
Other Financial Liabilities	-	-	48,580	-	-	61,692
Total financial liabilities	-	-	685,296	-	-	665,220

(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, 2023 and March 31, 2024.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ in '000)

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

	Level	31 March 2024		31 March 2023	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets					
Other Financial Assets	Level 2	138,840	485,415	128,313	460,949
Trade Receivables	Level 2	220,833	220,833	159,590	159,590
Cash and cash equivalents	Level 2	3,372	3,372	67,961	67,961
Loans	Level 2	598,195	1,177,434	580,220	1,157,735
Investments	Level 2	330,887	330,887	315,204	315,204
Financial liabilities					
Borrowings	Level 2	598,195	598,195	580,220	580,220
Trade Payables	Level 2	38,520	38,520	23,308	23,308
Other Financial Liabilities	Level 2	48,580	48,580	61,692	61,692

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.

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, 2022	3,670
Written-off	-
Provision for allowances	-2,257
Loss allowance on March 31, 2023	1,413
Written-off	
Provision for allowances	278
Loss allowance on March 31, 2024	1,691

(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

MUKTA ARTS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ in '000)

(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, 2024			
Borrowings	67,238	530,957	598,195
Trade payables	38,520	-	38,520
Other financial liabilities	21,346	27,234	48,580
Total liabilities	127,104	558,192	685,296

Contractual maturities of financial liabilities	Less than 1 year	More than 1 year	Total
as at March 31, 2023			
Borrowings	48,000	532,220	580,220
Trade payables	23,308	-	23,308
Other financial liabilities	16,716	44,976	61,692
Total liabilities	88,024	577,196	665,220

Contractual maturities of financial Assets	Less than 1 year	More than 1 year	Total
as at March 31, 2024			
Trade Receivables	220,833	-	220,833
Cash & bank balance	3,372	-	3,372
Other bank Balance	62,731	-	62,731
Loans	824,428	353,006	1,177,434
Investments	-	330,887	330,887
Other financial assets	64,080	421,335	485,415
Total Assets	1,175,444	1,105,228	2,280,672

Contractual maturities of financial Assets	Less than 1 year	More than 1 year	Total
as at March 31, 2023			
Trade Receivables	159,590	-	159,590
Cash & bank balance	67,961	-	67,961
Other bank Balance	59,630	-	59,630
Loans	800,829	356,906	1,157,735
Investments	-	315,204	315,204
Other financial assets	68,218	392,731	460,949
Total Assets	1,156,228	1,064,841	2,221,069

(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.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ in '000)

(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 2024 (BHD)	31 March 2023 (BHD)
Financial Assets		
Investment in shares	270,000	270,000
Loans	702,429	746,893
Receivable	153,389	77,595

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.

Particulars	Currency	Change in rate	Net effect on profit before tax (Incremental amount)
31 March 2024	BHD	+5%	56,291
	BHD	-5%	(56,291)
31 March 2023	BHD	+5%	54,724
	BHD	-5%	(54,724)

(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 2024	31 March 2023
Variable rate borrowings	-	-
Fixed rate borrowings	598,195	580,220
Total Borrowing	598,195	580,220

As at the end of the reporting period, the entity did not had any variable rate borrowings.

34 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 2024	INR	+50	266
	INR	-50	(266)
31 March 2023	INR	+50	258
	INR	-50	(258)

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

MUKTA ARTS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ in '000)

35 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-Mar-24	31-Mar-23
Net debt	598,195	580,220
Total equity attributable to owners	1,884,157	1,779,576
Net Debt to equity ratio	31.75%	32.60%

Risk management

The Company's objective when managing capital are to:

(i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

(ii) Maintain an optimal capital structure to reduce the cost of capital

The Company currently has loans from holding company and banks.

(i) Loan covenants:

Under the terms of its major borrowing facilities, the Company is required to comply with the following financial covenants:

- all collections should be routed through the bank of the provider of the facility.

The Company has complied with the covenants throughout the reporting period. As at 31 March 2024.

36 Related party disclosures

Details of related parties including summary of transactions entered into by the Company during the year ended 31 March 2024 are summarized below:

A) Parties where control exists

(i) Shareholders holding more than 20%

- Subhash Ghai

(ii) Subsidiary companies

- Whistling Woods International Limited
- Connect.1 Limited
- Mukta Tele Media Limited
- Mukta Creative Venture Ltd (Formerly known as Coruscant Tec Private Limited)
- Mukta A2 Cinemas Limited
- Mukta A2 Multiplex WLL

(iii) Joint Venture

- Mukta VN Films Limited

(iv) Step Down Subsidiary Company

- Whistling Woods International Education Foundation

(v) Key management personnel and relatives of such personnel

- Subhash Ghai - Chairman, Executive Director (and shareholder)
- Parvez Farooqui - Non-Executive Director (and shareholder)
- Rahul Puri - Managing Director
- Mukta Ghai - Wife of Subhash Ghai (and shareholder)



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ in '000)

A Parties where control exists (Continued)

- Ashok Ghai - Brother of Subhash Ghai
- Siraj Farooqui - Brother of Parvez Farooqui
- Sameer Farooqui - Brother of Parvez Farooqui
- Sajid Farooqui - Brother of Parvez Farooqui
- Meghna Ghai Puri - Daughter of Subhash Ghai (and shareholder)

(v) Enterprise over which key management personnel have control/ substantial interest/ significant influence

- Mukta Arts – Proprietary concern of Subhash Ghai
- Mukta Tele Arts Private Limited – Enterprise in which Subhash Ghai exercises significant influence

B Transactions with related parties for the year ended 31 March 2024 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	
	2024	2023	2024	2023	2024	2023
Rendering of services - Sale of products						
Mukta A2 Cinemas Ltd - Rent & Maintenance Charges	3,077	1,409	-	-	-	-
Whistling Woods International Ltd - Rent & Maintenance Charges	14,115	9,745	-	-	-	-
Mukta VN Films Limited	-	-	-	-	6,120	6,120
Receiving of services						
Ashok Ghai - Professional fees paid	-	-	3,849	3,849	-	-
Interest income						
Whistling Woods International Limited	20,322	21,925	-	-	-	-
Mukta A2 Multiplex WLL	7,866	7,679	-	-	-	-
Mukta A2 Cinemas Ltd	55,708	47,636	-	-	-	-
Mukta VN Films Limited	-	-	-	-	1,805	1,800
Interest expenses						
Mukta Creative Venture Ltd	104	91	-	-	-	-
Connect.1 Limited	165	3	-	-	-	-
Rent expenses						
Subhash Ghai	-	-	2,400	2,400	-	-
Salaries and other benefit						
Siraj Farooqui	-	-	5,116	4,740	-	-
Sameer Farooqui	-	-	1,380	1,188	-	-
Managerial remuneration						
Subhash Ghai	-	-	8,587	8,587	-	-
Subhash Ghai - Professional Fees - Janaki	-	-	5,500	-	-	-
Rahul Puri	-	-	6,280	5,818	-	-
Reimbursement of expenses received by the Company (net)						
Whistling Woods International Limited	1,070	744	-	-	-	-
Mukta VN Films Limited	-	-	-	-	339	290
Mukta A2 Cinemas Ltd	1,854	310	-	-	-	-

MUKTA ARTS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ in '000)

Transactions	Subsidiary companies		Key Management Personnel and relatives of such personnel		Enterprises over which key management personnel have control/ substantial interest/ significant influence	
	2024	2023	2024	2023	2024	2023
Loan given during the year						
Mukta A2 Multiplex WLL	-	29,632	-	-	-	-
Mukta A2 Cinemas Ltd	32,900	56,000	-	-	-	-
Whistling Woods International Limited	28,100	10,000	-	-	-	-
Loan repaid during the year						
Whistling Woods International Limited	32,000	27,500	-	-	-	-
Mukta A2 Cinemas Ltd	22,900	8,500	-	-	-	-
Mukta A2 Multiplex WLL	-	13,046	-	-	-	-
Advances received during the year						
Connect.1 Ltd	-	1,500	-	-	-	-
Loan receivable						
Whistling Woods International Limited	181,200	185,100	-	-	-	-
Mukta A2 Multiplex WLL	155,293	130,736	-	-	-	-
Mukta A2 Cinemas Ltd	610,000	600,000	-	-	-	-
Mukta VN Films Limited	-	-	-	-	20,000	20,000
Amount receivable						
Whistling Woods International Limited	2,049	387	-	-	-	-
Mukta A2 Cinemas Ltd	44,868	46,987	-	-	-	-
Mukta VN Films Ltd	-	-	-	-	3,592	2,643
Interest receivable						
Whistling Woods International Limited	1,513	1,594	-	-	-	-
Mukta A2 Cinemas Ltd	133,649	83,511	-	-	-	-
Other Payables						
Siraj Farooqui	-	-	645	322	-	-
Sameer Farooqui	-	-	187	86	-	-
Subhash Ghai	-	-	1,350	475	-	-
Rahul Puri	-	-	589	273	-	-
Advances payable						
Mukta Creative Venture Ltd	1,019	982	-	-	-	-
Connect.1 Limited	1,623	1,503	-	-	-	-
Letter of support to Whistling Woods International Limited						



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ in '000)

37 Disclosure as per Clause 32 of the Listing agreement

Name of the Company	Balance as at		Maximum outstanding during the year	
	2024	2023	2024	2023
(a) Particulars in respect of loans and advances in the nature of loans to subsidiary/ associate companies				
- Whistling Woods International Limited	181,200	185,100	202,600	202,600
- Mukta Tele Media Ltd	-	-	-	3,749
- Mukta A2 Multiplex WLL	155,293	130,736	155,293	130,736
- Mukta A2 Cinemas Ltd	610,000	600,000	610,000	600,000
- Mukta VN Films Ltd	20,000	20,000	20,000	20,000
(b) Particulars of Loans and advances to Companies in which director (s) is a Director or member:				
None	-	-	-	-
(c) Particulars in respect of loans and deposits to subsidiary / associate companies where there is no repayment schedule				
- Whistling Woods International Limited	181,200	185,100	202,600	202,600
- Mukta Tele Media Limited	-	-	-	3,749
- Mukta A2 Multiplex WLL	155,293	130,736	155,293	130,736
- Mukta A2 Cinemas Ltd	610,000	600,000	610,000	600,000
- Mukta VN Films Ltd	20,000	20,000	20,000	20,000

38 Commitments

Estimated amounts of contracts remaining to be executed on capital account and not provided for aggregate to Rs Nil (31 March 2023 Rs Nil).

39 Contingent liabilities

	31 March 2024	31 March 2023
a) Service tax liability in appeal (note 1)	1,675	1,675
b) Corporate guarantee given by the Company against a loan facility taken by its subsidiary company Mukta A2 Cinemas Ltd.	35,655	69,900

c) Support letter provided to Whistling Woods International Limited, a subsidiary of the Company and to Mukta VN Films Limited.

Notes

- 1) Unless specified, the amounts are excluding penalty and interest, if any, that would be levied at the time of final conclusion.
- 2) The Company is party to various legal proceedings in the normal course of business and does not expect the outcome of these proceedings to have any adverse effect on the financial conditions, results of operations or cash flows.
- 3) In addition, the Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability, where applicable in its financial statements. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect of the Company's results of operations or financial condition.
- 4) The Company has availed the benefit of payment of customs duty and other duties at a concessional rate on import of capital goods, under the Export Promotion Capital Goods ('EPCG') Scheme, against fulfillment of export commitment over eight years from the date of issue of the license. The Company's bankers have provided guarantees amounting to Rs 18,070,385 (31 March 2023: Rs 18,268,541) to the Customs and other statutory authorities, on behalf of the Company, towards fulfillment 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.

MUKTA ARTS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

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 2024 is Rs. 78.65 Lacs (31 March 2023 Rs 76.79 Lacs).

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 2024 Rs 113,538,000 has been paid by the Company and Rs 31,500,000 has been paid by WWI. The State Government of Maharashtra and MFSCDCL challenged the Order of the Bombay High Court in the Supreme Court which was dismissed by the court on 22nd September 2014 with recourse to the State Government of Maharashtra to make an application to the High Court. Pending final disposal of the review petitions and valuation of the building, and in view of the future plans for WWI which are being evaluated, management believes that the Company's investments in WWI aggregating Rs 399,511,218 and amounts due therefrom aggregating Rs 441,290,157 are good and recoverable as management is hopeful of reliefs based on the issues involved and on merits of the case, as also of a high valuation of the building. The amounts so paid/ being paid by the Company have been treated as Deposits in the standalone financial statements to be adjusted on the settlement of the case.

43 Disclosure pursuant to Section 186 of the Companies Act, 2013

a) Details of loan given:

Name of the the entity and relation with the Company, if applicable	Terms and conditions of the loan and purpose for which it will be utilised
Whistling Woods International Limited, subsidiary of the Company	Unsecured loan given @11% for the purpose of financial support to subsidiary which is repayable on mutual consent.
Mukta A2 Multiplex WLL, subsidiary of the Company	Unsecured loan given @6% for the purpose of financial support to subsidiary which is repayable on mutual consent.
Mukta A2 Cinemas Limited, subsidiary of the Company	Unsecured loan given @10% for the purpose of financial support to subsidiary which is repayable on mutual consent



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ in '000)

Movement of loan during the financial years ended 31 March 2024 and 31 March 2023 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 31 March 2024	185,100	28,100	32,000	181,200
	Year ended 31 March 2023	202,600	10,000	27,500	185,100
Mukta Tele Media Ltd	Year ended 31 March 2024	-	-	-	-
	Year ended 31 March 2023	344	-	344	-
Mukta A2 Cinemas Ltd, subsidiary of the Company	Year ended 31 March 2024	600,000	32,900	22,900	610,000
	Year ended 31 March 2023	552,500	56,000	8,500	600,000
Mukta A2 Multiplex WLL, subsidiary of the Company	Year ended 31 March 2024	130,736	-	(24,557)	155,293
	Year ended 31 March 2023	114,150	29,632	13,046	130,736
Om Films Private Limited	Year ended 31 March 2024	17,600	-	-	17,600
	Year ended 31 March 2023	17,600	-	-	17,600

44 Disclosure of Ratios

Particulars	As at 31-Mar-24	As at 31-Mar-23	% of Variance	Reason for variance for more than 25%
i) Debt Equity ratio - [no. of times] Total debt/ Total equity	0.32	0.33	(5)	
ii) Debt service coverage ratio ('DSCR') - [no. of times] EBITDA / (Interest expenses** + Principal repayments of long term borrowings due within 12 months from the balance sheet date)	5.60	5.56	1	
iii) Current ratio [no. of times] (Total current assets - Derivatives financial assets) / (Total current liabilities - Short term borrowings****)	5.15	4.98	4	
iv) Trade receivables turnover ratio (times) (Sale of services/ Closing trade receivables)	1.25	1.25	0	
v) Net profit/(loss) margin [%]² Profit/(Loss) after tax / Revenue from operations	1.43	1.13	27	Due to increase in net profit during FY 2023-24.
vi) Return on Equity Ratio [%]³ Profit/(Loss) after tax / Total equity	0.06	0.05	14	

MUKTA ARTS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ in '000)

Particulars	As at 31-Mar-24	As at 31-Mar-23	% of Variance	Reason for variance for more than 25%
vii) Return on Capital Employed Ratio [%] {Earnings before Interest & Taxes (EBIT)}***** / Total Capital Employed*****)	0.07	0.07	7	
viii) Trade payables turnover - [no. of times] Total expenses less depreciation / Closing Trade payables	7.73	9.08	(15)	

** Interest expenses exclude notional interest and other finance charges.

*** Total debt represents Total borrowings + Interest accrued but not due.

****Short term borrowings represents current borrowings including current maturities of long term debt + Interest accrued but not due.

*****Earning before interest and taxes (EBIT) = EBT+ Interest)

*****Total Capital employed represents Tangible net worth + total debt + deferred tax liability.

45 Dues to Micro and Small Enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

(Amount in Rs. '000)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	988	9
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
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 the MSMED Act).	-	-
Interest accrued and remaining unpaid at the end of each accounting year	-	-

Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act.

Note:- This information has been given in respect of such vendors to the extent they could be identified as Micro and Small enterprises on the basis of informations available with the company.

- 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.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

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.

48 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.

49 Prior period comparatives

The figures for the previous year have been reentiyed/ 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

Sd/-
CA Subhash Jhunjunwala
Partner
Membership No: 016331

Sd/-
Subhash Ghai
Chairman Director
DIN: 00019803

Sd/-
Rahul Puri
Managing Director
DIN: 01925045

Sd/-
Parvez A. Farooqui
Director
DIN: 00019853

Date: 28 May 2024
Place: Mumbai

Sd/-
Prabuddha Dasgupta
Chief Financial Officer

Sd/-
Hemal Pankhania
Company Secretary
Membership No: ACS31426

MUKTA ARTS LIMITED

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 2024, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulation').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements of the subsidiaries and joint venture, except the possible effects of the matters described in "Basis for Qualified Opinion" Para below, the aforesaid consolidated annual financial results:

- a) include the annual financial results of the following entities
 - i. Subsidiaries:
 1. Mukta Creative Ventures Limited
 2. Whistling Woods International Limited
 3. Mukta A2 Cinemas Limited
 4. Mukta Tele Media Limited
 5. Connect.1 Limited
 6. Mukta A2 Multiplex WLL (incorporated in Bahrain)
 7. Whistling Woods International Education Foundation (100% Subsidiary of Whistling Woods International Limited)
 - ii. Joint Ventures:
 1. Mukta VN Films Limited
- b) are presented in accordance with requirements of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 as amended; and
- c) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, of the consolidated net loss, total comprehensive income (loss) and other financial information of the group and its joint venture, for the year ended March 31, 2024.

Basis for Qualified Opinion:

1. As at March 31, 2024, the company's investment in its subsidiary (including deemed investment), Whistling woods International Limited (WWIL) a joint venture between the company and Maharashtra Film, Stage and Cultural Development Corporation Limited (MFSCDCL), aggregates to Rs. 19,95,11,218/- and loans and advances, deposits, interest receivable and rent receivable aggregate to Rs. 64,13,83,146/- 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 Holding Company and for financial year 2017-18 to 2021-22 Rs. 45,00,000/- per annum has been paid by WWIL. The State Govt. of Maharashtra and MFSCDCL challenged the order of the High Court in the Supreme Court which was dismissed by the Supreme Court on September 22, 2014. The amount so paid / being paid by the Company have been accounted under Non - Current Other Financial Assets in the Consolidated Financial



Independent Auditors' Report (Continued)

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, 2024. Having regard to the circumstances explained above and pending final outcome of the matter under litigation, the Company has not made any adjustment to the carrying value of investment in and amounts due from WWIL and the deposit paid consequent to the High Court's Orders. Accordingly, the impact on the carrying value of investments, recoverability of loans and advances and consequential impact on loss for the year and reserves is not determinable.

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

Emphasis of Matter

1. We draw attention to Note no. 42 of the consolidated financial statements for the year ended 31st March, 2024 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, 2024, Mukta A2 Cinemas Ltd (Subsidiary) has incurred loss before tax (including other comprehensive income) of Rs.9,80,99,438/- and has accumulated losses of Rs.82,42,02,031/- as on March 31, 2024. Further the company's net worth has been fully eroded and there is a deficit of 80,92,02,031/- in the shareholder's equity as on March 31, 2024. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. However, management believes that it is appropriate to prepare financial statements on a going concern basis.
3. There is an emphasis of matter with regards to the financial statements of Mukta A2 Multiplex WLL on account of deficit in the Shareholder's Equity and the company's current liability exceeding its current assets as on March 31, 2024. 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.

MUKTA ARTS LIMITED

Independent Auditors' Report (Continued)

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 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 five subsidiaries (excluding Mukta A2 Cinemas Ltd., which has been audited by us), whose financial statements reflect total assets of Rs. 59,25,75,828/- as at 31 March 2024, total revenue of Rs. 75,74,88,697/- and total net profit/ (loss) after tax of Rs. (7,94,27,677)/- for the year ended 31 March 2024 and for the period from 1 April 2023 to 31 March 2024 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 as 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.



Independent Auditors' Report (Continued)

- (b) We did not audit the financial statements / financial information of one Joint Venture, for the year ended 31st March, 2024, as considered in the consolidated financial statements of Mukta Arts Limited. The consolidated financial statements also include the Group's share of net profit of Rs. 13,44,602/- for the year ended 31st March, 2024, 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) The Consolidated Financial Results for the quarter ended 31st March, 2024 are the balancing figures between the audited figures in respect of the full financial year ended 31st March, 2024 and unaudited year-to-date figures up to the period ended 31st December, 2023 which was subjected to a limited review.

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

Sd/-
CA Subhash Jhunjhunwala
Partner
Membership No.: 016331
UDIN: 24016331BKBHEH5262

Date: May 28, 2024
Place: Mumbai

MUKTA ARTS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2024

(₹ in '000)

Particulars	Note No.	As at	
		31 March 2024	31 March 2023
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	6 (a)	644,976	658,516
(a) Right of use Asset	6 (d)	332,902	467,214
(b) Capital work-in-progress	6(b)	27,405	20,840
(c) Investment property	7	126,570	129,484
(d) Intangible assets	6 (c)	87,444	64,080
(e) Intangible Assets under Development	6 (e)	66,939	78,038
(f) Financial assets			
(i) Investments	8 (a)	40,631	40,631
(ii) Others financial assets	8 (b)	194,235	184,505
(g) Deferred tax assets (net)	9	29,301	31,592
(h) Other non-current assets	10	113,528	133,811
Total Non-current assets		1,663,930	1,808,711
Current assets			
(a) Inventories	11	11,500	12,831
(b) Financial assets			
(i) Current investments	12 (a)	9,500	-
(ii) Trade receivables	12 (b)	79,697	90,086
(iii) Cash and cash equivalents	12 (c)	27,130	79,429
(iv) Bank balances other than (iii) above	12 (d)	83,363	81,021
(v) Loans	12 (e)	141,218	142,069
(vi) Others financial assets	12 (f)	95,820	73,419
(c) Other current assets	13	124,818	141,413
Total Current assets		573,046	620,268
Total Assets		2,236,976	2,428,979
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	14	112,926	112,926
(b) Other Equity	15	(389,818)	(319,027)
Equity attributable to the owner of the Company		(276,892)	(206,101)
Non Controlling Interest		56,148	79,404
Total Equity		(220,744)	(126,696)
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16 (a)	590,446	603,831
(ii) Lease liabilities	16 (b)	352,779	466,207
(ii) Other financial liabilities	16 (c)	194,152	292,706
(b) Long Term Provisions	17	55,816	49,724
(c) Other non-current liabilities	18	15,016	52,509
Total Non-Current Liabilities		1,208,209	1,464,976
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19 (a)	132,258	80,600
(ii) Lease liabilities	19 (b)	40,332	59,426
(ii) Trade payables	19 (c)	443,978	386,703
(iii) Other financial liabilities	19 (d)	156,660	138,098
(b) Other current liabilities	20	352,067	318,640
(c) Short Term Provisions	21	124,216	107,233
Total Current liabilities		1,249,511	1,090,699
Total Equity and Liabilities		2,236,976	2,428,979

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

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

Sd/-
CA Subhash Jhunjhunwala
Partner
Membership No: 016331

Sd/-
Subhash Ghai
Chairman Director
DIN: 00019803

Sd/-
Rahul Puri
Managing Director
DIN: 01925045

Sd/-
Parvez A. Farooqui
Director
DIN: 00019853

Date: 28 May 2024
Place: Mumbai

Sd/-
Prabuddha Dasgupta
Chief Financial Officer

Sd/-
Hemal Pankhania
Company Secretary
Membership No: ACS31426



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

(Amount in Rs. '000)

	Notes	As at 31-Mar-2024	As at 31-Mar-2023
(I) Revenue from operations	22	1,945,468	1,631,785
(II) Other income	23	140,578	110,776
(III) Total Income (I+II)		2,086,046	1,742,561
(IV) Expenses			
(a) Changes in inventory of food & beverages	24	781	(2,795)
(b) Purchase of food & beverages		74,832	61,051
(c) Cost of production, distribution, exhibition and theatrical operation	25	528,206	317,799
(d) Other direct operation expenses	26	8,467	8,258
(e) Employee benefits expense	27	398,607	349,360
(f) Finance costs (net)	28	147,626	139,351
(g) Depreciation and amortisation expenses	29	197,815	194,269
(h) Other expenses	30	793,384	849,925
Total Expenses		2,149,718	1,917,219
(V) Profit/(Loss) before share in joint venture and tax (III - IV)		(63,672)	(174,658)
(VI) Share in Joint Venture		1,345	832
(VII) Profit/(Loss) before tax (V + VI)		(62,328)	(173,826)
Tax expense			
Current tax		11,100	17,900
Deferred tax		(7,862)	(6,688)
Taxes for earlier years		1,025	2,499
(VIII) Profit/(Loss) for the year		(66,590)	(187,537)
(IX) Other comprehensive income			
Items that will not be reclassified to profit or loss			
Less : Remeasurement gain on defined benefit plan		733	(598)
Other comprehensive income for the year		733	(598)
(X) Total comprehensive income for the year (VII+VIII)		(65,857)	(188,134)
Profit/(Loss) is attributable to :			
Owners		(66,590)	(187,537)
Non Controlling Interest		-	-
		(66,590)	(187,536)
Other comprehensive income is attributable to :			
Owners		733	(598)
Non Controlling Interest		-	-
		733	(598)
Total comprehensive income is attributable to :			
Owners		(65,857)	(188,134)
Non Controlling Interest		-	-
		(65,857)	(188,134)
(X) Earnings per share	32		
Basic (nominal value Rs. 5)		(2.92)	(8.33)
Diluted (nominal value Rs. 5)		(2.92)	(8.33)

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

This is the profit and loss account referred to in our report of even date.

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

Sd/-
CA Subhash Jhunjhunwala
Partner
Membership No: 016331

Sd/-
Subhash Ghai
Chairman Director
DIN: 00019803

Sd/-
Rahul Puri
Managing Director
DIN: 01925045

Sd/-
Parvez A. Farooqui
Director
DIN: 00019853

Date: 28 May 2024
Place: Mumbai

Sd/-
Prabuddha Dasgupta
Chief Financial Officer

Sd/-
Hemal Pankhania
Company Secretary
Membership No: ACS31426

MUKTA ARTS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH, 2024

	Number	Amount
Balance as at 1 April 2022	22,585,200	112,926
Add: Changes in equity share capital	-	-
Balance as at 31 March 2023	22,585,200	112,926
Add: Changes in equity share capital	-	-
Balance as at 31 March 2024	22,585,200	112,926

	Reserves & Surplus					Total other equity
	Securities Premium	General Reserve	Capital Reserve	Foreign Currency Reserve	Retained Earnings	
Balance as at 1 April 2022	973,605	83,145	12	2,156	(1,189,850)	(130,933)
Profit/(loss) for the year	-	-	-	-	(187,537)	(187,537)
Transfer during the year	-	-	-	41	-	41
Other comprehensive income for the year	-	-	-	-	(598)	(598)
Other adjustment	-	-	-	-	-	-
Total Comprehensive income for the year	-	-	-	41	(188,134)	(188,093)
Dividend and dividend tax	-	-	-	-	-	-
Employee stock option compensation expense	-	-	-	-	-	-
Balance as at 31 March 2023	973,605	83,145	12	2,197	(1,377,985)	(319,027)
Profit for the year	-	-	-	-	(66,590)	(66,590)
Transfer during the year	-	-	-	433	-	433
Other comprehensive income for the year	-	-	-	-	733	733
Other adjustment	-	-	-	-	(5,367)	(5,367)
Total Comprehensive income for the year	-	-	-	433	(71,224)	(70,791)
Transfer from/to share option outstanding account	-	-	-	-	-	-
Employee stock option compensation expense	-	-	-	-	-	-
Balance as at 31 March 2024	973,605	83,145	12	2,630	(1,449,209)	(389,818)

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

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

Sd/-
CA Subhash Jhunjunwala
Partner
Membership No: 016331

Sd/-
Subhash Ghai
Chairman Director
DIN: 00019803

Sd/-
Rahul Puri
Managing Director
DIN: 01925045

Sd/-
Parvez A. Farooqui
Director
DIN: 00019853

Date: 28 May 2024
Place: Mumbai

Sd/-
Prabuddha Dasgupta
Chief Financial Officer

Sd/-
Hemal Pankhania
Company Secretary
Membership No: ACS31426



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

(Amount in Rs. '000)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash flow from operating activities		
Loss before tax	(63,672)	(174,658)
Non-cash adjustments to reconcile Profit before tax to net cash flows		
Depreciation and amortisation	197,815	194,269
Bad debts/ advances/ intangible assets under development written-off	16,856	30,593
Finance costs	147,626	139,351
Interest income	(14,312)	(12,262)
(Gain) on sale of tangible assets (net)	(8,873)	(7,573)
Operating profit before working capital changes	275,441	169,721
Movements in working capital:		
Increase/(Decrease) in other current liabilities	16,983	(3,554)
Increase/(Decrease) in other financial liabilities	18,562	(45,339)
Increase/(Decrease) in other non current liabilities	(37,493)	(14,701)
Increase/(Decrease) in other non current lease liabilities	(30,231)	45,856
Increase/(Decrease) in other non current financial liabilities	(98,553)	170,127
Increase/(Decrease) in lease liabilities	(19,095)	(12,176)
Increase/(Decrease) in trade payables	(57,276)	(86,599)
Increase/(Decrease) in Current Provisions	33,428	(112,304)
Increase/(Decrease) in Non current Provisions	6,092	(826)
(Increase)/Decrease in inventories	1,331	(3,385)
(Increase)/Decrease in trade receivables	10,389	22,007
(Increase) /Decrease in other non- current assets	20,283	(25,507)
(Increase)/Decrease in short-term loans and advances	851	10,188
(Increase)/Decrease in other non current financial assets	(9,730)	35,614
(Increase) /Decrease in other current assets	16,595	41,748
(Increase)/Decrease in other current financial assets	(22,400)	16,790
Cash generated from (used in) operations	125,176	207,659
Taxes paid (net)	(20,575)	(30,691)
Net cash generated from (used in) operating activities (A)	104,602	176,968
Cash flow from investing activities		
Investments in equity shares of subsidiaries	(9,500)	20,012
Purchase of fixed assets (tangible and intangible)	(71,504)	(139,845)
Proceeds from maturity/ (reinvestment) of fixed deposits, net	(2,403)	(10,363)
Proceeds from sale of fixed assets	21,546	19,684
Interest income	14,312	12,262
Net cash used in investing activities (B)	(47,550)	(98,250)
Cash flow from financing activities		
Secured loan (repaid)/taken, net	(12,885)	60,556
Unsecured loan (repaid)/taken , net	51,158	(13,424)
Finance charges (net)	(147,626)	(139,351)
Net cash flow from / (used in) financing activities (C)	(109,352)	(92,219)
Net increase /(decrease) in cash and cash equivalents (A + B + C)	(52,298)	(13,501)
Cash and cash equivalents at the beginning of the year	79,206	92,707
Cash and cash equivalents at the end of the year (Refer note (b) below)	26,908	79,206

MUKTA ARTS LIMITED

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

(Amount in Rs. '000)

	31 March 2024	31 March 2023
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	4,234	1,619
(ii) Balances with scheduled banks in - in current accounts	22,674	77,587
Balances per statement of cash flows	26,908	79,206

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

Sd/-
CA Subhash Jhunjunwala
Partner
Membership No: 016331

Sd/-
Subhash Ghai
Chairman Director
DIN: 00019803

Sd/-
Rahul Puri
Managing Director
DIN: 01925045

Sd/-
Parvez A. Farooqui
Director
DIN: 00019853

Date: 28 May 2024
Place: Mumbai

Sd/-
Prabuddha Dasgupta
Chief Financial Officer

Sd/-
Hemal Pankhania
Company Secretary
Membership No: ACS31426



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024

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 2024.

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 Joint venture, Mukta V N Films Limited (which is involved in the business of distribution and exhibition of films), Mukta A2 Cinemas Limited (which is involved in business of exhibition of films) and Mukta A2 Multiplex SPC (which is involved in business of exhibition of films).

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

2 Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements relate to Mukta Arts Limited ('the Company/ Parent Company') and its subsidiary companies. The Company along with its subsidiaries constitute 'the Group'.

The audited financial statements of the subsidiaries used for the purpose of consolidation are drawn upto the same reporting period as that of the parent Company, i.e. 31 March 2019. These financial statements are audited by the auditors of the respective entities.

The consolidated financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and comply with the Accounting Standards ('AS') prescribed in the Companies (Accounting Standards) Rules, 2006 which continue to apply under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act, to the extent notified and applicable and guidelines issued by the Securities and Exchange Board of India ('SEBI'). The consolidated financial statements are presented in Indian Rupees, except where mentioned otherwise. Accounting policies have been consistently applied except where a newly issued accounting standard is initially 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.

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2.4 Foreign Currency Transactions

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

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

2.5 Revenue Recognition

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

Film/content production and related income

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

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

Income from distribution and exhibition

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

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

Theatrical exhibition and related income

Sale of tickets

Revenue from theatrical exhibition is recognised on the date of the exhibition of the films and comprises proceeds from sale of tickets, net of entertainment tax. As the Group is the primary obligor with respect to exhibition activities, the share of distributors in these proceeds is separately disclosed as distributors' share.

Sale of food and beverages

Revenue from sale of food and beverages is recognised upon sale and delivery at the counter.

Advertisement/ sponsorship revenue

Revenue from advertisements, sponsorship and events is recognised on the date of the exhibition of the advertisement/ event, over the period of the contract or on completion of the Group's obligations, as applicable.

Revenue from equipment hire/ facility rental

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

Revenue from business support service

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

Consultancy fees/ tuition fees income/ infrastructure fees/ facilitation charges

- (a) Revenue from Non-refundable acceptance fees is recognised equally over the period of services rendered (i.e. course duration).
- (b) Revenue from tuition fees and infrastructure fees are recognised equally over the period of services rendered (i.e. course duration)
- (c) Revenue from institutional affiliation is recognised over the period of the course as per the contractual agreement.
- (d) Revenue from Business Support Services is recognised over the period as per the contractual agreement.
- (e) Revenue from sale of prospectus and application forms is recognised on delivery to the student.
- (f) Royalty fees from content usage is recognised as per the terms of the agreement.
- (g) Revenue from hire of premises and equipment is recognised over the period of hire.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

The student pays the fees based on a payment schedule. If the services rendered by the Company exceeds the payment, balance is disclosed as Contract Assets. If the payments exceed the services rendered, balance is disclosed as Deferred Revenue/ Advance fees received from students under Contract Liabilities.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The Company does not expect to have any contracts where the period between the transfer of the promised services to the customer/ student and payment by the customer/ student exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money

Dividend & Interest income

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

2.6 Employee benefits

Short term employee benefits

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

Post-employment benefits

Defined contribution plan:

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

Defined benefit plan:

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

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

Other long-term employee benefits

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

2.7 Borrowing Costs

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

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

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

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2.8 Leases

Assets taken on operating lease

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

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

Assets given on operating lease

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

2.9 Taxation

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

Current tax

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

Minimum Alternative Tax Credit entitlement

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

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

Deferred tax

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

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

2.10 Property, plant and equipment (PPE)

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

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

Transition to Ind AS

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

Depreciation methods, estimated useful lives and residual value

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

Asset class	Useful life
Plant and equipment	10-14 years
Furniture and fixtures	5 years
Cinematography equipment	10 years
Computers and IT equipment	6 years



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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 technical experts.

Transition to Ind AS

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

2.12 Intangible assets

Film rights comprising negative rights and distribution rights

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

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

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

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

2.13 Impairment of Non Financial Asset

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

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

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

2.14 Inventory

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

2.15 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three

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months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.16 Financial Instruments

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

Financial Asset

The entity classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Initial recognition and measurement

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

Subsequent measurement

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

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

Financial Assets measured at amortised cost

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

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

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

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

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

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

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

Equity investments

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



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

Derecognition of Financial Assets

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

Impairment of financial assets :

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

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

Trade receivables

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

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

Financial Liabilities

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

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

Financial liabilities at fair value through Profit or Loss:

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

Financial Liabilities measured at amortised cost:

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

Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the

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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 liability simultaneously.

2.17 Measurement of fair values

The Group measures financial instruments, such as derivatives, at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

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

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

2.18 Provisions

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

Provisions are not recognised for future operating losses.

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.



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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.

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(₹ in '000)

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	Library books	Computers	Total
Gross block										
As at 1 April 2022	30,000	114,264	184,669	474,614	393,354	109,075	144,711	4,743	126,711	1,582,141
Additions		-	3,406	30,597	30,517	20,484	23,774	1,298	15,569	125,645
Disposals		-		11,804	2,142	6,684	423	-	48	21,101
Other adjustment		-		49,075	-	-	-		-	49,075
As at 31 March 2023	30,000	114,264	188,075	542,482	421,728	122,876	168,062	6,041	142,232	1,735,760
Additions	-	-	1,077	4,292	32,852	20,179	22,920	833	18,535	100,688
Disposals	-	-	-	58	984	8,902	976	-	-	10,920
Other adjustment	-	-	-	12,465	664	-	1,410	-	117	14,656
As at 31 March 2024	30,000	114,264	189,151	559,180	454,260	134,153	191,417	6,873	160,884	1,840,184
Accumulated Depreciation/ Amortisation										
As at 1 April 2022	-	60,138	46,505	180,132	320,061	91,963	99,956	3,972	101,811	904,539
Charge for the year	-	4,144	6,783	65,129	61,714	6,546	15,509	1,029	16,177	177,030
Deduction	-	-	-	-	-	4,324	-	-	-	4,324
Other adjustment	-	-	-	-	-	-				-
As at 31 March 2023	-	64,282	53,288	245,260	381,775	94,185	115,465	5,001	117,988	1,077,244
Charge for the year (refer note 5)	-	3,794	6,693	28,401	17,338	12,666	19,928	1,323	16,633	106,776
Deduction	-	-	-	-	8	177	-	-	-	184
Other adjustment	-	(22)	-	13,281	(517)	-	(1,369)	-	-	11,373
As at 31 March 2024	-	68,054	59,981	286,942	398,588	106,675	134,024	6,324	134,621	1,195,208
Net block										
As at 1 April 2022	30,000	54,126	138,164	294,483	73,292	17,112	44,755	771	24,900	677,602
As at 31 March 2023	30,000	49,982	134,787	297,222	39,953	28,691	52,597	1,039	24,244	658,516
As at 31 March 2024	30,000	46,210	129,171	272,238	55,672	27,478	57,394	549	26,264	644,976

6 (b) Capital Work-in-progress

As at 1 April 2022	18,814
Additions (net)	2,026
As at 31 March 2023	20,840
As at 1 April 2023	20,840
Additions (net)	6,565
As at 31 March 2024	27,405



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ in '000)

6 (c) Intangible assets

	Intangible assets					Total
	Distribution rights	Negative rights	Exhibition rights	Intellectual property rights (Course curriculum)	Computer software	
Gross block						
<i>As at 1 April 2022</i>	243,349	809,728	2,500	93,696	12,852	1,162,125
Additions	-	-	-	8,848	-	8,848
Disposals	-	-	-	-	-	-
Other adjustment	-	-	-	-	-	-
<i>As at 31 March 2023</i>	243,349	809,728	2,500	102,544	12,852	1,170,973
Additions	-	-	-	44,502	-	44,502
Disposals	-	-	-	-	(119)	(119)
Other adjustment	-	-	-	-	(150)	(150)
<i>As at 31 March 2024</i>	243,349	809,728	2,500	147,046	12,821	1,215,444
Accumulated Depreciation/ Amortisation						
<i>As at 1 April 2022</i>	243,349	809,728	2,500	40,186	10,743	1,106,506
Charge for the year	-	-	-	387	-	387
Deduction	-	-	-	-	-	-
Other adjustment	-	-	-	-	-	-
<i>As at 31 March 2023</i>	243,349	809,728	2,500	40,573	10,743	1,106,893
Charge for the year (refer note 4)	-	-	-	22,002	111	22,113
Deduction	-	-	-	-	-	-
Other adjustment	-	-	-	-	(1,005)	(1,005)
<i>As at 31 March 2024</i>	243,349	809,728	2,500	62,575	9,849	1,128,001
Net block						
<i>As at 31 March 2023</i>	(0)	0	-	61,971	2,109	64,080
<i>As at 31 March 2024</i>	(0)	0	-	84,471	2,972	87,444

6 (d) Right of use Asset

Gross block	
<i>As at 1 April 2022</i>	635,097
Additions	43,047
Disposals	-
Other adjustment	-
<i>As at 31 March 2023</i>	678,144
Additions	43,047
Disposals	-
Other adjustment	111,532
<i>As at 31 March 2024</i>	609,660
Accumulated Depreciation/Amortisation	
<i>As at 1 April 2022</i>	201,514
Charge for the year	9,417
Deduction	-
Other adjustment	-
<i>As at 31 March 2023</i>	210,931
Charge for the year	65,827
Deduction	-
Other adjustment	-
<i>As at 31 March 2024</i>	276,758
Net block	
<i>As at 31 March 2023</i>	467,214
<i>As at 31 March 2024</i>	332,902

MUKTA ARTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ in '000)

6 (e) Intangible assets under development

As at 1 April 2022	47,848
Additions (net)	56,254
Disposals	26,064
Other Adjustments	-
As at 31 March 2023	78,038
As at 1 April 2023	78,038
Additions (net)	-
Disposals	11,099
Other Adjustments	-
As at 31 March 2024	66,939

- During the year ended on 31 March 2024 and 31 March 2023, 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.
- Refer Note - 13(a) for information on moveable property, plant and equipment pledged as security by the Company
- The Company has availed the deemed cost exemption and used the previous GAAP net carrying amount of property, plant and equipment as deemed cost.
- Tangible/Intangible assets are subject to first charge to secure the Company's term loan and cash credit loans (refer note 16(a) and 19(a))

7 Investment property

Particular	Building	Land	Total
As at 1 April 2022	128,634	66,389	195,023
Additions	-	-	-
Disposals	-	-	-
Other adjustment	-	-	-
As at 31 March 2023	128,634	66,389	195,023
As at 1 April 2023	128,634	66,389	195,023
Additions	-	-	-
Disposals	-	-	-
Other adjustment	-	-	-
As at 31 March 2024	128,634	66,389	195,023
Accumulated Depreciation/Amortisation			
As at 1 April 2022	62,427	-	62,427
Charge for the year	3,112	-	3,112
Deduction	-	-	-
Other adjustment	-	-	-
As at 31 March 2023	65,539	-	65,539
As at 1 April 2023	65,539	-	65,539
Charge for the year	2,915	-	2,915
Deduction	-	-	-
Other adjustment	-	-	-
As at 31 March 2024	68,453	-	68,453
Carrying amounts (Net)			
At 1 April 2022	66,207	66,389	132,596
At 31 March 2023	63,095	66,389	129,484
At 31 March 2024	60,181	66,389	126,570



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ in '000)

(i) Information regarding Income and expenditure of Investment properties

	As at 31-Mar-2024	As at 31-Mar-2023
Rental income derived from Investment properties	53,354	37,784
Direct operating expenses	3,785	4,078
Profit arising from investment properties before depreciation and indirect expenses	49,569	33,706
Less: Depreciation	2,915	3,112
Profit arising from investment properties before indirect expenses	46,654	30,595

(ii) Fair Value

Particulars	Valuation Techniques (See note below)	Fair Value Hierarchy (See note below)	As at 31 March 2024	As at 31 March 2023
Investment properties	Stamp duty Reckoner rate	Level 2	1,301,375	1,301,375

Estimation of fair value

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

8 Non Current Financial Asset

8(a) Investments

	As at 31-Mar-2024	As at 31-Mar-2023
A Non current investments		
Unquoted equity shares		
i) Investment in equity shares of joint venture accounted at FVTPL		
Mukta VN Films Limited		
27,500 (2023: 27,500) equity shares of ₹ 10 each, fully paid-up	33,000	33,000
Deemed Investment in Joint venture	5,185	5,185
Total (i)	38,185	38,185
ii) Investment in equity instruments-others at FVTPL (un-quoted)		
Bashiron Co. Op. Housing Society Limited 10 Shares (2023: 10) of Rs 50 each	1	1
Bait-Ush-Sharaf Co. Op. Housing Society Limited 10 Shares (2023: 25) of Rs 50 each	1	1
Others	2,445	2,445
Total (ii)	2,446	2,446
Total (i+ii)	40,631	40,631

MUKTA ARTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ in '000)

8(b) Other financial assets

	As at 31-Mar-2024	As at 31-Mar-2023
Security deposits to		
- Related parties	-	-
- Others	59,196	59,605
Other advances	135,039	124,627
Bank deposits with more than 12 months maturity.	-	273
Total	194,235	184,505

9 Deferred tax assets (net)

	As at 31-Mar-2024	As at 31-Mar-2023
Deferred tax liability on		
Arising on account of timing differences in:	-	-
Total	-	-
Deferred tax asset on		
Provision for leave encashment and gratuity	8,265	4,231
Provision for doubtful debts and advances	1,296	1,055
Property, Plant and Equipment and intangible assets	13,947	9,956
Others	5,794	16,350
Total	29,301	31,592
Deferred tax assets (net)	29,301	31,592

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, 2022	3,789	553	8,823	5,836	19,001
(Charged)/credited:					
- to profit or loss	442	502	1,134	10,514	12,591
- to other comprehensive income	-				
At March 31, 2023	4,231	1,055	9,956	16,350	31,592
(Charged)/credited:					
- to profit or loss	4,034	240	3,990	(10,556)	(2,291)
- to other comprehensive income					
At March 31, 2024	8,265	1,296	13,947	5,794	29,301

10 Other non-current assets

	As at 31-Mar-2024	As at 31-Mar-2023
Capital advances	4,676	9,545
Advance tax (including TDS)	108,098	122,777
Deferred Income Account	416	534
Prepaid Expenses	338	955
Total	113,528	133,811



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ in '000)

11 Inventories

	As at 31-Mar-2024	As at 31-Mar-2023
Food & Beverages	11,500	12,831
Total	11,500	12,831

12 Current Financial Assets

12(a) Current Investments

	As at 31-Mar-2024	As at 31-Mar-2023
Investment in Mutual Funds (Unquoted)	9,500	-
Total	9,500	-

12(c) Cash and cash equivalents

	As at 31-Mar-2024	As at 31-Mar-2023
a. Cash on hand	4,234	1,619
b. Balances with banks		
In current account	22,674	77,587
Balance in dividend account	223	223
Total cash and cash equivalents in balance sheet	27,130	79,429

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

	As at 31-Mar-2024	As at 31-Mar-2023
Interest accrued on FD	1,195	1,256
Deposits with original maturity of more than 3 months and less than 12 months	82,169	79,765
Total Bank balances other than above	83,363	81,021

12(e) Loans and advances

	As at 31-Mar-2024	As at 31-Mar-2023
Staff Advances	135,112	133,904
Inter-corporate deposit to others		
Total	141,218	142,069

12(f) Other financial assets

	As at 31-Mar-2024	As at 31-Mar-2023
Security deposits	42,233	42,857
Interest Accrued on Investments:	23,302	28,524
Unbilled revenue	30,059	1,778
Other receivable	227	260
Total	95,820	73,419

MUKTA ARTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ in '000)

13 Other current assets

	As at 31-Mar-2024	As at 31-Mar-2023
Prepaid expenses	29,685	29,956
Advances	66,622	62,758
Balance with Government Authorities	8,652	33,080
Service Tax / GST input	19,858	15,619
Total	124,818	141,413

14 Equity share capital

	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
Authorised share capital				
Equity shares of ₹ 5 each	24,000,000	120,000	24,000,000	120,000
	24,000,000	120,000	24,000,000	120,000
Issued, subscribed and fully paid- up				
Equity shares of ₹ 5 each	22,585,200	112,926	22,585,200	112,926
Total	22,585,200	112,926	22,585,200	112,926

Terms and rights attached to equity shares

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

Reconciliation of paid- up share capital (Equity Shares)

	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
Balance at the beginning of the year	22,585,200	112,926	22,585,200	112,926
Add: Issued during the year	-	-	-	-
Add: Acquisition of a subsidiary	-	-	-	-
Balance at the end of the year	22,585,200	112,926	22,585,200	112,926

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

	As at 31 March 2024		As at 31 March 2023	
	Number	% holding in the class	Number	% holding in the class
Equity shares of ₹ 5 each				
1. Mr. Subhash Ghai	12,497,990	55.34%	12,497,990	55.34%
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%



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ in '000)

15 Other equity

	As at 31-Mar-2024	As at 31-Mar-2023
Securities premium		
Balance at the beginning of the year	973,605	973,605
Add: Transfer during the year	-	-
Balance at the end of the year	973,605	973,605
General reserve		
Balance at the beginning of the year	83,145	83,145
Add: Transfer during the year	-	-
Balance at the end of the year	83,145	83,145
Capital reserve		
Balance at the beginning of the year	12	12
Add: Transfer during the year	-	-
Balance at the end of the year	12	12
Foreign Currency Reserve		
Balance at the beginning of the year	2,197	2,156
Add: Transfer during the year	433	41
Balance at the end of the year	2,630	2,197
Retained earnings		
Balance at the beginning of the year	(1,377,985)	(1,189,850)
Add: Net profit/(Loss) after tax for the year	(66,590)	(187,537)
Other comprehensive income	733	(598)
Other adjustment	(2,156)	-
Retained earnings(IND AS)	(3,211)	-
Balance at the end of the year	(1,449,209)	(1,377,985)
Total	(389,818)	(319,027)

16 Non Current Financial Liabilities

16(a) Long-term borrowings

	As at 31-Mar-2024	As at 31-Mar-2023
Secured		
Term loan from banks and others		
Indian Bank*	527,887	513,543
Yes Bank Ltd**	32,368	41,311
Hero Fincorp Ltd***	17,610	22,428
Motor vehicle finance loans****	37,651	30,079
Loan from related parties#	26,800	27,300
Less : Current maturities of long term borrowings	51,869	30,830
Total	590,446	603,831

* 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.

MUKTA ARTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ in '000)

*Mukta A2 Cinemas Limited has obtained on November 9 2020, term loans from Bank along with an overdraft facility and an additional term loan facility under the Guaranteed Emergency Credit Line. These facilities are secured against all current assets, Plant and machinery & exclusive charge by way of Mortgage on property located at Flat no 1207 and 1208, 12th floor, F wing, Bldg no 1, Oberoi Splendor, JVLR road, Jogeshwari (East), Mumbai-400 060 owned by Mukta Arts & Mukta Tele Arts Pvt Ltd respectively.

Term loans carry a rate of interest of 7.69% over base rate, at an effective rate of 12.89%. Cash Credit facility carries a rate of interest of 7.24% over base rate, at an effective rate of 12.44%. The facility under the Guaranteed Emergency Credit Line carry a rate of interest not more than 9.64%.

Maturity date of New Term loan is 26th December 2024. Repayment has to be made by way of monthly instalments totalling Rs.18,57,568/- 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.936,722/- 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.6,573,684/- during April 2024 to 18th December 2024.

*** Term loan against property is secured against two flats of the Company by way mortgage 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:

Lendor	Repayment schedule and other terms
Axis Bank Ltd	Outstanding amount of loan Rs. 87,09,197/- (2023: Rs 22,24,654/-) is repayable in 48 equated monthly installments of Rs 287,198 till May 2025 and Rs. 102,380 from June 25 to May 2028. Interest rate 14.25%.
BMW India Financial Services Pvt Ltd	Outstanding amount of loan Rs. 1,55,57,835/- (2023:Rs 57,78,728/-) is repayable in 48 monthly installments of Rs 3,00,050/- May 2027. Interest rate 10.30%
HDFC Bank Limited	Outstanding amount of loan Rs. 54,16,709/- (2023: Rs 95,29,129/-) is repayable in 60 equated monthly installments of Rs 1,43,045/- till August 2028. Interest rate 10.50%

16(b) Lease liabilities

	As at 31-Mar-2024	As at 31-Mar-2023
Lease liabilities	352,779	466,207
Total	352,779	466,207

16(c) Other financial liabilities

	As at 31-Mar-2024	As at 31-Mar-2023
Security deposits	194,152	292,706
Total	194,152	292,706

17 Long Term Provisions

	As at 31-Mar-2024	As at 31-Mar-2023
Provision for Leave Salary	16,684	11,931
Provision for gratuity	39,132	37,792
Total	55,816	49,724

18 Other non-current liabilities

	As at 31-Mar-2024	As at 31-Mar-2023
Income Received in advance	2,571	46,414
Deferred Expense Account	12,445	6,095
Total	15,016	52,509



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ in '000)

19 Current Financial Liabilities

19(a) Short-term borrowings

	As at 31-Mar-2024	As at 31-Mar-2023
Secured		
Yes Bank - Bank Overdraft and others	41,770	32,600
Unsecured		
From Banks and Institutions	14,038	-
Inter corporate deposits - Others	76,450	48,000
Total	132,258	80,600

19(b) Lease liabilities

	As at 31-Mar-2024	As at 31-Mar-2023
Lease liabilities	40,332	59,426
Total	40,332	59,426

19(c) Trade payable

	As at 31-Mar-2024	As at 31-Mar-2023
Trade payable - Other than micro and small enterprises	437,230	382,868
Trade payable - Micro and small enterprises	6,748	3,834
Total	443,978	386,703

19(d) Other financial liabilities

	As at 31-Mar-2024	As at 31-Mar-2023
Current maturities of long term borrowings	31,161	30,830
Interest accrued but not due on borrowings		
Interest on loan taken	2,960	1,991
Employee benefits expense payable		
Employee benefits expense	9,609	8,779
Creditors for fixed assets	970	217
Sundry advances received	55,497	41,610
Unclaimed dividend	223	223
Security deposits received	56,242	54,448
Total	156,660	138,098

20 Other current liabilities

	As at 31-Mar-2024	As at 31-Mar-2023
Advances from customers- others	48,591	2,454
Deferred Expense Account	168,616	105,022
Advance billing	92,414	165,922
Others payable	8,694	7,156
Statutory dues payable*		
Provident fund	7,994	5,120
ESIC	2	2
TDS payable	19,277	14,332
Profession tax	9	9
ET/INR/Show tax	6,471	18,624
Total	352,068	318,640

MUKTA ARTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ in '000)

21 Short Term Provisions

	As at 31-Mar-2024	As at 31-Mar-2023
Provision For Taxation	-	17,406
Provision For Expenses	95,966	71,862
Provision For Employee benefit:		
Provision for leave salary	18,574	14,483
Provision for gratuity	9,676	3,482
Total	124,216	107,233

22 Revenue from operations (net)

	Year ended 31-Mar-2024	Year ended 31-Mar-2023
(a) Sale of products/ film rights /Services		
Own Film/ Content production	185,539	87,105
Food and beverages	276,496	214,690
Acceptance fees	83,335	90,993
Tuition fees	128,137	109,754
Infrastructure fees	279,821	312,333
Income from institutional affiliations	19,862	5,707
	973,191	820,582
(b) Distribution, Exhibition, Theatrical and Film Production Income		
Distribution and exhibition	40	349
Equipment hire income	2,082	1,390
Box office collection		
Sale of tickets, net	770,289	681,721
	772,411	683,460
(c) Other operating revenue		
Rent and amenities charges	64,207	91,316
Business support services	6,120	6,120
Other income from theatrical operations	120,205	20,316
Sale of prospectus/application forms	3,209	3,783
Amortisation of deferred security	5,611	5,621
Other income	513	587
	199,865	127,743
Total	1,945,468	1,631,785

23 Other income

	Year ended 31-Mar-2024	Year ended 31-Mar-2023
Other income		
Interest income on bank deposits	4,658	3,214
Interest income on others	9,525	12,245
Other Non Operating Income		
Interest on income tax refund	4,787	17
Profit on sale of assets, (net)	8,873	7,573
Miscellaneous income (net)	92,572	74,468
Sundry balances written back	20,163	13,258
Total other income	140,578	110,776



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ in '000)

24 Changes in Inventories of food and beverages

	Year ended 31-Mar-2024	Year ended 31-Mar-2023
Opening stock		
Food and Beverages	12,044	9,249
Closing stock		
Finished goods	10,713	12,044
Total changes in inventories of food and beverages	1,331	(2,795)

25 Distributor and producer's share

	Year ended 31-Mar-2024	Year ended 31-Mar-2023
Cost of Production of films / Content	111,753	-
Films Distributor's Share	411,913	313,940
Expenses for old Films	4,541	3,860
Total Distributor and producer's share	528,206	317,799

26 Other direct operation expenses

	Year ended 31-Mar-2024	Year ended 31-Mar-2023
Other direct cost of theatrical operations	8,467	8,258
Total Other direct operation expenses	8,467	8,258

27 Employee benefits expense

	Year ended 31-Mar-2024	Year ended 31-Mar-2023
Salaries and bonus	349,274	306,317
Contribution to provident and other funds	20,823	17,873
Gratuity and Leave expense	14,834	12,926
Staff welfare expenses	13,676	12,243
Total employee benefit expense	398,607	349,360

(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. 20,822,664 (Previous year : Rs. 17,873,356) is recognised as expense and included in the above Note 27

(ii) Post Employment Obligations:

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

The assumptions used for the actuarial valuation are as under:

	Gratuity	
	31-Mar-24	31-Mar-23
Discount Rate (per annum)	6.90% to 7.25%	6.70% to 7.05%
Salary growth rate	8% to 9.00%	8% to 9.00%

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(₹ in '000)

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

	Gratuity	
	31-Mar-24	31-Mar-23
Present Value of Obligation as at the beginning	47,395	46,369
Interest cost	3,223	2,513
Current Service Cost	4,956	4,061
Past Service cost	-	-
Total amount recognised in statement of profit and loss	8,179	6,574
Re-measurement (or Actuarial) (gain) / loss arising from:		
change in demographic assumption	-184	-
change in financial assumption	(688)	(1,921)
experience changes	1,524	235
Total amount recognised in Other Comprehensive Income	652	-1,686
Benefits Paid	(1,970)	-3,861
Liabilities assumed / (settled)	-	-
Present Value of Obligation as at the end	54,257	47,395

(B) Changes in the Fair value of Plan Assets

	Gratuity	
	31-Mar-24	31-Mar-23
Fair Value of Plan Assets as the beginning	3,787	2,843
Interest on plan assets	292	317
Total amount recognised in statement of profit and loss	292	317
Re-measurement (or Actuarial) gain / (loss) arising from:		
Actual return on plan assets less interest on plan assets	-125	-383
Total amount recognised in Other Comprehensive Income	-125	-383
Employer's contribution	2,058	4,871
Benefits Paid	(1,970)	-3,861
Transfer In / (Out)	-	-
Fair value of plan assets at the end	4,042	3,787

(C) Amount recognised in the Balance sheet

	Gratuity	
	31-Mar-24	31-Mar-23
Present Value of obligations as at Balance Sheet date	54,257	47,395
Fair Value of Plan Assets as at the end of the period	4,042	3,787
Net (asset)/ liability recognised as at year end	50,215	43,608

(D) Constitution of Plan Assets

	Gratuity	
	31-Mar-24	31-Mar-23
Administered by Life insurance Corporation of India	100%	100%
Total of the Plan Assets	100%	100%



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(E) Sensitivity analysis

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

Defined benefit obligation (base) As on March 31, 2024	Gratuity	
	Decrease	Increase
Discount Rate (- / + 0.5%)	1,709	1,519
(% change compared to base due to sensitivity)	3.15%	2.80%
Salary Growth Rate (- / + 0.5%)	-1,232	1,210
(% change compared to base due to sensitivity)	-2.27%	2.23%

Defined benefit obligation (base) As on March 31, 2023	Gratuity	
	Decrease	Increase
Discount Rate (- / + 0.5%)	1,465	1,351
(% change compared to base due to sensitivity)	3.09%	2.85%
Salary Growth Rate (- / + 0.5%)	-1,005	1,071
(% change compared to base due to sensitivity)	-2.12%	2.26%

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, 2024 is Rs. 240 Lakhs (March 31, 2023 : Rs. 225 Lakhs)

(F) Defined benefit liability and employer contributions

The weighted average duration of the Benefit Obligation is 6.72 to 16 years

Weighted average duration (based on discounted cashflows)	Gratuity	
	31-Mar-24	31-Mar-23
Year 1	14,634	6,138
Year 2	6,531	3,655
Year 3	3,410	3,062
Year 4	3,752	2,673
Year 5	3,267	2,709
Thereafter	76,450	98,243

(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. 11,254,320/- (March 31, 2023: Rs. 12,352,451/-)

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.

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

28 Finance costs

	Year ended 31-Mar-2024	Year ended 31-Mar-2023
Interest cost on:		
Car loan	3,511	2,055
Term loan	55,856	61,744
Cash credit \ demand loan facilities	12,723	3,256
Inter corporate deposits	4,788	1,955
Lease Liability	4,948	6,121
Others	64,931	63,297
Processing cost and other charges	869	924
Total Finance Cost	147,626	139,351

29 Depreciation and amortisation expense

	Year ended 31-Mar-2024	Year ended 31-Mar-2023
Depreciation of property, plant and equipment	172,787	173,399
Depreciation on investment property	2,915	3,094
Amortisation of intangible assets	22,113	17,776
Total Finance Cost	197,815	194,269

30 Other expenses

	Year ended 31-Mar-2024	Year ended 31-Mar-2023
Power and fuel	141,692	151,846
Rent	75,221	95,000
Repairs and maintenance	73,462	97,354
Insurance	8,319	9,805
Rates and taxes	33,818	38,124
Legal and professional	57,187	65,514
Communication expenses	6,358	5,780
Faculty Fees	115,740	98,210
Travelling and conveyance	17,956	15,406
Bad debts/ advances/ intangibles under development written-off	16,856	30,593
Security charges	27,461	26,290
Digital Equipment Hire Charges	1,539	325
Business promotion	64,465	72,711
CSR Activity Expenses	2,791	2,401
Motor vehicle expenses	5,076	6,087
Sets/ student practicals	12,354	15,208
Printing and stationery	6,483	9,588
Bank charges	1,054	1,177
Share in Profit	69,483	41,849
Payment to auditor (Refer details below)	4,575	3,829
Miscellaneous expenses	41,816	62,827
Total	793,384	849,925



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(₹ in '000)

30 a - Payment to auditor	Year ended 31-Mar-2024	Year ended 31-Mar-2023
Audit Fees	3,771	3,783
Reimbursement of Expenses	804	47
	4,575	3,829

31 Income Tax

(A) Income Tax Expense

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

	31-Mar-2024	31-Mar-2023
Income Tax Expense		
Current tax		
Current tax on profits for the year	11,100	17,900
Total Current Tax Expense	11,100	17,900
Deferred Tax		
Decrease (increase) in deferred tax assets	(7,862)	(6,688)
(Decrease) increase in deferred tax liabilities	-	-
Total Deferred Tax Expense	(7,862)	(6,688)
Income Tax Expense	3,238	11,212

32 Earnings per equity share:

	Year ended 31-Mar-2024	Year ended 31-Mar-2023
Net (loss)/ profit after tax attributable to shareholders	(65,857)	(188,134)
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	(2.92)	(8.33)
Dilutive EPS	(2.92)	(8.33)
Nominal value per share	5	5

33 Fair value measurement

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

	31 March 2024			31 March 2023		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Other Financial Assets	-	-	290,055	-	-	257,924
Trade Receivables	-	-	79,697	-	-	90,086
Cash and cash equivalents	-	-	27,130	-	-	79,429
Loans	-	-	141,218	-	-	142,069
Investment	40,631	-	-	40,631	-	-
Othe bank balance	-	-	83,363	-	-	81,021
Total financial assets	40,631	-	621,464	40,631	-	650,530

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ in '000)

	31 March 2024			31 March 2023		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial liabilities						
Borrowings	-	-	722,704	-	-	684,430
Trade Payables	-	-	443,978	-	-	386,703
Other Financial Liabilities	-	-	350,813	-	-	430,804
Total financial liabilities	-	-	1,517,495	-	-	1,501,937

(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, 2024 and March 31, 2023.

34 Financial risk management

The group's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the group is exposed to and how it manages those risks.

(A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument leading to a financial loss. The group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including cash and cash equivalents and deposits with banks.

(i) Credit risk management

(a) Trade receivable related credit risk

The group evaluates the concentration of risk with respect to trade receivables as low. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The group provides for expected credit loss on trade receivables based on expected credit loss method. Each outstanding customer receivables are regularly monitored and if outstanding is above due date the further shipments are controlled and can only be released if there is a proper justification.

Reconciliation of loss allowance provision

	Amount
Loss allowance on April 1, 2023	59,705
Provision for allowances & Written-off	-13,733
Loss allowance on March 31, 2024	45,971

(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.



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(₹ in '000)

(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 2024	31 March 2023
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	41,770	32,600
	41,770	32,600

(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, 2024	Less than 1 year	More than 1 year	Total
Borrowings	132,258	590,446	722,704
Trade payables	443,978	-	443,978
Other financial liabilities	156,660	194,152	350,813
Total liabilities	732,896	784,598	1,517,495
Contractual maturities of financial liabilities as at March 31, 2023	Less than 1 year	More than 1 year	Total
Borrowings	80,600	603,831	684,430
Trade payables	386,703	-	386,703
Other financial liabilities	138,098	292,706	430,804
Total liabilities	605,401	896,536	1,501,937
Contractual maturities of financial Assets as at March 31, 2024	Less than 1 year	More than 1 year	Total
Trade Receivables	79,697	-	79,697
Cash & bank balance	27,130	-	27,130
Other bank Balance	83,363	-	83,363
Loans	141,218	-	141,218
Investments	-	40,631	40,631
Other financial assets	95,820	194,235	290,055
Total Assets	427,229	234,866	662,096
Contractual maturities of financial Assets as at March 31, 2023	Less than 1 year	More than 1 year	Total
Trade Receivables	90,086	-	90,086
Cash & bank balance	79,429	-	79,429
Other bank Balance	81,021	-	81,021
Loans	142,069	-	142,069
Investments	-	40,631	40,631
Other financial assets	73,419	184,505	257,924
Total Assets	466,025	225,136	691,161

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(₹ in '000)

(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 financial assets.

The group has designed risk management framework 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 2024	31 March 2023
Variable rate borrowings	41,770	32,600
Fixed rate borrowings	642,315	634,661
Total Borrowing	684,085	667,261

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

	31 March 2024			31 March 2023		
	Weighted Average Interest Rate	Balance	% of Total Loans	Weighted Average Interest Rate	Balance	% of Total Loans
Bank Overdraft	100%	41,770	6.11%	100%	32,600	4.89%

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 (Incremental amount)
31 March 2024	INR	+50	738
	INR	-50	(738)
31 March 2023	INR	+50	697
	INR	-50	(697)

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

35 Capital management

For the purpose of the group's capital management, equity includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the group. The primary objective of the group's capital management is to maximise the shareholder value. The group's Capital Management objectives are to maintain equity including all reserves to protect economic viability and to finance any growth opportunities that may be available in future so as to maximize shareholders' value. The group is monitoring capital using debt equity ratio as its base, which is debt to equity. The group's policy is to keep debt equity ratio below three and infuse capital if and when required through issue of new shares and/or better operational results and efficient working capital management. In order to achieve



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(₹ in '000)

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-24	31-Mar-23
Net debt	756,824	717,252
Total equity attributable to owners	-220,744	-126,696
Net Debt to equity ratio	(3.43)	(5.66)

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 2024.

36 Segment information

Particulars	31 March 2024	31 March 2023
Segment revenue		
Software division	191,678	93,213
Equipment division	2,082	1,390
Education	544,808	550,841
Theatrical exhibition	1,225,653	962,960
Others	81,400	104,138
Total	2,045,621	1,712,540
Less : Inter segment revenue	-	-
Net sales/ Income from operations	2,045,621	1,712,540
Segment results		
(Loss)/ profit before tax, interest and exceptional items from each segment		
Software division	39,351	44,491
Equipment division	1,479	(341)
Education	(25,262)	(50,149)
Theatrical exhibition	(46,707)	(122,325)
Others	61,579	81,359
Total	30,439	(46,965)
Less: Finance costs	147,626	139,351
Unallocated expenses, net of unallocable income	(53,515)	(11,658)
Total (loss) before tax	(63,672)	(174,658)
Depreciation and amortization		
Software division	4,043	3,463
Equipment division	875	917
Education	63,127	56,222
Theatrical exhibition	110,700	117,480

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Particulars	31 March 2024	31 March 2023
Others	5,542	5,931
Unallocable	13,528	10,257
Capital employed (Segment assets - Segment liabilities)		
Software division	(26,228)	(88,821)
Equipment division	9,667	12,090
Education	66,173	110,840
Theatrical exhibition division	1,041,299	962,456
Others	108,490	138,904
Unallocable (includes minority interest)	1,152,456	1,045,662

Segment Reporting:

The Management has identified business segments by taking into account the nature of the business, the differing risks and returns, the organisation structure and internal reporting system. The Management monitors performance of these segments on a periodic basis.

On this basis the Management has identified five business segments:-

- 1 Software division
- 2 Equipment division
- 3 Education
- 4 Theatrical exhibition division and
- 5 Others

Software division :

This primarily comprises film/ TV production and distribution operations. Production operations represent production/ co-production of movies, Television content and allied services. Distribution operations represent acquisition of movie rights for overseas as well as Indian distribution for a fixed period and exploitation thereof.

Equipment division :

This comprises of the activity of providing equipment on hire to outsiders.

Education :

This comprises of the operations of an education, research and training institute imparting training in various skills related to films, television and the media industry in general.

Theatrical exhibition division :

These comprise of various services offered at theatres including sale of tickets, catering of food and beverages, providing advertising services at theatres and related services.

Others :

This comprises mainly rental income.

The Group caters mainly to the domestic market and since the risks and rewards are similar across the market, it is treated as one reportable geographical segment

Segment revenue, Segment results, Segment assets and Segment liabilities include the respective amounts identifiable to each segment as also amounts allocable on a reasonable basis. Income and expenses which are not directly attributable to any business segment are shown as unallocated corporate income and expenses respectively. Assets and liabilities that cannot be allocated between the segments are shown as a part of unallocated assets and liabilities respectively



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37 Related party disclosures

Details of related parties including summary of transactions entered into by the Company during the year ended 31 March 2023 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, Executive Director (and shareholder)
- Parvez Farooqui - Non-Executive Director (and shareholder)
- Rahul Puri - Managing Director
- Mukta Ghai - Wife of Subhash Ghai (and shareholder)
- Ashok Ghai - Brother of Subhash Ghai
- Siraj Farooqui - Brother of Parvez Farooqui
- Sameer Farooqui - Brother of Parvez Farooqui
- Sajid Farooqui - Brother of Parvez Farooqui
- Meghna Ghai Puri - Daughter of Subhash Ghai, 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

B Transactions with related parties for the year ended 31 March 2024 are as follows:-

Transactions	Key Management Personnel and relatives of such personnel		Enterprises over which key management personnel have control/ substantial interest/ significant influence	
	2024	2023	2024	2023
Receiving of services				
Ashok Ghai - Professional fees paid	3,849	3,849	-	-
Rent expenses				
Subhash Ghai	2,400	2,400	-	-
Lease rentals of subsidiary company				
Subhash Ghai	3,000	3,000	-	-
Salaries and other benefit				
Siraj Farooqui	5,116	4,740	-	-
Sameer Farooqui	1,380	1,188	-	-
Ishaan Farooqui	461	360	-	-
Managerial remuneration				
Subhash Ghai	8,587	8,587	-	-
Subhash Ghai - Professional Fees - Janaki	5,500	-	-	-
Rahul Puri	6,280	5,818	-	-
Remuneration/Faculty fees to director of subsidiary company				
Subhash Ghai	3,000	3,000	-	-
Rahul Puri	3,450	3,000	-	-
Meghna Ghai Puri	7,858	7,134	-	-
Parvez A. Farooqui	6,073	5,729	-	-
Corporate Guarantee Commission Expenses				
Subhash Ghai	711	1,479	-	-
Loan taken by subsidiary company during the year				
Subhash Ghai	-	4,000	-	-
Loan repaid by subsidiary company during the year				
Subhash Ghai	500	18,500	-	-
Interest on Loan during the year				
Subhash Ghai	2,705	3,348	-	-

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38 Commitments

Estimated amounts of contracts remaining to be executed on capital account and not provided for aggregate to Rs Nil (31 March 2023: Rs Nil).

39 Contingent liabilities

	31 March 2024	31 March 2023
Claims not acknowledged as debt		
- Service tax matters (note 1)	1,675	1,675
- Local levies	18,245	18,245

* Notes

- 1) Unless specified, the amounts are excluding penalty and interest, if any, that would be levied at the time of final conclusion.
- 2) The companies in the group are party to various legal proceedings in the normal course of business and do not expect the outcome of these proceedings to have any adverse effect on the financial conditions, results of operations or cash flows.
- 3) In addition, the Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability, where applicable in its financial statements. 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 18,070,385 (31 March 2023: Rs 18,268,541) 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.

The main operations of the Company have repeatedly been halted owing to the COVID-19 pandemic. Its Net Worth has been eroded, because of the small capital base and because it is funded mainly by shareholder's debt. In terms of operations, the Company is optimistic regarding the near term future of the film exhibition business in India. The projected operating plans also reflect the same. Financial support from its holding company, Mukta Arts Limited, is also expected. The financials have therefore been prepared on the Going Concern Concept.

40 Disclosure of Ratios

Particulars	As at March 31, 2024	As at March 31, 2023	% of Variance	Reason for variance for more than 25%
i) Debt Equity ratio - [no. of times] Total debt/ Total equity	(3.43)	(5.66)	(39)	Due to decrease in total equity as on 31-03-2024
ii) Debt service coverage ratio ('DSCR') - [no. of times] EBITDA / (Interest expenses** + Principal repayments of long term borrowings due within 12 months from the balance sheet date)	1.58	0.93	69	Due to increase in EBITDA for the year 2023-24.
iii) Current ratio [no. of times] (Total current assets - Derivatives financial assets) / (Total current liabilities - Short term borrowings****)	0.51	0.61	(16)	
iv) Trade receivables turnover ratio (times) (Sale of services/ Closing trade receivables)	24.41	18.11	35	Due to increase in sales during FY 2023-24.
v) Net profit/(loss) margin [%]² Profit/(Loss) after tax / Revenue from operations	(0.03)	(0.11)	(70)	Due to decrease in loss in current year.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ in '000)

Particulars	As at March 31, 2024	As at March 31, 2023	% of Variance	Reason for variance for more than 25%
vi) Return on Equity Ratio [%]³ Profit/(Loss) after tax / Total equity	0.30	1.48	(80)	Due to decrease in loss in current year.
vii) Net Capital Turnover Ratio [no. of times]⁴ (Total revenue from operations / (Total current asset- Derivative financial asset)- (Total current liability- Short term borrowings****))	(3.57)	(4.19)	(15)	
viii) Return on Capital Employed Ratio [%] {Earnings before Interest & Taxes (EBIT)}***** / Total Capital Employed***** }	0.05	(0.02)	(324)	Due to increase in profit in current year.
ix) Trade payables turnover - [no. of times] Total expenses less depreciation / Closing Trade payables	4.40	4.46	(1)	

** Interest expenses exclude notional interest and other finance charges.

*** Total debt represents Total borrowings + Interest accrued but not due.

****Short term borrowings represents current borrowings including current maturities of long term debt + Interest accrued but not due.

*****Earning before interest and taxes (EBIT) = EBT+ Interest)

*****Total Capital employed represents Tangible net worth + total debt + deferred tax liability.

41 Impact of the CoVID-19 pandemic on the business of Mukta A2 Cinemas Limited : The main operations of the Company have repeatedly been halted owing to the COVID-19 pandemic. Its Net Worth has been eroded, because of the small capital base and because it is funded mainly by shareholder's debt. In terms of operations, the Company is optimistic regarding the near term future of the film exhibition business in India. The projected operating plans also reflect the same. Financial support from its holding company, Mukta Arts Limited, is also expected. The financials have therefore been prepared on the Going Concern Concept.

	31-Mar-24	31-Mar-23
Claims against the company not acknowledged as debt pertaining to local levies in case of WWIL	18,245,277	18,245,277

MUKTA ARTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ in '000)

42 Dues to Micro and Small Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro and Small Enterprises (MSE). On the basis of the information and records available with the Management, none of the Group's suppliers are covered.

	31 March 2024	31 March 2023
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
-Principal	5,777	3,834
-Interest	572	565
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	488	228
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	572	565
The amount of interest accrued and remaining unpaid at the end of each accounting year	572	565
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.	-	-

- 43 Public Interest Litigations ('PIL') had been filed alleging that the Maharashtra Film, Stage and Cultural Development Corporation Limited ('MFSCDCL') had not followed proper procedure while entering into a Joint Venture Agreement ('JVA') with the Company and in the subsequent allotment of 20 acres of land to the said joint venture, Whistling Woods International Limited ('WWI'), a subsidiary of the Company. During the year 2011-2012, pursuant to the Order of the Hon'ble High Court of Judicature at Bombay ('High Court') dated 9 February 2012, inter-alia, the JVA with MFSCDCL was quashed / rendered cancelled, WWI was ordered to return the land to MFSCDCL and pay rent (and interest on arrears) retrospectively on the entire land since the date of the JVA. Of the total land admeasuring 20 acres, 14.5 acres vacant unused land was handed over to MFSCDCL on 18 April 2012 and the balance was to be handed over on or before 31 July 2014. Pending discussion and / or agreement with MFSCDCL and / or clarifications to be sought from the concerned parties, no adjustments have been made to the Share Capital structure of WWI and the carrying value of the land rights in its books of account. However, in terms of the Order of the High Court, the said amount together with future rent till the date of vacation of the premises is adjustable against the market price of the Institute building of WWI on the said land. The valuation is to be carried out by an expert valuer to be appointed by the Government. During the year 2013-2014, the PWD Engineer has given his valuation report based on the Balance Sheet of WWI as at 31 March 2011. Further, the Company made an application to the Government of Maharashtra in February 2013 to appoint expert valuers to determine the market price. WWI's petition for special leave to file appeal with the Supreme Court of India was dismissed. However, the Company and WWI filed review petitions with the High Court. In terms of Order dated 9 February 2012 passed by the High Court, MFSCDC raised net demand of Rs. 591,966,210 and asked WWI to vacate the premises. The Company's and WWI's Review Petitions were heard by High Court and a stay was granted on 30 July 2014. The High Court ordered the Company / WWI to pay arrears of rent for the years 2000-2001 to 2013-2014 aggregating to Rs 100,038,000 by January 2015 and to pay rent of Rs 4,500,000 per annum from the financial year 2014-2015. As per the terms of the said Order, till 31 March 2024 Rs 113,538,000 has been paid by the Company and Rs 31,500,000 has been paid by WWI. The State Government of Maharashtra and MFSCDCL challenged the Order of the Bombay High Court in the Supreme Court which was dismissed by the court on 22nd September 2014 with recourse to the State Government of Maharashtra to make an application to the High Court. Pending final disposal of the review petitions and valuation of the building, and in view of the future plans for WWI which are being evaluated, management believes that the Company's investments in WWI aggregating Rs 399,511,218 and amounts due therefrom aggregating Rs 441,290,157 are good and recoverable as management is hopeful of reliefs based on the issues involved and on merits of the case, as also of a high valuation of the building. During the financial year, MFSCDCL has raised invoices for FY 2017-18 to FY 2022-23 at Rs. 45,00,000/- per annum. This amount has been accounted as expenses. The amounts paid by the Company, after adjusting such expenses, continue to be treated as deposits to be adjusted on the settlement of the case.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2024 (CONTD.)

(₹ in '000)

44 Disclosure pursuant to Section 186 of the Companies Act, 2013

a) Details of loan given:

Name of the the entity and relation with the Company, if applicable	Terms and conditions of the loan and purpose for which it will be utilised
Om Films Private Limited	Unsecured loan given for the purpose of financial assistance in connection with the release of a feature film which is repayable on demand.

Movement of loan during the financial years ended 31 March 2024 and 31 March 2023 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 2024	17,600	-	-	17,600
	Year ended 31 March 2023	17,600	-	-	17,600

45 The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed that there are no long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

Accordingly, during the year, the Company has transferred to the IEPF an amount of Rs. Nil (2023 : Rs. Nil) on account of unclaimed dividend and Nil (2023 : Nil) shares to which this dividend relates.

47 Prior period comparatives

Previous year's figures have been regrouped/ reclassified, wherever necessary.

As per our report of even date.

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

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

Sd/-
CA Subhash Jhunjunwala
Partner
Membership No: 016331

Sd/-
Subhash Ghai
Chairman Director
DIN: 00019803

Sd/-
Rahul Puri
Managing Director
DIN: 01925045

Sd/-
Parvez A. Farooqui
Director
DIN: 00019853

Date: 28 May 2024
Place: Mumbai

Sd/-
Prabuddha Dasgupta
Chief Financial Officer

Sd/-
Hemal Pankhania
Company Secretary
Membership No: ACS31426



Convocation event of Class 2023 at WWIL



Convocation event of Class 2023 at WWIL



Celebrate Cinema event at WWIL



MUKTA ARTS LIMITED

— Registered Office —

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