



22nd June, 2023

To, BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 Script 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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SUB: CLARIFICATION LETTER ON FINANCIAL RESULTS SUBMITTED FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2023

Ref: Your e-mail dated 16th June, 2023

Dear Sir/Madam,

This has reference to your email dated June 16, 2023, we hereby inform that Company had inadvertently missed to mention the balancing figure note with its Financial Results submitted by the Company for the quarter and year ended 31st March, 2023.

Necessary checks will be carried out on forward submissions and the Company will ensure compliance with respect to Regulation 33(3)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We are enclosing herewith revised Financial Results (mentioning the balancing figure note) of the Company for the quarter and year ended 31st March, 2023 for your reference and records.

We sincerely hope that the query stands clarified to your satisfaction.

Thanking you.

Yours faithfully,
For **Mukta Arts Limited**

Hemal N. Pankhania
Company Secretary & Compliance Officer

Encl.: as above

Part 1 - Statement of Audited Financial Results for the Quarter and Year ended March 31, 2023

S.No	Particulars	(Rs In lakhs, except per share data)				
		Standalone				
		For the quarter ended		Year Ended		
	March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022	
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)	
1	Revenue from operations	766.60	523.54	3,837.73	1,987.40	4,834.29
2	Other Income	363.89	335.58	504.57	1,384.69	1,451.21
3	Total Revenue	1,130.49	859.12	4,342.30	3,372.09	6,285.50
4	Expenses					
	a) (Increase)/ decrease in stock in trade	-	-	-	-	-
	b) Purchase of food and beverage	-	-	-	-	-
	c) Distributor and producer's share	-	-	-	-	-
	d) Other direct operation expenses	25.25	0.04	1,745.30	38.60	1,779.89
	e) Employee benefits expense	129.21	131.77	104.34	503.29	382.55
	f) Amortisation of intangible assets (including films rights)	-	-	-	-	-
	g) Depreciation of tangible assets	58.93	50.33	42.10	205.68	213.13
	h) Finance costs	123.40	118.85	170.10	503.70	589.03
	i) Other expenses	419.46	205.70	348.12	1,071.55	862.38
	Total expenditure	756.25	506.69	2,409.96	2,322.82	3,826.98
5	Profit/ (loss) before tax (3-4)	374.24	352.43	1,932.34	1,049.27	2,458.52
6	Tax Expenses					
	Current tax	76.86	49.46	440.50	179.00	525.00
	Deferred tax	(1.49)	(7.15)	43.63	2.97	45.08
7	Profit/ (loss) from ordinary activities after tax	298.87	310.12	1,448.21	867.30	1,888.44
8	Extraordinary Items	25.23	-	(170.08)	25.23	(170.08)
9	Share of profit/(loss) in Joint ventures	-	-	-	-	-
10	Net profit/(loss) for the period	273.64	310.12	1,618.28	842.07	2,058.52
11	Other Comprehensive Income (net of tax)	1.31	-	10.27	1.31	10.27
12	Total Comprehensive Income for the period (transferred to BS-Other Equity)	274.94	310.12	1,628.56	843.38	2,068.79
13	Basic and diluted earning per share (EPS) (not annualised)	1.22	1.37	7.21	3.73	9.16
	Part II					
A	Particulars of shareholdings					
1	Public shareholding					
	a) Number of shares	6,691,910	6,691,910	6,691,910	6,691,910	6,691,910
	b) Percentage of shareholding	29.63%	29.63%	29.63%	29.63%	29.63%
2	Promoter and promoter group shareholding					
	a) Pledge / encumbered					
	i) Number of shares	-	-	-	-	-
	ii) % of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-
	iii) % of shares (as a % of the total share capital of the Company)	-	-	-	-	-
	b) Non encumbered					
	i) Number of shares	15,893,290	15,893,290	15,893,290	15,893,290	15,893,290
	ii) % of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%
	iii) % of shares (as a % of the total share capital of the Company)	70.37%	70.37%	70.37%	70.37%	70.37%
B	Investor complaints					
	Particulars					
	Pending at the beginning of the quarter	Nil				
	Received during the quarter	Nil				
	Disposed off during the quarter	Nil				
	Remaining unresolved at the end of the quarter	Nil				

MUKTA ARTS LIMITED

CIN:L92110MH1982PLC028180

Regd. Office: Mukta House, Behind Whistling Woods Institute, Film City Complex, Goregaon (E), Mumbai-400 065

Part 1 - Statement of Audited Financial Results for the Quarter and Year ended March 31, 2023

		(Rs in lakhs, except per share data)				
S.No	Particulars	Consolidated				
		For the quarter ended			Year Ended	
		March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Revenue from operations	4,130.38	4,199.18	7,071.23	16,317.85	13,173.27
2	Other Income	547.33	221.61	1,035.83	1,107.76	2,149.80
3	Total Revenue	4,677.71	4,420.78	8,107.06	17,425.61	15,323.07
4	Expenses					
	a) (Increase)/ decrease in stock in trade	8.60	(19.90)	(5.82)	(27.95)	(16.62)
	b) Purchase of food and beverage	118.62	183.54	68.69	610.51	209.36
	c) Distributor and producer's share	825.76	760.00	2,423.38	3,177.99	3,118.99
	d) Other direct operation expenses	30.09	21.09	55.49	82.58	85.11
	e) Employee benefits expense	975.91	919.71	727.39	3,493.60	2,340.55
	f) Amortisation of intangible assets (including films rights)	110.54	18.13	46.79	177.76	133.76
	g) Depreciation of tangible assets	435.06	509.55	398.63	1,764.93	1,640.29
	h) Finance costs	327.94	401.97	378.63	1,393.51	1,240.47
	i) Other expenses	2,459.60	1,902.89	1,881.93	8,499.25	5,522.42
	Total expenditure	5,292.13	4,696.98	5,975.11	19,172.19	14,274.33
5	Profit/ (loss) before tax (3-4)	(614.42)	(276.19)	2,131.95	(1,746.58)	1,048.73
6	Tax Expenses					
	Current tax	76.86	49.46	458.68	179.00	543.32
	Deferred tax	(19.50)	(32.68)	30.02	(66.88)	18.04
7	Profit/ (loss) from ordinary activities after tax	(671.77)	(292.98)	1,643.25	(1,858.70)	487.36
8	Extraordinary Items	24.99	-	(170.22)	24.99	(170.22)
9	Share of profit/(loss) in Joint ventures	10.62	(0.89)	(29.09)	8.32	(35.56)
10	Net profit/(loss) for the period	(686.15)	(293.87)	1,443.94	(1,875.37)	622.02
11	Other Comprehensive Income (net of tax)	(5.98)	-	33.08	(5.98)	33.08
12	Total Comprehensive Income for the period (transferred to BS-Other Equity)	(692.12)	(293.87)	1,477.01	(1,881.35)	655.10
13	Basic and diluted earning per share (EPS) (not annualised)	(3.07)	(1.30)	6.54	(8.33)	2.90
	Part II					
A	Particulars of shareholdings					
1	Public shareholding					
	a) Number of shares	6,691,910	6,691,910	6,691,910	6,691,910	6,691,910
	b) Percentage of shareholding	29.63%	29.63%	29.63%	29.63%	29.63%
2	Promoter and promoter group shareholding					
	a) Pledge / encumbered					
	i) Number of shares	-	-	-	-	-
	ii) % of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-
	iii) % of shares (as a % of the total share capital of the Company)	-	-	-	-	-
	b) Non encumbered					
	i) Number of shares	15,893,290	15,893,290	15,893,290	15,893,290	15,893,290
	ii) % of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%
	iii) % of shares (as a % of the total share capital of the Company)	70.37%	70.37%	70.37%	70.37%	70.37%
B	Investor complaints					
	Particulars					
	Pending at the beginning of the quarter	Nil				
	Received during the quarter	Nil				
	Disposed off during the quarter	Nil				
	Remaining unresolved at the end of the quarter	Nil				

Rahul Jain



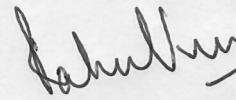
Segment - wise Revenue, Results, Assets and Liabilities		(Rs in lakhs)									
S.No	Particulars	Standalone					Consolidated				
		For the quarter ended			Year Ended		For the quarter ended			Year Ended	
		March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	SEGMENT REVENUE										
	Software division	500.92	258.42	3,623.57	932.13	4,036.85	500.92	258.42	3,623.57	932.13	4,036.85
	Equipment division (including other income)	0.98	3.62	2.60	13.90	12.71	0.98	3.62	2.60	13.90	12.71
	Theatrical exhibition division	-	-	-	-	-	2,448.03	2,478.64	2,218.81	9,629.60	4,769.96
	Education	-	-	-	-	-	1,368.28	1,358.31	1,420.32	5,508.44	4,912.08
	Others	264.69	261.50	470.72	1,041.38	1,043.90	264.69	261.50	294.19	1,041.38	1,043.90
	Total	766.60	523.54	4,096.89	1,987.40	5,093.46	4,582.91	4,360.49	7,559.48	12,542.50	14,775.49
	Less: Inter segment revenue	-	-	-	-	-	-	-	-	-	-
	Net sales/ Income from operation	766.60	523.54	4,096.89	1,987.40	5,093.46	4,582.91	4,360.49	7,559.48	12,542.50	14,775.49
2	SEGMENT RESULTS										
	Profit/ (loss) before tax and finance costs										
	from each Segment										
	Software division	343.01	148.53	1,765.83	444.91	1,825.39	339.97	151.67	1,817.52	444.91	1,877.08
	Equipment division	(0.59)	1.57	(8.43)	(3.41)	(14.81)	(0.59)	1.57	(8.43)	(3.41)	(14.81)
	Theatrical exhibition division	-	-	-	-	-	(577.74)	(185.09)	(101.13)	(1,223.25)	(1,405.70)
	Education	-	-	-	-	-	(160.63)	(115.16)	169.11	(501.49)	459.72
	Others	195.76	211.94	265.89	813.59	639.73	90.61	317.09	265.89	813.59	639.73
	Total	538.17	362.04	2,023.28	1,255.09	2,450.31	(308.38)	169.98	2,142.96	(469.65)	1,556.03
	Less: Finance costs	123.39	118.85	170.10	503.70	589.03	327.94	401.97	378.63	1,393.51	1,240.47
	Other un-allocable expenditure	-	-	-	-	-	-	-	-	-	-
	Net of unallocable income	40.54	(109.24)	(79.16)	(297.87)	(597.25)	(21.91)	44.21	(367.63)	(116.58)	(733.17)
	Total profit before tax	374.24	352.43	1,932.34	1,049.27	2,458.52	(614.42)	(276.19)	2,131.95	(1,746.58)	1,048.73
	Add: Share of profit/(loss) in Joint ventures	-	-	-	-	-	10.62	(0.89)	(29.09)	8.32	(35.56)
	Total profit before tax and after share in Joint venture	374.24	352.43	1,932.34	1,049.27	2,458.52	(603.80)	(277.08)	2,102.86	(1,738.26)	1,013.17
3	SEGMENT ASSETS										
	Software division	883.64	798.20	585.77	883.64	585.77	883.64	798.20	585.77	883.64	585.77
	Equipment division	120.90	121.01	105.02	120.90	105.02	120.90	121.01	105.02	120.90	105.02
	Theatrical exhibition division	471.43	394.64	526.26	471.43	526.26	10,701.57	11,767.14	11,033.77	10,701.57	11,033.77
	Education	-	-	-	-	-	5,280.50	6,080.11	6,028.52	5,280.90	6,028.52
	Others	1,893.84	1,919.56	2,155.59	1,893.84	2,155.59	1,893.84	1,919.56	2,155.59	1,893.84	2,155.59
	Unallocable	24,404.57	24,157.93	21,716.78	24,404.57	21,716.78	5,408.94	5,398.05	5,002.23	5,408.94	5,002.23
4	SEGMENT LIABILITIES										
	Software division	1,771.85	1,833.79	1,630.96	1,771.85	1,630.96	1,771.85	1,833.79	1,630.96	1,771.85	1,630.96
	Equipment division	-	-	3.62	-	3.62	-	-	3.62	-	3.62
	Theatrical exhibition division	535.87	775.87	657.55	535.87	657.55	1,077.00	2,302.63	2,708.97	1,077.00	2,708.97
	Education	-	-	-	-	-	4,172.50	4,822.29	4,080.12	4,172.50	4,080.12
	Others	504.79	501.83	441.91	504.79	441.91	504.79	501.83	441.91	504.79	441.91
	Unallocable	7,166.11	6,731.47	5,371.83	7,166.11	5,371.83	14,702.62	18,040.08	15,589.09	14,702.62	15,589.09



NOTES:

- 1 The above financial results have been reviewed by the audit committee and approved by the Board of Directors at the meeting held on 25 May 2023.
- 2 In terms of order dated 9.02.2012 passed by the High Court of Judicature at Bombay ('High Court'), Maharashtra Film Stage and Cultural Development Corporation ('MFSCDC') raised net demand of Rs. 591,966,210 and asked Whistling Woods International Limited (WWIL) to vacate the premises. The Company's and WWIL's Review Petitions were heard by High Court and a stay was granted on 30 July 2014. However, the High Court ordered the Company/WWIL to pay Rs 100,038,000 by January 2015 against arrears of rent for the years 2000-01 to 2013-14 and Rs 4,500,000 per annum from the financial year 2014-15. As per the terms of the said Order, till 31 March 2023 Rs 113,538,000 has been paid by the Company and Rs 24,300,000 has been paid by WWIL. The State Government of Maharashtra and MFSCDC challenged the Order of the High Court in the Supreme Court which was dismissed by the court on 22 September 2014 with recourse to the State Government of Maharashtra to make an application to Bombay High Court. The Maharashtra State Cabinet has on 25 September 2018 approved allotment of 5.5 acres of land on lease basis to the Company. However the matter is sub-judice and is subject to final disposal by the Honorable Bombay High Court. The auditors continue to modify their report on the said matter.
- 3 The business of the Mukta Group had been affected by the CoVID-19 pandemic. The lockdown and the social distancing norms had adversely impacted the Entertainment Industry. The Mukta Group had assessed the impact on its operations including revenue and the carrying value of its assets. For all the Group Companies, wherever applicable, steps have been taken to mitigate future losses by cutting operational costs, including by reduction of employee costs and by invoking force majeure for rental payments. For assessing future impacts, all available information has been disseminated. While the impact that is possible to assess till the date of approval of these accounts has been considered, the Group is continuously monitoring the situation as it evolves. With the effects of the pandemic now diminishing, the long term impact of the pandemic is not expected to be substantial.
- 4 Figures for the corresponding quarter of the previous year have been regrouped / rearranged to conform to current quarter's presentation.
- 5 The Financial Results for the quarter ended 31st March, 2023 are the balancing figures between the audited figures in respect of the full financial year ended 31st March, 2023 and unaudited year-to-date figures up to the period ended 31st December, 2022 which was subjected to limited review.

For and on behalf of the Board of directors



Rahul Puri
Managing Director
DIN:01925045



Date : 25 May 2023
Place : Mumbai

MUKTA ARTS LIMITED
Statement of assets and liabilities as at 31 March 2023

(Rs in lacs)

Particulars	Standalone		Consolidated	
	As at	As at	As at	As at
	31 March 2023 (Unaudited)	31 March 2022 (Audited)	31 March 2023 (Unaudited)	31 March 2022 (Audited)
ASSETS				
Non-current assets				
Property, plant and equipment	1,151.39	1,232.07	6,585.15	6,776.02
Right-of-use assets	62.32	76.01	4,672.14	4,335.83
Capital work-in-progress	12.87	12.87	208.40	188.14
Investment property	1,294.84	1,325.96	1,294.84	1,325.96
Other Intangible assets	-	-	640.80	556.19
Intangible Assets under Development	370.34	174.89	780.38	478.48
Financial assets				
Investments	3,152.04	2,860.96	406.31	406.31
Loans	3,569.06	3,744.06	-	-
Others	3,927.31	3,802.18	1,845.05	2,201.18
Deferred income tax assets (net)	219.05	222.01	315.92	249.04
Other non-current assets	1,062.74	906.22	1,338.11	1,083.03
Current assets				
Inventories	-	-	128.31	94.46
Financial assets				
Trade receivables	1,595.90	1,459.53	900.86	1,120.93
Investments	-	-	-	200.12
Cash and cash equivalents	1,275.91	125.80	794.29	929.30
Bank balances other than above	-	658.97	810.21	709.61
Loans	8,008.29	7,386.45	1,420.69	1,522.57
Others	682.18	678.31	734.19	902.10
Other Current assets	370.53	423.12	1,414.13	1,831.60
Total Assets	26,754.77	25,089.41	24,289.79	24,910.89
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	1,129.26	1,129.26	1,129.26	1,129.26
Other Equity	16,666.50	15,823.07	(3,190.27)	(673.02)
Minority Interest	-	-	794.04	506.05
Non-current liabilities				
Financial liabilities				
Borrowings	5,322.20	4,511.89	6,038.31	5,577.74
Other financial liabilities	449.76	252.49	4,662.07	4,203.52
Lease Liability	184.83	424.80	2,927.06	1,225.79
Provisions	128.27	121.98	497.24	505.49
Other non-current liabilities	476.90	635.40	525.09	672.09
Current liabilities				
Financial liabilities				
Borrowings	634.67	600.00	806.00	795.24
Lease Liabilities	67.66	31.06	594.26	716.02
Trade payables	233.08	307.67	3,867.03	3,001.03
Other financial liabilities	2.23	403.99	1,380.98	1,834.38
Other current liabilities	1,289.11	814.37	3,186.40	4,309.43
Provisions	170.30	33.43	1,072.33	1,107.86
Total Equity and Liabilities	26,754.77	25,089.41	24,289.79	24,910.89

Signature


Mukta Arts Limited

Cash Flow Statement for the year ended 31 March 2023

(Rs in lacs)

Particulars	Standalone		Consolidated	
	31/Mar/2023	31/Mar/2022	31/Mar/2023	31/Mar/2022
Cash flow from operating activities				
Profit before tax	1,049.28	2,458.52	(1,746.58)	1,048.73
Non-cash adjustments to reconcile Profit before tax to net cash flows				
Depreciation and amortisation	205.68	213.13	1,764.93	1,774.05
Bad debts/ advances/ intangible assets under development written-off	71.65	80.77	305.93	419.68
Finance costs	503.70	589.03	1,393.51	1,240.47
Interest income	(1,018.26)	(971.50)	(154.76)	(97.21)
(Gain) on sale of tangible assets (net)	(16.69)	(178.63)	(75.73)	(639.01)
Operating profit before working capital changes	795.36	2,191.32	1,487.30	3,746.71
Movements in working capital:				
Increase/(Decrease) in other current liabilities	474.75	(1,940.87)	(1,123.04)	103.60
Increase/(Decrease) in other financial liabilities	(401.77)	(198.65)	(453.39)	(817.10)
Increase/(Decrease) in other non current liabilities	(158.50)	494.50	(147.01)	466.07
Increase/(Decrease) in other non current lease liabilities	(239.97)	(31.06)	133.11	2,168.07
Increase/(Decrease) in other non current financial liabilities	491.26	30.91	458.56	(529.29)
Increase/(Decrease) in current lease liabilities	36.60	6.50	(121.76)	(189.15)
Increase/(Decrease) in trade payables	(74.58)	130.57	865.99	(166.72)
Increase/(Decrease) in current provisions	136.86	(397.78)	(35.54)	(1,341.43)
(Increase)/Decrease in inventories	-	-	(33.85)	(18.60)
Increase/(Decrease) in non current provisions	6.29	(13.44)	(8.26)	(9.34)
(Increase)/Decrease in trade receivables	(136.37)	459.21	220.07	952.98
(Increase)/Decrease in loans and advances	175.00	-	-	-
(Increase) /Decrease in other non- current assets	(156.52)	241.96	(255.07)	235.36
(Increase)/Decrease in short-term loans and advances	(621.84)	(1,723.89)	101.88	(258.88)
(Increase)/Decrease in other financial assets	(125.13)	(57.45)	167.90	30.72
(Increase) /Decrease in other current assets	(156.52)	(20.69)	417.48	(396.52)
(Increase)/Decrease in other current financial assets	(3.86)	14.29	(66.88)	(80.45)
Cash generated from (used in) operations	41.04	(814.58)	1,607.49	3,896.03
Taxes paid (net)	(256.20)	(332.04)	(452.22)	(306.91)
Net cash generated from (used in) operating activities (A)	(215.16)	(1,146.61)	1,155.27	3,589.12
Cash flow from investing activities				
Investments in equity shares of subsidiaries	(291.08)	(182.68)	-	(247.72)
Purchase of fixed assets (tangible and intangible)	(95.06)	(52.04)	(1,222.89)	(2,273.85)
Proceeds from maturity/ (reinvestment) of fixed deposits, net	23.56	(179.70)	75.82	(239.88)
Amortisation of intangible assets	305.50	809.88	458.20	-
Proceeds from sale of fixed assets	65.05	196.84	168.25	196.84
Interest income	1,018.26	971.50	154.76	97.21
Net cash used in investing activities (B)	1,026.22	1,563.81	(365.86)	(2,467.41)
Cash flow from financing activities				
Secured loan (repaid)/taken, net	810.30	(157.60)	460.56	(13.66)
Unsecured loan (repaid)/taken , net	34.67	(120.00)	10.76	(339.65)
Finance charges (net)	(503.70)	(589.03)	(1,393.51)	(1,240.47)
Net cash flow from / (used in) financing activities (C)	341.27	(866.63)	(922.19)	(1,593.78)
Net increase /(decrease) in cash and cash equivalents (A + B + C)	1,152.34	(449.43)	(132.78)	(472.07)
Cash and cash equivalents at the beginning of the year	123.57	573.01	927.07	1,399.14
Cash and cash equivalents at the end of the year	1,275.91	123.57	794.29	927.07



Statement on Impact of Audit Qualifications (for Audit Report on Standalone Financial Statements with Modified Opinion) submitted along-with Annual Audited Financial Results for the Year ended March 31, 2023 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications) *
1.	Total Income	33,72,09,228	33,72,09,228
2.	Total Expenditure	23,22,81,553	23,22,81,553
3.	Net Profit/(Loss) before Tax	10,49,27,675	10,49,27,675
4.	Earnings Per Share	3.73	3.73
5.	Total Assets	2,79,93,42,068	2,79,93,42,068
6.	Total Liabilities	1,01,97,66,530	1,01,97,66,530
7.	Net Worth	1,77,95,75,539	1,77,95,75,539
8.	Any other financial item(s) (as felt appropriate by the management)	-	-

* No adjustments made as impact not quantifiable

II. **Audit Qualifications:**

1. **Qualification 1:**

a. **Details of Audit Qualification:**

As at March 31, 2023, 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 Parent 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.

Additionally, without giving effect to the matter as stated above, WWIL's net worth stands fully eroded as at 31 March, 2023. Having regard to the circumstances explained above and pending final outcome of the matter under litigation, the Company has not made any adjustment to the carrying value of investment in and amounts due from WWIL and the deposit paid consequent to the High Court's Orders. Accordingly, the impact on the carrying value of investments, recoverability of loans and advances and consequential impact on profit / loss for the year and reserves is not determinable.

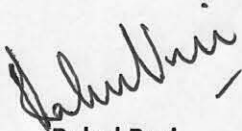
- b. Type of Audit Qualification:** Qualified Opinion
- c. Frequency of Qualification:** Repetitive (continuing since 2011)
- d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** Not Applicable
- e. For Audit Qualification where the impact is not quantified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

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

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

As per the explanation provided by the Management in point (ii) above, the impact on the carrying value of investments, recoverability of loans and advances and consequential impact on loss for the year and reserves is not determinable.

For Mukta Arts Limited



Rahul Puri
Managing Director



Paulomi Dhawan
Chairman – Audit Committee



Prabuddha Dasgupta
Chief Financial Officer

Date: May 25, 2023

Place: Mumbai

For M/s Uttam Abuwala Ghosh & Associates

Chartered Accountants

Firm No. 111184W

(Statutory Auditors)



CA Subhash Jhunjunwala

(Partner)

Membership No. 158844

Date: May 25, 2023

Place: Mumbai

Statement on Impact of Audit Qualifications (for Audit Report on Consolidated Financial Statements with Modified Opinion) submitted along-with Annual Audited Financial Results for the Year ended March 31, 2023 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications) *
1.	Total Income	1,74,25,60,762	1,74,25,60,762
2.	Total Expenditure	1,91,72,18,909	1,91,72,18,909
3.	Net Profit/(Loss) before Tax	(17,46,58,147)	(17,46,58,147)
4.	Earnings Per Share	(0.01)	(0.01)
5.	Total Assets	2,42,89,78,708	2,42,89,78,708
6.	Total Liabilities	2,30,22,82,485	2,30,22,82,485
7.	Net Worth (excluding Minority Interest)	12,66,96,226	12,66,96,226
8.	Any other financial item(s) (as felt appropriate by the management)	-	-

**No adjustments made for Qualifications as impact not quantifiable*

II. Audit Qualifications:

1. Qualification 1:

a. Details of Audit Qualification:

1. As at March 31, 2023, 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 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, 2023. 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.

b. Type of Audit Qualification: Qualified Opinion

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

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

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

(i) Management's Estimation on the impact of Audit Qualification:
Not Applicable

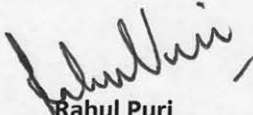
(ii) If management is unable to estimate the impact, reasons for the same:

Having regard to the circumstances and pending final outcome of the matter under litigation, the Company has not made any adjustment to the carrying value of investment in and amounts due from WWIL and the deposit paid consequent to the High Court's Orders. Accordingly, the impact on the carrying value of investments, recoverability of loans and advances and consequential impact on loss for the year and reserves is not determinable. Further, the management of WWIL believes that it is appropriate to prepare the financial statements on a going-concern basis based on its assessment of the merits of the case, plans for the future and support provided by its holding company.

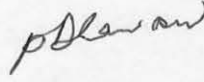
(iii) Auditors' Comments on (ii) above:

As per the explanation provided by the Management in point (ii) above, the impact on the carrying value of investments, recoverability of loans and advances and consequential impact on loss for the year and reserves is not determinable.

For Mukta Arts Limited



Rahul Puri
Managing Director



Paulomi Dhawan
Chairman – Audit Committee



Prabuddha Dasgupta
Chief Financial Officer

Date: May 25, 2023

Place: Mumbai

For Uttam Abuwala Ghosh & Associates

Chartered Accountants

Firm No. 111184W

(Statutory Auditors)



CA Subhash Jhunjunwala

(Partner)

Membership No. 158844

Date: May 25, 2023

Place: Mumbai

Uttam Abuwala Ghosh & Associates

Website: www.uttamabuwala.com

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of Mukta Arts Limited

Report on audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying Standalone financial statements of **Mukta Arts Limited** ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2023, 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, 2023, 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, 2023, 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, 2023. 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.

Uttam Abuwala Ghosh & Associates

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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 2023.

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.

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.

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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.

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Branch Offices: Abu Road, Jodhpur, Nashik, Bhopal & Hyderabad

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Chartered Accountants

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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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, 2023 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, 2023 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, 2023 – 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

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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.

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



CA. Subhash Jhunjhunwala
Partner
Membership No. 016331
UDIN: 23016331BGXBZR7312

Date: May 25, 2023
Place: Mumbai

Uttam Abuwala Ghosh & Associates

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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, 2023

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, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.
- v)** In our opinion and according to the information and explanation given to us, the Company has not accepted any deposit from public within the provision of section 73 to 76 and other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- vi)** As informed to us by management, the Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 for any of services rendered by the company.
- vii)**
 - (a)** According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues except that there have been delays in depositing Goods and Services Tax, Professional Tax, Provident Fund, Show Tax, Income Tax and Employees' State Insurance with the appropriate authorities.

According to information and explanations given to us, there are no undisputed statutory dues payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Value Added Tax, GST and other material statutory dues, were in arrears as on March 31, 2023 for a period of more than 6 months from the date they became payable.

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Chartered Accountants

- (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 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.

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- 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.
- 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 provisions of Section 135 towards corporate social responsibility are not applicable on the company. 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.

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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



CA. Subhash Jhunjhunwala
Partner
Membership No. 016331
UDIN: 23016331BGXBZR7312

Date: May 25, 2023
Place: Mumbai

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

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

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

We have audited the internal financial controls over financial reporting of **Mukta Arts Limited** ("the Company") for the year ended on March 31, 2023 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

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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, 2023, 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, 2023.

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, 2023, 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

**CA. Subhash Jhunjunwala**

Partner

Membership No. 016331

UDIN: 23016331BGXBZR7312

Date: May 25, 2023

Place: Mumbai

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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 2023, 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, 2023.

Basis for Qualified Opinion:

1. As at March 31, 2023, 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

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

Additionally, without giving effect to the matter as stated above, WWIL's net worth stands fully eroded as at March 31, 2023. 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, 2023 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, 2023, Mukta A2 Cinemas Ltd (Subsidiary) has incurred loss before tax (including other comprehensive income) of Rs.15,63,98,641/- and has accumulated losses of Rs. 72,86,32,168/- as on March 31, 2023. Further the company's net worth has been fully eroded and there is a deficit of Rs. 71,36,32,168/- in the shareholder's equity as on March 31, 2023. 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, 2023. 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.

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

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- 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. 60,93,89,960/- as at 31 March 2023, total revenue of Rs. 67,87,68,335/- and total net profit/ (loss) after tax of Rs. (12,38,91,190)/- for the year ended 31 March 2023 and for the period from 1 April 2022 to 31 March 2023 respectively, as considered in the Statement, which have been audited by its independent auditors. The independent auditors' report on the financial statements/results of this entity have been furnished to us and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this entity, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

- (b) We did not audit the financial statements / financial information of one Joint Venture, for the year ended 31st March, 2023, 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. 8,32,230/- for the year ended 31st March, 2023, 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

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our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the same is solely based upon the management certified Financial Statements provided to us, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid Joint Venture, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, this financial statements / financial information is not material to the Group.

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

- (c) We report that the figures for the quarter ended March 31, 2023 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2023 and the published unaudited year-to-date figures up to December 31, 2022 being the date of the end of the third quarter of the current financial year, which were subjected to a limited review by us.

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



CA Subhash Jhunjunwala
Partner
Membership No.: 016331
UDIN: 23016331BGXBZS6920

Date: May 25, 2023
Place: Mumbai