

11th February, 2022

BSE Limited Phiroze Jeejeeboy Towers Dalal Street, Fort, Mumbai 400 001 BSE Scrip Code: 532357	National Stock Exchange of India Limited Exchange Plaza, 5th Floor Plot no. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 NSE Scrip Symbol: MUKTAARTS
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Kind Attn: **Corporate Relations Department**

Dear Sirs,

Subject: Outcome of the Board Meeting and Results for quarter and nine months ended 31st December, 2021.

Further to our letter dated 2nd February, 2022 and pursuant to the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors of the Company at its meeting held today viz., 11th February, 2022 considered and approved the Unaudited Standalone and Consolidated Financial Results along with segment wise results of the Company for the quarter and nine months ended 31st December, 2021 and Limited Review Report in pursuance to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

A press release for the said quarter is also enclosed herewith for your reference along with the copy of the aforesaid unaudited financial results. The Board Meeting commenced at 12.00 p.m. and concluded at 2.45 p.m.

Please take the same on records accordingly and oblige.

Thanking you,

Yours Faithfully,
For and on behalf of
Mukta Arts Limited

Monika Shah
Company Secretary and Compliance Officer

Encl: As above.

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 Unaudited Financial Results for the Quarter and Nine Months ended December 31 2021

(Rs in lakhs, except per share data)

S.No	Particulars	Standalone					Year Ended March 31, 2021 (Audited)
		For the quarter ended			For the nine months ended		
		December 31, 2021 (Unaudited)	December 31, 2020 (Unaudited)	September 30, 2021 (Unaudited)	December 31, 2021 (Unaudited)	December 31, 2020 (Unaudited)	
1	Revenue from operations	488.31	848.23	187.90	996.56	1,636.45	1,863.11
2	Other Income	334.26	306.48	312.35	946.64	796.37	1,117.67
3	Total Revenue	822.57	1,154.71	500.25	1,943.20	2,432.82	2,980.78
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	0.39	225.13	10.11	34.59	225.13	255.85
	e) Employee benefits expense	105.96	77.80	86.34	278.21	250.81	366.24
	f) Amortisation of intangible assets (including films rights)	-	-	-	-	-	-
	g) Depreciation of tangible assets	58.03	45.69	57.60	171.03	158.69	204.09
	h) Finance costs	141.89	152.02	135.50	418.93	430.12	584.58
	i) Other expenses	178.59	145.26	184.61	514.26	414.99	665.08
	Total expenditure	484.86	645.90	474.16	1,417.02	1,479.74	2,075.84
5	Profit/ (loss) before tax (3-4)	337.71	508.81	26.09	526.18	953.08	904.94
6	Tax Expenses						
	Current tax	50.00	65.00	4.50	84.50	86.50	130.00
	Deferred tax	1.96	(11.18)	2.80	1.45	(2.03)	27.23
7	Profit/ (loss) from ordinary activities after tax	285.75	454.99	18.79	440.23	868.61	747.71
8	Extraordinary Items	-	-	-	-	-	49.63
9	Share of profit/(loss) in Joint ventures	-	-	-	-	-	-
10	Net profit/(loss) for the period	285.75	454.99	18.79	440.23	868.61	698.08
11	Other Comprehensive Income (net of tax)	-	-	-	-	-	6.23
12	Total Comprehensive Income for the period (transferred to BS-Other Equity)	285.75	454.99	18.79	440.23	868.61	704.31
13	Basic and diluted earning per share (EPS) (not annualised)	1.27	2.01	0.08	1.95	3.85	3.12
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	6,691,910
	b) Percentage of shareholding	29.63%	29.63%	29.63%	20.00%	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	15,893,290
	ii) % of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%	100%
	iii) % of shares (as a % of the total share capital of the Company)	70.37%	70.37%	70.37%	70.37%	70.37%	70.37%
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					



Part 1 - Statement of Unaudited Financial Results for the Quarter and Nine Months ended December 31 2021

S.No	Particulars	Consolidated					
		For the quarter ended			For the nine months ended		Year Ended
		December 31, 2021	December 31, 2020	September 30, 2021	December 31, 2021	December 31, 2020	March 31, 2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from operations	3,094.91	2,304.98	1,514.46	6,102.04	5,588.81	7,288.52
2	Other Income	421.12	361.76	349.01	1,113.97	1,045.41	1,480.21
3	Total Revenue	3,516.02	2,666.74	1,863.47	7,216.01	6,634.22	8,768.73
4	Expenses						
	a) (Increase)/ decrease in stock in trade	(22.40)	(9.12)	14.03	(10.80)	37.72	32.13
	b) Purchase of food and beverage	109.41	8.35	(16.98)	140.68	29.80	64.70
	c) Distributor and producer's share	534.41	245.65	99.61	695.61	263.23	440.15
	d) Other direct operation expenses	26.41	27.65	3.11	29.62	46.02	59.71
	e) Employee benefits expense	648.21	467.05	511.83	1,613.16	1,551.29	2,108.42
	f) Amortisation of intangible assets (including films rights)	28.99	29.18	29.06	86.97	92.28	132.98
	g) Depreciation of tangible assets	419.30	445.85	412.91	1,241.65	1,355.81	1,786.51
	h) Finance costs	306.04	414.29	271.27	861.84	1,029.02	1,368.34
	i) Other expenses	1,581.82	850.94	1,268.87	3,640.49	2,517.48	3,855.63
	Total expenditure	3,632.20	2,479.84	2,593.73	8,299.23	6,922.65	9,848.57
5	Profit/ (loss) before tax (3-4)	(116.18)	186.90	(730.26)	(1,083.22)	(288.43)	(1,079.83)
6	Tax Expenses						
	Current tax	50.05	65.04	4.54	84.64	86.63	130.17
	Deferred tax	(7.75)	(18.05)	0.24	(11.98)	(29.11)	(77.08)
7	Profit/ (loss) from ordinary activities after tax	(158.48)	139.91	(735.03)	(1,155.88)	(345.95)	(1,132.92)
8	Extraordinary Items	-	-	-	-	-	49.63
9	Share of profit/(loss) in Joint ventures	3.12	(3.19)	1.98	(6.48)	(30.11)	(47.61)
10	Net profit/(loss) for the period	(155.36)	136.72	(733.06)	(1,162.36)	(376.06)	(1,230.16)
11	Other Comprehensive Income (net of tax)	-	(6.87)	-	-	(20.62)	(4.48)
12	Total Comprehensive Income for the period (transferred to BS-Other Equity)	(155.36)	129.85	(733.06)	(1,162.36)	(396.68)	(1,234.64)
13	Basic and diluted earning per share (EPS) (not annualised)	(0.69)	0.58	(3.25)	(5.15)	(1.76)	(5.47)
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	6,691,910
	b) Percentage of shareholding	29.63%	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	15,893,290
	ii) % of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%	100%
	iii) % of shares (as a % of the total share capital of the Company)	70.37%	70.37%	70.37%	70.37%	70.37%	70.37%
B	Investor complaints						
	Particulars						
	Pending at the beginning of the quarter						
	Received during the quarter						
	Disposed off during the quarter						
	Remaining unresolved at the end of the quarter						



Segment - wise Revenue, Results, Assets and Liabilities													
S.No	Particulars	Standalone						Consolidated					(Rs in lakhs)
		For the quarter ended			For the nine months ended			For the quarter ended			For the nine months ended		Year Ended
		December 31, 2021	December 31, 2020	September 30, 2021	December 31, 2021	December 31, 2020	March 31, 2021	December 31, 2021	December 31, 2020	September 30, 2021	December 31, 2021	December 31, 2020	March 31, 2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	SEGMENT REVENUE												
	Software division	268.09	692.50	16.82	413.28	1,093.10	1,122.20	268.09	246.40	16.82	413.28	1,093.10	1,122.20
	Equipment division (including other income)	5.20	0.20	4.61	10.11	2.30	11.19	5.20	(4.39)	4.61	10.11	2.30	11.19
	Theatrical exhibition division	-	-	-	-	-	-	1,711.12	269.97	479.41	2,551.15	915.10	1,588.65
	Education	-	-	-	-	-	-	1,247.94	1,459.53	1,143.66	3,491.75	3,929.61	5,069.95
	Others	215.02	155.54	166.47	573.18	541.05	984.66	283.67	31.27	274.35	749.71	541.05	984.66
	Total	488.31	848.24	187.90	996.57	1,636.45	2,118.05	3,516.02	2,002.79	1,918.85	7,216.01	6,481.17	8,776.65
	Less: Inter segment revenue	-	-	-	-	-	-	-	-	-	-	-	-
	Net sales/ Income from operation	488.31	848.24	187.90	996.57	1,636.45	2,118.05	3,516.02	2,002.79	1,918.85	7,216.01	6,481.17	8,776.65
2	SEGMENT RESULTS												
	Profit/ (loss) before tax and finance costs from each Segment												
	Software division	151.15	376.53	(87.76)	59.57	583.67	517.78	151.15	383.40	(87.76)	59.57	583.67	517.78
	Equipment division	0.82	(5.67)	(2.34)	(6.38)	(16.24)	(26.62)	0.82	(4.68)	(2.34)	(6.38)	(16.24)	(26.62)
	Theatrical exhibition division	-	-	-	-	-	-	(291.79)	(421.28)	(657.48)	(1,304.57)	(1,334.89)	(1,857.44)
	Education	-	-	-	-	-	-	51.70	411.94	89.13	290.62	853.30	872.99
	Others	150.45	82.82	86.70	373.85	351.67	576.79	150.45	14.99	86.70	373.85	351.67	576.79
	Total	302.42	453.68	(3.40)	427.04	919.11	1,067.94	62.33	384.36	(571.75)	(586.92)	437.51	83.50
	Less: Finance costs	141.89	152.01	35.50	48.93	430.12	584.58	306.04	414.29	271.27	861.84	1,029.02	1,368.34
	Other un-allocable expenditure												
	Net of unallocable income	(177.18)	(207.15)	(64.99)	(58.07)	(464.10)	(421.57)	(127.54)	(216.82)	(112.78)	(365.54)	(303.08)	(205.01)
	Total profit before tax	337.71	508.81	26.09	526.18	953.08	904.93	(116.18)	186.89	(730.26)	(1,083.22)	(288.42)	(1,079.83)
	Add : Share of profit/(loss) in Joint ventures	-	-	-	-	-	-	3.12	(3.19)	1.98	(6.48)	(30.11)	(47.61)
	Total profit before tax and after share in Joint venture	337.71	508.81	26.09	526.18	953.08	904.94	(113.06)	190.08	(728.28)	(1,089.70)	(318.54)	(1,127.44)
3	SEGMENT ASSETS												
	Software division	2,657.17	2,760.17	2,610.37	2,657.17	2,760.17	1,901.09	2,657.17	2,760.17	2,610.37	2,657.17	2,760.17	1,901.09
	Equipment division	109.70	136.94	122.61	109.70	136.94	114.95	109.70	136.94	122.61	109.70	136.94	114.95
	Theatrical exhibition division	570.55	373.09	678.84	570.55	373.09	612.28	9,858.03	8,968.65	8,437.44	9,858.03	8,968.65	8,865.37
	Education	-	-	-	-	-	-	5,424.99	4,908.59	6,212.61	5,424.99	4,908.59	5,517.92
	Others	1,941.22	2,179.18	2,031.43	1,941.22	2,179.18	3,080.82	1,941.22	2,179.18	2,031.43	1,941.22	2,179.18	3,080.82
	Unallocable	22,966.25	19,735.55	22,847.22	22,966.25	19,735.55	19,414.56	6,317.98	5,607.74	6,278.57	6,317.98	5,607.74	4,897.69
4	SEGMENT LIABILITIES												
	Software division	4,782.51	1,561.34	4,558.61	4,782.51	1,561.34	2,912.67	4,782.51	1,857.68	4,668.61	4,782.51	1,857.68	2,912.67
	Equipment division	0.30	0.78	0.74	0.30	0.78	5.51	0.30	0.78	0.74	0.30	0.78	5.51
	Theatrical exhibition division	775.87	875.87	775.87	775.87	875.87	776.78	3,110.31	4,592.77	1,805.23	3,110.31	4,592.77	2,826.85
	Education	-	-	-	-	-	-	3,621.15	3,578.72	4,428.59	3,621.15	3,578.72	3,881.31
	Others	519.69	904.08	546.04	519.69	904.08	494.33	519.69	904.08	546.04	519.69	904.08	494.33
	Unallocable	6,933.94	6,889.04	7,054.79	6,933.94	6,889.04	6,144.70	15,032.17	13,066.94	15,032.72	15,032.17	13,066.94	14,571.46



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 11 February 2022.
- 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 December 2021 Rs 113,538,000 has been paid by the Company and Rs 18,000,000 has been paid by WWIL. The State Government of Maharashtra and MFSCDC challenged the Order of the High Court in the Supreme Court which was dismissed by the court on 22 September 2014 with recourse to the State Government of Maharashtra to make an application to Bombay High Court. The Maharashtra State Cabinet has on 25 September 2018 approved allotment of 5.5 acres of land on lease basis to the Company. However the matter is sub-judice and is subject to final disposal by the Honorable Bombay High Court. The auditors continue to modify their report on the said matter.
- 3 The business of the Mukta Group has been affected by the ongoing COVID-19 pandemic. During the time the lockdown is in effect and social distancing norms are in place, the Entertainment Industry shall continue to be adversely impacted. The Mukta Group has assessed the impact on its operations including revenue and the carrying value of its assets. For all the Group Companies, wherever applicable, steps have been taken to mitigate future losses by cutting operational costs, including by reduction of employee costs and by invoking force majeure for rental payments. For assessing future impacts, all available information has been disseminated. While the impact that is possible to assess till the date of approval of these accounts has been considered, the Group is continuously monitoring the situation as it evolves. The 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.

For and on behalf of the Board of directors



Rahul Puri

Rahul Puri

Managing Director

DIN:01925045

Date : 11 February 2022

Place : Mumbai

Uttam Abuwala Ghosh & Associates**Website: <http://www.uttamabuwala.com>****Chartered Accountants****Independent Auditor's Review Report on quarterly unaudited standalone financial results of Mukta Arts Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

To
The Board of Directors of
Mukta Arts Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of **M/s Mukta Arts Limited** ("the Company") for the **Quarter Ended December 31, 2021** ("the statement") attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 ('Listing Regulations') as amended.
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, read with the Circular is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the statement based on our review.
3. We conducted our review of the statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. *As at December 31, 2021, the company's investment in its subsidiary (including deemed investment), Whistling woods International Limited (WWIL) a joint venture between the company and Maharashtra Film, Stage and Cultural Development Corporation Limited (MFSCDCL), aggregates Rs. 832,062,611 towards arrears of rent and interest thereon by letter dated December 3, 2012. Also, as per the High Court's Order which is under challenge from the Company, there is an option to set-off the arrears of rent and interest thereon against the value of the building with net excess or shortfall to be refunded to/claimed from Mukta Arts Limited, the Holding Company/Company, as applicable. During the year 2012-13, the Public Works Department (PWD) Engineer had given his valuation report of Institute building based on the Balance sheet of the Company as at March 31, 2011. MFSCDCL vide letter dated July 14, 2014, demanded Rs. 591,966,210 towards arrears of rent and interest thereon, up to July 31, 2014. WWIL's petition for special leave to appeal filed with the Supreme Court of India had also been dismissed. The Company and WWIL had filed application to review the said order with the High Court and an Interim stay was granted on July 30, 2014 which required deposit of Rs.10,00,38,000/- by January 2015 against payment of arrears of rent for the year 2000-01 to 2013-14 and payment of Rs.45,00,000/- per annum from Financial Year 2014-15 till the settlement of the case, to MFSCDCL. As per the terms of the said Order, till financial year 2016-17, Rs. 11,35,38,000/- has been paid by the Company and for financial year 2017-18 to 2020-21 Rs. 45,00,000/- per annum has been paid by WWIL. The State Govt. of Maharashtra and MFSCDCL challenged the order of the High Court in the Supreme*

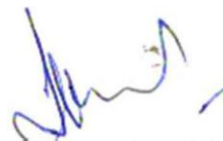
Uttam Abuwala Ghosh & Associates**Website: <http://www.uttamabuwala.com>****Chartered Accountants**

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 December 31, 2021. Having regard to the circumstances explained above and pending final outcome of the matter under litigation, the Company has not made any adjustment to the carrying value of investment in and amounts due from WWIL and the deposit paid consequent to the High Court's Orders. Accordingly, the impact on the carrying value of investments, recoverability of loans and advances and consequential impact on loss for the year and reserves is not determinable.

5. Based on our review conducted as above, except for the matters relating to the investment in and loans and advances and interest recoverable from WWIL referred to in paragraph 4 above, the outcome and consequent adjustment to the unaudited financial results of which cannot be presently determined, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the recognition and measurement principles laid down in aforesaid Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



CA Subhash Jhunjhunwala
(Partner)
Membership No.: 016331
UDIN:
22016331ABFCLM3216

Date: February 11, 2022
Place: Mumbai

Uttam Abuwala Ghosh & Associates

Chartered Accountants

Website: <http://www.uttamabuwala.com>

Independent Auditor Review Report on quarterly unaudited consolidated financial results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

**To The Board of Directors of
Mukta Arts Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **Mukta Arts Limited** (“the Parent”), and its subsidiaries (the Parent and its subsidiaries together referred to as “the Group”) and its share of net profit after tax and total comprehensive loss of its joint venture for the Quarter Ended December 31, 2021 (“the statement”), being submitted by the Parent pursuant to the requirement of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 as amended (“the Regulations”).
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34), prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued there under and other accounting principles generally accepted in India read with the Circular. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, to the extent applicable.

4. The statement includes the results of the following entities:
 - a. **Parent Company**
 - i. Mukta Arts Limited
 - b. **Subsidiaries:**
 - i. Mukta A2 Cinemas Limited
 - ii. Whistling Woods International Limited
 - iii. Mukta A2 Multiplex SPC (incorporated in Bahrain)

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- iv. Mukta Creative Ventures Limited
- v. Mukta Tele Media Limited
- vi. Connect.1 Limited

And

c. Joint Venture:

- i. Mukta VN Films Limited
5. *As at December 31, 2021, the company's investment in its subsidiary (including deemed investment), Whistling woods International Limited (WWIL) a joint venture between the company and Maharashtra Film, Stage and Cultural Development Corporation Limited (MFSCDCL), aggregates Rs. 832,062,611 towards arrears of rent and interest thereon by letter dated December 3, 2012. Also, as per the High Court's Order which is under challenge from the Company, there is an option to set-off the arrears of rent and interest thereon against the value of the building with net excess or shortfall to be refunded to/claimed from Mukta Arts Limited, the Holding Company/Company, as applicable. During the year 2012-13, the Public Works Department (PWD) Engineer had given his valuation report of Institute building based on the Balance sheet of the Company as at March 31, 2011. MFSCDCL vide letter dated July 14, 2014, demanded Rs. 591,966,210 towards arrears of rent and interest thereon, up to July 31, 2014. WWIL's petition for special leave to appeal filed with the Supreme Court of India had also been dismissed. The Company and WWIL had filed application to review the said order with the High Court and an Interim stay was granted on July 30, 2014 which required deposit of Rs.10,00,38,000/- by January 2015 against payment of arrears of rent for the year 2000-01 to 2013-14 and payment of Rs.45,00,000/- per annum from Financial Year 2014-15 till the settlement of the case, to MFSCDCL. As per the terms of the said Order, till financial year 2016-17, Rs. 11,35,38,000/- has been paid by the Company and for financial year 2017-18 to 2020-21 Rs. 45,00,000/- per annum has been paid by WWIL. The State Govt. of Maharashtra and MFSCDCL challenged the order of the High Court in the Supreme Court which was dismissed by the Supreme Court on September 22, 2014. The amount so paid / being paid by the Company have been accounted under Non - Current Other Financial Assets in the Standalone Financial Statements to be adjusted on the settlement of the case. Management of WWIL informs that these will be accounted as an expense, if required, on the settlement of the case.*

Additionally, without giving effect to the matter as stated above, WWIL's net worth stands fully eroded as at December 31, 2021. Having regard to the circumstances explained above and pending final outcome of the matter under litigation, the Company has not made any adjustment to the carrying value of investment in and amounts due from WWIL and the deposit paid consequent to the High Court's Orders. Accordingly, the impact on the carrying value of investments, recoverability of loans and advances and consequential impact on loss for the year and reserves is not determinable.

6. *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 period beginning on or after April 1, 2019. Pending final outcome of the matter under litigation as mentioned in paragraph above, no adjustments has been made in the financial information with respect to Ind AS 116 on land rights.*

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7. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 9 below and management certified accounts referred to in paragraph 10 below, except for the matters relating to the investment in and loans and advances and interest recoverable from WWIL referred to in paragraph 5 above and for matter relating to Ind AS 116 “Leases” referred to in paragraph 6 above, the outcome and consequent adjustment to the unaudited financial results of which cannot be presently determined, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
8. We draw your attention to following matters
- a) As described in financial statement, the group has considered the effect of uncertainties due to Covid-19 pandemic on the operations of the group. 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 group.
- b) Mukta A2 Cinema Limited (Subsidiary) has invoked the Force Majeure clause under various lease arrangements for its premises and informed the landlords that no rent would accrue for the period impacted by Covid-19 pandemic. The amount of reduction in lease liability which is yet to be confirmed in writing for the Quarter Ended December 31, 2021 is Rs.632.31 lakhs has been recognized as concessional lease income.
- c) During the Quarter Ended December 31, 2021, Mukta A2 Cinema Limited (Subsidiary) has incurred loss before tax (including other comprehensive income) of Rs. 1,276.92 lakhs and has accumulated losses of Rs. 5,212.02 lakhs as on December 31, 2021. Further the company’s net worth has been fully eroded and there is a deficit of Rs. 5,062.02 lakhs in the shareholder’s equity as on December 31, 2021. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. However, the company’s unaudited financial results have been prepared on a going concern basis on the reporting date.
- d) There is an emphasis of matter with regards to the financial statements of Mukta A2 Multiplex S.P.C. (Subsidiary) on account of deficit in the Shareholder’s Equity and the company’s current liability exceeding its current assets as on December 31, 2021. These conditions indicate the existence of material uncertainty which may cast significant doubt about the Company’s ability to continue as a going concern.

Our conclusion on the Statement is not modified in respect of the above matters.

9. We did not review the interim financial results of One subsidiary (Whistling Woods International Limited) included in the consolidated unaudited financial results, whose interim financial results reflect total revenues of Rs. 34,92,85,591/-, total net profit after tax and total comprehensive profit of Rs.50,21,447/- for the quarter ended December 31, 2021 as considered in the consolidated unaudited financial results. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates

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to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matters.

10. The consolidated unaudited financial results include the interim financial results of Four subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total revenue of Rs. 4,28,85,774/-, total net loss after tax of and total comprehensive loss of Rs. 3,82,84,927/- for the quarter ended December 31, 2021, respectively. The consolidated unaudited financial results also include the Group's share of net loss after tax of and total comprehensive loss of Rs 11,55,88,403/- for the quarter ended December 31, 2021 respectively, as considered in the consolidated unaudited financial results, in respect of one joint ventures, based on their interim financial results which have not been reviewed by their auditors. According to the information and explanations given to us.

Our conclusion on the Statement is not modified in respect of the above matters.

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



CA. Subhash Jhunjunwala
(Partner)
Membership No.: 016331
UDIN:
22016331ABFLWD4806

Date: February 11, 2022
Place: Mumbai

**MUKTA PRESS RELEASE****Mukta Arts sees early signs of business climate turnaround based on Q3 FY22 results:**

- with Positive EBITDA of Rs. 6.4 crore,
- and Revenue of Rs. 35 crore

Mumbai, February 11th, 2022: Mukta Arts Limited, India's leading group into entertainment, exhibition and education businesses, today announced the financial results for the quarter and nine month ended on Dec 31, 2021, as approved by its Board of Directors.

Standalone Performance:

Mukta Arts Limited, home to the Company's film production business, reported Standalone revenue of Rs 823 lacs and an EBITDA of Rs 285 lacs at a margin of 35%.

Whistling Woods International, a Mukta Arts 'subsidiary in the education business, posted a turnover of Rs 1248 lacs in Q3FY22. Total number of students enrolled currently stands at about 1,200, with a new batch intake currently ongoing

Mukta A2 Cinemas, a subsidiary in the exhibition business, posted a revenue of Rs 1433 lacs during the quarter. Affected by the second covid wave, 20 screens started opening gradually, initially with 50% operating capacity. However, with the onset of the third wave in December, screens in some states within India were closed again and occupancy reduced in some other states in compliance with State restrictions. However, following more relaxed updated guidelines introduced recently, around 52 screens returned to becoming operational by Q3FY22. We continued to open more screens in A3FY22 likes of Raygad-3 screens and Ahmedabad – 4 screens

Recently, the Mukta A2 Cinemas commenced its entry into Bengaluru, Karnataka, featuring a 2-screen multiplex that has a capacity for accommodating 912 viewers. The property is equipped with 3D screens, 2K projections and Dolby surround sound, all of which deliver the best, most immersive movie experiences for the audience. The new property also features a luxurious movie watching experience, based on highly comfortable seating arrangements, and freshly crafted delicious food and beverage options to cater to premium paying audiences.



Consolidated Performance

With a Consolidated revenue for Q3 FY22 at Rs 3516 lacs, the Company is steadily turning the corner towards more normalised performance matching pre-Covid levels. Consolidated EBITDA for the quarter turned positive after a quarter of negative EBITDA to Rs 638 lacs, which stood at 18% of revenue. The Cash PAT for the quarter improved to reach Rs 290 lacs for the period.

As part of our 3 movie deal with Zee Studios, Mukta Arts has concluded the production of its first movie in July 2021. It is a Hindi comedy drama titled “**36 Farmhouse**”, written by Subhash Ghai and directed by Ram Ramesh Sharma. The film was released on January 21st 2022 worldwide on Zee 5.

Commenting on the Company’s overall performance, **Rahul Puri, Managing Director, Mukta Arts** said, “It has been a difficult time for the Company, as also for the industry, with the pandemic adversely impacting audience attendance within the cinema exhibition business. However, we are hopeful that with tangible signs that the 3rd Omicron based wave is now receding nationally, audience confidence and cinema admissions should gradually pick up to pre-Covid levels by Q1FY23. We believe that we’re past the worst and, with a strong pipeline of movie releases on the near-term anvil, supported by a pent-up demand for theatre entertainment, we are at the tipping point of experiencing more normal levels of business operations all around.

I am pleased to say that, while this turmoil impacted many businesses adversely, Whistling Woods maintained its business continuity through its virtual platform. With running admissions for the new sessions looking strong – Whistling Woods is affording us a welcome source of resilience to our overall business.

Furthermore, we are pleased to have completed production on our new film ‘36 Farmhouse’ and the film has been released to good numbers on Zee 5 on January 21, 2022. With more projects in the pipeline, these factors should bode well for us in Q4FY22, Q1FY23 and beyond.”

About Mukta Arts Limited

Mukta Arts Limited is one of India's leading production houses with business interests across the entertainment spectrum from Exhibition to Education. The company has a library of over 35 hit films and has a brand that is globally recognised with quality and entertainment. Mukta Arts has successfully diversified its business into other areas of the film industry. The Company runs its own chain of Multiplex theatres under the ‘Mukta A2 Cinemas’ brand. These cinemas operate on an innovative model and focuses on delivering quality to patrons. The Company has opened Asia's largest and best Film, Television, Animation and Media School – Whistling Woods International, that continues to build on its worldwide reputation for imparting high-quality education.

