MUKTA ARTS LIMITED
an entertainment company
Regd. Office : Mukta House, Behind Whistling Woods Institute, Filmcity Complex,
Goregaon (East), Mumbai - 400 065. TEL .: 91-22-3364 9400

02nd November, 2018

BSE Limited PhirozeJeejeeboy 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

Kind Attn: **Corporate Relations Department**

Dear Sirs,

Subject: Outcome of the Board Meeting and Results for September 2018 quarter

Further to our letter dated 23rdOctober 2018 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., 02ndNovember, 2018 considered and approved:

- The Unaudited Standalone and Consolidated Financial Results along with segment wise results of the Company for the quarter ended 30thSeptember, 2018 and Limited Review Report in pursuance to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;

- The Board of Directors have approved the agenda items pertaining to the alteration of Memorandum of Association, waiver of recovery of excess remuneration paid to Subhash Ghai and obtaining approval of members for giving loan, providing guarantee or security pursuant to section 185 of the Companies Act, 2013. Therefore the outcome of the discussion pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached herewith for submission. Also the Board has approved the Notice of Postal Ballot for seeking approval of the shareholders regarding the above said business.

A press release to be issued with respect to above is also enclosed herewith for your reference along with the copy of the aforesaid unaudited financial results. The Board Meeting commenced at 10.30 am and concluded at 11.50 am

Please take the same on records accordingly and oblige.

Thanking you,

Yours Faithfully,
For and on behalf of
Mukta Arts Limited

MUKTA ARTS LTD. MUMBAI

Monika Shah
Company Secretary
Encl: As above.

ANNEXURE

Alteration of object clause of Memorandum of Association of the Company

In order to include the provisions of giving Corporate Guarantee and providing Security in the Memorandum of Association (MOA) of the Company, the member's approval shall be required for the same and hence the existing clause 17 of MOA is required to be replaced by new clause 17 subject to the approval of shareholders of the Company through Postal Ballot as per the provisions of Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force).

The Board has accordingly considered and approved the following:

(a) The draft special resolution to be included in the notice of Postal Ballot is as under for approval of shareholders:

Clause 17- To advance, lend money with or without security to any person or body corporate on such terms and conditions as the Board may consider desirable and in particular to members of the staff, customers and others having dealing with the Company and to give any guarantee or provide any security in connection with any loan taken by any person or body corporate including its subsidiary, joint venture and associate companies or undertake in any way the repayment of money lent or advanced to any of them in accordance with applicable provisions of the Companies Act, 2013.

and

(b)Appointment of Scrutinizer for conducting the Postal Ballot.

MUKTA ARTS LTD. MUMBAI

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 Half year ended September 30 2018

(Rs in lakhs, except per share data)

S.No	Particulars	Standalone						Consolidated					
		For the quarter ended			For the half year ended		Year ended	For the quarter ended			For the half year ended		Year ended
		September 30, 2018	September 30, 2017	June 30, 2018	September 30, 2018	September 30, 2017	March 31, 2018	September 30, 2018	September 30, 2017	June 30, 2018	September 30, 2018	September 30, 2017	March 31, 2018
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from operations	276.70	270.51	290.31	567.01	539.55	1,150.03	4,688.68	3,710.87	3,257.55	7,946.23	6,727.85	12,431.48
2	Other Income	276.87	325.09	289.54	566.41	473.96	1,018.39	252.18	229.19	154.26	406.45	324.36	659.70
3	**Total Revenue**	553.57	595.60	579.85	1,133.42	1,013.51	2,168.42	4,940.87	3,940.06	3,411.81	8,352.68	7,052.21	13,091.18
4	**Expenses**												
	a) (Increase)/ decrease in stock in trade	-	-	-	-	-	-	(6.95)	7.66	(6.44)	(13.39)	0.65	(3.64)
	b) Purchase of food and beverage	-	-	-	-	-	-	148.03	68.84	138.61	286.64	177.47	1,529.91
	c) Distributor and producer's share	-	-	-	-	-	2.87	871.58	166.03	761.89	1,633.48	1,052.93	1,903.36
	d) Other direct operation expenses	0.06	0.01	0.06	0.12	0.51	-	(117.09)	624.81	150.88	33.79	633.82	(177.83)
	e) Employee benefits expense	131.94	133.66	136.32	268.25	265.82	496.20	692.22	431.76	648.61	1,340.82	1,029.15	2,578.26
	f) Amortisation of intangible assets (including films rights)	-	-	-	-	-	-	-	15.86	-	-	29.34	-
	g) Depreciation of tangible assets	61.04	64.48	61.45	122.49	128.51	271.47	293.70	349.49	287.34	581.04	671.08	1,261.46
	h) Finance costs	151.07	169.56	140.52	291.59	342.98	684.97	255.88	234.55	244.68	500.56	583.68	1,112.85
	i) Other expenses	236.53	256.94	216.92	453.45	436.61	966.83	2,062.56	1,509.42	1,528.26	3,590.82	2,803.32	5,768.70
	Total expenditure	580.64	624.65	555.27	1,135.90	1,174.43	2,422.34	4,199.94	3,408.41	3,753.83	7,953.76	6,981.43	13,973.08
5	**Profit/ (loss) before tax (3-4)**	(27.07)	(29.05)	24.58	(2.48)	(160.92)	(253.92)	740.93	531.65	(342.02)	398.91	70.78	(881.89)
6	Tax Expenses												
	Current tax	-	65.36	-	-	65.36	72.52	-	33.26	-	-	65.36	71.90
	Deferred tax	(9.41)	(10.26)	(21.76)	(31.17)	(18.81)	(46.61)	(23.51)	(9.08)	(24.99)	(48.50)	(17.36)	(48.01)
7	**Profit/ (loss) from ordinary activities after tax**	(17.66)	(84.16)	46.34	28.69	(207.47)	(279.83)	764.45	507.47	(317.03)	447.42	22.77	(905.78)
8	Extraordinary Items	-	429.12	-	-	429.12	429.12	-	429.12	-	-	429.12	429.12
9	Share of profit in Joint ventures	-	-	-	-	-	-	2.48	3.69	1.94	4.42	(9.62)	(2.64)
10	**Net profit/(loss) for the period**	(17.66)	344.96	46.34	28.69	221.65	149.29	766.92	940.28	(315.09)	451.84	442.27	(474.03)
11	Other Comprehensive Income (net of tax)	-	-	-	-	-	0.04	0.91	2.89	1.40	2.31	6.07	6.81
12	Total Comprehensive Income for the period (transferred to BS- Other Equity)	(17.66)	344.96	46.34	28.69	221.65	149.25	767.83	943.18	(313.69)	454.15	448.35	(480.84)
13	Basic and diluted earning per share (EPS) (not annualised)	(0.08)	1.53	0.21	0.13	0.98	0.66	3.40	4.18	(1.39)	2.01	1.99	(2.13)
	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	6,691,910	6,691,910	6,691,910	6,691,910	6,691,910	6,691,910
	b) Percentage of shareholding	29.63%	29.63%	29.63%	29.63%	29.63%	29.63%	29.63%	29.63%	29.63%	29.63%	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	15,893,290	15,893,290	15,893,290	15,893,290	15,893,290	15,893,290
	ii) % of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	iii) % of shares (as a % of the total share capital of the Company)	70.37%	70.37%	70.37%	70.37%	70.37%	70.37%	70.37%	70.37%	70.37%	70.37%	70.37%	70.37%
B	**Investor complaints**												
	Particulars												
	Pending at the beginning of the quarter	Nil											
	Received during the quarter	2											
	Disposed off during the quarter	1											
	Remaining unresolved at the end of the quarter	1											

Segment - wise Revenue, Results, Assets and Liabilities

(Rs in lakhs)

S.No	Particulars	Standalone						Consolidated					
		For the quarter ended			For the half year ended		Year ended	For the quarter ended			For the half year ended		Year ended
		September 30, 2018	September 30, 2017	June 30, 2018	September 30, 2018	September 30, 2017	March 31, 2018	September 30, 2018	September 30, 2017	June 30, 2018	September 30, 2018	September 30, 2017	March 31, 2018
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	**SEGMENT REVENUE**												
	Software division	31.33	41.52	40.97	72.30	71.75	130.25	1.33	26.29	70.97	72.30	71.75	130.25
	Equipment division (including other income)	11.02	6.89	7.13	18.14	9.82	37.38	11.02	6.89	7.13	18.14	9.82	37.38
	Theatrical exhibition division	-	-	-	-	-	-	2,511.19	1,688.92	2,297.14	4,808.33	3,836.17	7,668.84
	Education	-	-	-	-	-	-	2,087.36	1,767.15	752.28	2,839.65	2,370.62	4,006.67
	Others	234.36	240.10	242.21	476.57	457.98	1,132.05	234.36	221.62	242.21	476.57	439.50	1,132.05
	Total	276.70	288.51	290.31	567.01	539.55	1,299.68	4,845.26	3,710.87	3,369.73	8,214.98	6,727.86	12,975.19
	Less: Inter segment revenue	-	-	-	-	-	-	-	-	-		-	-
	Net sales/ Income from operation	276.70	288.51	290.31	567.01	539.55	1,299.68	4,845.26	3,710.87	3,369.73	8,214.98	6,727.86	12,975.19
2	**SEGMENT RESULTS**												
	Profit/ (loss) before tax and finance costs												
	from each Segment												
	Software division	(104.23)	(62.29)	(90.31)	(195.04)	(120.02)	(596.31)	(134.23)	(62.49)	(60.81)	(195.04)	(120.02)	(596.31)
	Equipment division	2.37	1.87	(5.06)	(2.70)	(7.08)	(24.06)	2.37	1.87	(5.06)	(2.70)	(7.08)	(24.06)
	Theatrical exhibition division	-	-	-	-	-	-	125.45	(166.64)	67.47	192.93	(5.10)	(528.66)
	Education	-	-	-	-		-	925.85	967.99	(146.07)	779.78	776.00	570.01
	Others	156.58	239.84	169.74	326.32	429.50	733.02	156.58	20.21	169.74	326.32	209.87	733.02
	Total	54.71	179.42	73.37	128.58	302.40	112.65	1,076.01	760.95	25.28	1,101.29	853.66	154.01
	Less: Finance costs	151.07	169.56	140.52	291.59	342.98	684.97	255.88	234.55	244.68	500.56	583.68	1,112.85
	Other un-allocable expenditure												
	Net of unallocable income	(69.28)	(390.21)	(91.23)	(160.52)	(308.78)	(747.52)	79.19	(434.37)	122.61	201.81	(229.92)	(506.07)
	Total profit before tax	(27.07)	400.07	24.58	(2.48)	268.20	175.20	740.93	960.77	(342.02)	398.91	499.90	(452.77)
	Add : Share of profit/(loss) in Joint ventures	-	-	-	-	-	-	2.48	3.69	1.94	4.42	(9.62)	(2.64)
	Total profit before tax and after share in Joint venture	(27.07)	400.07	24.58	(2.48)	268.20	175.20	743.41	964.46	(340.08)	403.33	490.29	(450.13)
3	**SEGMENT ASSETS**												
	Software division	1,340.06	1,375.93	1,789.84	1,340.06	1,375.93	1,315.50	1,340.06	1,375.93	1,871.08	1,340.06	1,375.93	1,315.50
	Equipment division	155.39	186.19	155.51	155.39	186.19	479.54	155.39	186.19	155.51	155.39	186.19	479.54
	Theatrical exhibition division	-	-	-	-	-	961.53	6,621.76	6,122.87	6,349.55	6,621.76	6,122.87	7,208.48
	Education	-	-	-	-	-	-	4,893.67	4,245.36	4,032.05	4,893.67	4,245.36	3,848.55
	Others	2,211.94	3,579.44	2,280.20	2,211.94	3,579.44	2,030.84	2,211.94	3,579.44	2,280.20	2,211.94	3,579.44	2,030.84
	Unallocable	18,048.89	14,157.38	17,559.53	18,048.89	14,157.38	15,580.61	18,048.89	6,294.39	17,559.53	18,048.89	6,294.39	4,347.58
4	**SEGMENT LIABILITIES**												
	Software division	229.52	411.42	236.90	229.52	411.42	201.55	229.52	411.42	507.02	229.52	411.42	201.55
	Equipment division	2.07	2.38	3.04	2.07	2.38	6.41	2.07	2.38	3.04	2.07	2.38	6.41
	Theatrical exhibition division	-	-	-	-	-	1,245.56	5,396.95	4,814.09	7,920.13	5,396.95	4,814.09	1,245.56
	Education	-	-	-	-	-	-	4,578.82	5,945.94	10,546.99	4,578.82	5,945.94	2,141.42
	Others	500.65	614.02	430.57	500.65	614.02	93.92	500.65	614.02	430.57	500.65	614.02	93.92
	Unallocable	7,214.04	5,847.72	7,286.92	7,214.04	5,847.72	5,039.26	7,214.04	5,939.81	7,286.92	7,214.04	5,939.81	12,152.13

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 2 November 2018.

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 2018 Rs 113,538,000 has been paid by the Company and Rs 4,500,000 has been paid by WWIL. The State Government of Maharashtra and MFSCDC challenged the Order of the High Court in the Supreme Court which was dismissed by the court on 22nd 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-juidice 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 remuneration paid to the erstwhile managing director (including as film director fees) for financial years 2005-06 to 2013-14 aggregating to Rs 125,744,747 had exceeded the limits prescribed under Schedule XIII to the Companies Act, 1956.The Company had received approval from the Ministry of Corporate Affairs for part of the excess remuneration paid. It had requested the Ministry for approval of the balance and also for granting him recognition as a professionally qualified person under the Act. The auditors had modified their report with reference to this matter.
Vide Notification No. 4823 (E) dated September 12 2018, Sections 66 to 70 of The Companies (Amendment) Act, 2017 have come into force as a result of which, the approval of the Central Government is not required any longer. According to the revised requirements, a postal ballot is in process to obtain Shareholders' approval for the same. The auditors therefore shall not modify their report on this matter.

4 Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after April 1, 2018, replaces existing revenue recognition requirements. Under the modified retrospective approach there were no adjustments required to the retained earnings at April 1, 2018. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial results.

5 Figures for the corresponding quarters / half years have been regrouped / rearranged to conform to the current quarter's presentation.

For and on behalf of the Board of directors

MUKTA ARTS LTD. MUMBAI

Rahul Puri
Managing Director
DIN:01925045

Date : 2 November 2018
Place : Mumbai

MUKTA ARTS LIMITED

Statement of assets and liabilities as at 30 September 2018

(Rs in lakhs)

Particulars	Standalone		Consolidated	
	As at 30 Sept 2018 (Unaudited)	As at 31 March 2018 (Audited)	As at 30 Sept 2018 (Unaudited)	As at 31 March 2018 (Audited)
ASSETS				
Non-current assets				
Property, plant and equipment	1,659.27	1,749.74	8,101.46	8,231.89
Capital work-in-progress	12.87	12.87	134.79	92.64
Investment property	1,524.05	1,548.03	1,555.92	1,563.95
Other Intangible assets	392.02	392.02	534.88	526.90
Intangible Assets under Development	415.75	413.95	709.39	617.52
Financial assets				
Investments	2,691.45	2,571.53	422.84	396.93
Loans	3,769.06	3,879.06	100.00	100.00
Others	3,598.02	3,512.43	3,717.88	1,768.31
Deferred income tax assets (net)	306.32	275.15	310.14	261.64
Other non-current assets	942.04	781.71	1,230.27	992.25
Current assets				
Inventories	-	-	91.59	75.18
Financial assets				
Trade receivables	469.56	495.19	1,629.25	1,180.17
Cash and cash equivalents	10.93	68.04	998.96	275.09
Bank balances other than above	270.51	205.74	270.51	205.74
Loans	3,516.17	3,432.51	1,278.90	1,203.05
Others	670.17	762.34	930.14	828.23
Other Current assets	459.56	542.85	1,114.06	1,139.48
Total Assets	20,707.76	20,643.16	23,131.01	19,458.98
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	1,129.26	1,129.26	1,129.26	1,129.26
Other Equity	12,680.74	12,652.05	2,599.74	2,262.53
Minority Interest	-	-	355.19	321.27
Non-current liabilities				
Financial liablities				
Borrowings	4,506.23	4,420.99	6,689.02	6,354.42
Other financial liabilities	401.26	295.03	3,084.74	840.56
Provisions	93.13	89.26	254.56	232.79
Other non-current liabilities	163.43	112.59	1,304.19	200.09
Current liabilities				
Financial liablities				
Borrowings	820.00	820.00	350.23	1,191.46
Trade payables	223.42	159.70	3,183.23	2,350.09
Other financial liabilities	335.86	591.47	2,002.48	2,096.98
Other current liabilities	228.72	253.59	511.83	2,056.58
Provisions	125.70	119.22	1,666.54	422.92
Total Equity and Liabilities	20,707.76	20,643.16	23,131.01	19,458.98

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2887 0069

Uttam Abuwala & Co.

Website: http://www.uttamabuwala.com

Chartered Accountants

Limited Review Report on Quarterly Standalone Financial Results of Mukta Arts Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors
Mukta Arts Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results ("the statement") of **M/s Mukta Arts Limited** ("the Company") for the **quarter and half year ended September 30, 2018** 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'). This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

2. 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"** specified under section 143(10) of the Companies Act, 2013. 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.

3. *As at September 30, 2018, 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.60,68,61,291/- recoverable from WWIL. As fully explained in Note 2 to the accompanying unaudited 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 September 30, 2018 Rs. 11,35,38,000/- has been paid by the Holding Company and Rs. 45,00,000/- 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.*

Uttam Abuwala & Co. Chartered Accountants
Mumbai

Further, WWIL's net worth stands fully eroded as at September 30, 2018. 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.

4. As explained in Note 3 to the accompanying unaudited financial statements, the remuneration paid to the erstwhile managing director (including as film director fees) for financial years 2005-06 to 2013-14 aggregating to Rs 12,57,44,747/- had exceeded the limits prescribed under Schedule XIII to the Companies Act, 1956.The Company had received approval from the Ministry of Corporate Affairs for part of the excess remuneration paid. It had requested the Ministry for approval of the balance and also for granting him recognition as a professionally qualified person under the Act.

   Vide Notification No. 4823 (E) dated September 12 2018, Sections 66 to 70 of The Companies (Amendment) Act, 2017 have come into force as a result of which, the approval of the Central Government is not required any longer as per the letters received from Ministry of Corporate Affairs dated October 4, 2018 and October 9, 2018. According to the revised requirements, a postal ballot is in process to obtain Shareholders' approval of the same.

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 3 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 standalone financial results prepared in accordance with the applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulations 33 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Uttam Abuwala & Co
Chartered Accountants
Firm No. 111184W

Uttam Abuwala & Co. Chartered Accountants ★ Mumbai

CA. Subhash Jhunjhunwala
(Partner)
Membership No.: 016331

Date: November 2, 2018
Place: Mumbai

Phone No.: 2887 8000
2887 0069

Uttam Abuwala & Co.

Website: http://www.uttamabuwala.com *Chartered Accountants*

Limited Review Report on Quarterly Consolidated Financial Results of Mukta Arts Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors
Mukta Arts Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ("the statement") of **M/s Mukta Arts Limited** ("the Parent"), its subsidiaries and joint venture (the Parent and its subsidiaries and joint venture together referred to as "the Group") for the **quarter and half year ended September 30, 2018** 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'). This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these consolidated financial results based on our review.

2. 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"** specified under section 143(10) of the Companies Act, 2013. 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.

3. These consolidated quarterly results include the quarterly financial results of the following seven entities, in addition to the Parent entity 'Mukta Arts Limited':

   a. Subsidiaries:

   i. Mukta Creative Ventures Limited (Formerly known as Coruscant Tec Private Limited)
   ii. Whistling Woods International Limited
   iii. Mukta Tele Media Limited
   iv. Connect.1 Limited
   v. Mukta A2 Multiplex SPC (incorporated in Bahrain)
   vi. Mukta A2 Cinemas Limited

   and

   b. Joint Venture:

   i. Mukta VN Films Limited

Uttam Abuwala & Co. Chartered Accountants Mumbai

Out of the above, the unaudited consolidated financial results include the financial results of One subsidiary, which have been reviewed by us (whose financial results reflect total revenues of Rs. 35,02,35,223/- and total loss after tax of Rs. 75,85,287/- as at September 30, 2018). One subsidiary, which have been reviewed by other auditors (whose financial results reflect total revenues of Rs. 28,39,64,646/- and total profit after tax of Rs. 4,46,79,349/- as at September 30, 2018) and financial results of Four subsidiaries, which are not reviewed by us or any other auditors and are based solely on management certified accounts (whose financial results reflect total revenues of Rs. 13,22,92,196/- and total profit after tax of Rs. 50,09,315/- as at September 30, 2018, as considered in the Statement). Our conclusion is not modified in respect of this matter.

4. *As at September 30, 2018, 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. 60,68,61,291/- recoverable from WWIL. As fully explained in Note 2 to the accompanying unaudited 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 September 30, 2018 Rs. 11,35,38,000/- has been paid by the Holding Company and Rs 45,00,000/- 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.*

Further, WWIL's net worth stands fully eroded as at September 30, 2018. 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. *WWIL has disputed the demand from Income-tax authorities aggregating to Rs. 50,60,764/- (including interest Rs. 19,02,995/-) [March 31, 2018: Rs. 50,60,974/- (including interest of Rs. 1,902,995/-)] for the financial years ended March 31, 2004 (Assessment Year 2004-05) and 31 March 2005 (Assessment Year 2005-06). No provision has been made in this regard. Had the Company accrued for this liability, the profit for the period in the Special Purpose Financial Information at September 30, 2018 would have been lower by Rs. 50,60,764/-.*

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6. As explained in Note 3 to the accompanying unaudited financial statements, the remuneration paid to the erstwhile managing director (including as film director fees) for financial years 2005-06 to 2013-14 aggregating to Rs 12,57,44,747/- had exceeded the limits prescribed under Schedule XIII to the Companies Act, 1956.The Company had received approval from the Ministry of Corporate Affairs for part of the excess remuneration paid. It had requested the Ministry for approval of the balance and also for granting him recognition as a professionally qualified person under the Act.

   Vide Notification No. 4823 (E) dated September 12, 2018, Sections 66 to 70 of The Companies (Amendment) Act, 2017 have come into force as a result of which, the approval of the Central Government is not required any longer as per the letters received from Ministry of Corporate Affairs dated October 4, 2018 and October 9, 2018. According to the revised requirements, a postal ballot is in process to obtain Shareholders' approval of the same.

7. Based on our review conducted as above and management certified accounts as referred to above, except for matter relating to income tax disputes referred to in paragraph 5 above and 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 applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of **Regulations 33 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')** including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Uttam Abuwala & Co
Chartered Accountants
Firm No. 111184W

Uttam Abuwala & Co. Chartered Accountants ★ Mumbai

CA. Subhash Jhunjhunwala
(Partner)
Membership No.: 016331

Date: November 2, 2018
Place: Mumbai

PRESS RELEASE

2nd November 2018, Mumbai

Mukta Arts Limited has seen its consolidated Q2 turnover grow from Rs 39 crores to Rs 49 crores and profit before extraordinary items grow from Rs 5 crores to Rs 8 crores in September 2018.

Whistling Woods International, its subsidiary in the education business posted a 17% growth in its Q2 turnover over the previous year achieving Rs 21 crores and profit after tax of Rs 7.6 crores. It had its largest ever intake of 490 students.

Mukta A2 Cinemas, also a subsidiary, posted a 33% growth in Q2 turnover crossing Rs 17 crores and nearly doubled its EBITDA reaching Rs 92 lakhs.

MUKTA ARTS LTD. MUMBAI