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

29th November, 2017

BSE Limited Phiroze Jeejeebhoy Towers, 1st Floor, Dalal Street, Mumbai – 400 001	**National Stock Exchange of India Limited** Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051

Kind Attn: **Corporate Relations Department**

Subject: Outcome of the Board Meeting and Results for September 2017 quarter

Dear Sirs,

Further to our letter dated 20th November 2017 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., 29th November, 2017 considered and approved:

- The Unaudited Standalone and Consolidated Financial Results along with segment wise results of the Company for the quarter ended 30th September, 2017 and Limited Review Report in pursuance to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;

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 03.00 pm and concluded at 05.30 pm

Please update the 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.

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 30 Sept 2017

(Rs in lakhs, except per share data)

S.No	Particulars	Standalone					Consolidated				
		For the quarter ended			For the half year ended		For the quarter ended			For the half year ended	
		September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016	September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1	Revenue from operations	270.51	269.04	1,477.9	539.55	2,947.08	3,710.87	3,016.99	2,591.23	6,727.85	4,605.51
2	Other Income	754.21	148.87	163.2	903.08	320.40	658.31	95.16	44.75	753.48	96.18
3	Total Revenue	1,024.72	417.91	1,641.2	1,442.63	3,267.48	4,369.18	3,112.15	2,635.99	7,481.33	4,701.69
4	Expenses										
	a) (Increase)/ decrease in stock in trade	-	-	15.1	-	(17.22)	7.66	(7.00)	15.15	0.65	(17.22)
	b) Purchase of food and beverage	-	-	66.0	-	184.20	68.84	108.63	66.08	177.47	184.20
	c) Distributor and producer's share	-	-	356.5	-	738.25	166.03	886.90	356.50	1,052.93	738.25
	d) Other direct operation expenses	0.01	0.50	35.9	0.51	87.43	624.81	9.01	72.35	633.82	124.46
	e) Employee benefits expense	133.66	132.16	261.4	265.82	511.13	431.76	597.39	433.02	1,029.15	853.20
	f) Amortisation of intangible assets (including films rights)	-	-	-	-	-	15.86	13.48	13.50	29.34	27.01
	g) Depreciation of tangible assets	64.48	64.03	167.1	128.51	311.45	349.49	321.59	254.89	671.08	479.66
	h) Finance costs	169.56	173.42	136.4	342.98	302.68	234.55	349.13	214.49	583.68	439.34
	i) Other expenses	256.94	179.67	693.0	436.61	1,221.12	1,509.42	1,293.90	1,680.15	2,803.32	2,531.31
	Total expenditure	624.65	549.78	1,731.7	1,174.43	3,339.04	3,408.41	3,573.02	3,106.14	6,981.43	5,360.21
5	Profit/ (loss) before tax (3-4)	400.07	(131.87)	(90.5	268.20	(71.56)	960.77	(460.88)	(470.15)	499.90	(658.52)
6	Tax Expenses										
	Current tax	65.36	-	-	65.36	-	33.26	32.11	-	65.36	-
	Deferred tax	(10.26)	(8.55)	7.0	(18.81)	12.21	(9.08)	(8.28)	7.09	(17.36)	12.21
7	Profit/ (loss) from ordinary activities after tax	344.96	(123.32)	(97.6	221.65	(83.77)	936.59	(484.71)	(477.24)	451.89	(670.73)
8	Share of profit/(loss) in Joint ventures	-	-	-	-	-	3.69	(13.31)	(13.07)	(9.62)	(8.09)
9	Net profit/(loss) for the period	344.96	(123.32)	(97.6	221.65	(83.77)	940.28	(498.02)	(490.31)	442.27	(678.82)
10	Other Comprehensive Income (net of tax)	-	-		-	-	2.89	3.18	-	6.07	-
11	Total Comprehensive Income for the period (transferred to BS- Other Equity)	344.96	(123.32)	(97.6	221.65	(83.77)	943.18	(494.84)	(490.31)	448.35	(678.82)
	Part II										
A	Particulars of shareholdings										
1	Public shareholding										
	a) Number of shares	6,691,910	6,691,910	6,691,91	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%
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	15,889,290	15,889,290	15,889,29	15,889,290	15,889,290	15,889,290	15,889,290	15,889,290	15,889,290	15,889,290
	ii) % of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	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%
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						

Segment - wise Revenue, Results, Assets and Liabilities

(Rs in lakhs)

S.No	Particulars	Standalone					Consolidated				
		For the quarter ended			For the half year ended		For the quarter ended			For the half year ended	
		September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016	September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1	**SEGMENT REVENUE**										
	Software division	**41.52**	30.23	12.76	**71.75**	62.61	**26.29**	45.46	11.71	**71.75**	62.61
	Equipment division (including other income)	**6.89**	2.93	8.04	**9.82**	12.52	**6.89**	2.93	8.04	**9.82**	12.52
	Theatrical exhibition division	-	-	1,183.82	-	2,383.66	**1,688.92**	2,147.25	1,183.82	**3,836.17**	2,383.66
	Education	-	-	-	-	-	**1,767.15**	603.47	1,082.53	**2,370.62**	1,625.32
	Others	**240.10**	217.38	545.76	**457.98**	760.68	**221.62**	217.88	305.12	**439.50**	521.39
	Total	**288.51**	250.54	1,750.38	**539.55**	3,219.47	**3,710.87**	3,016.99	2,591.23	**6,727.86**	4,605.51
	Less: Inter segment revenue	-	-	-	-		-	-	-	-	-
	Net sales/ Income from operation	**288.51**	250.54	1,750.38	**539.55**	3,219.47	**3,710.87**	3,016.99	2,591.23	**6,727.86**	4,605.51
2	**SEGMENT RESULTS**										
	Profit/ (loss) before tax and finance costs										
	from each Segment										
	Software division	**(62.29)**	(57.73)	(75.90)	**(120.02)**	(105.66)	**(62.49)**	(57.53)	(75.90)	**(120.02)**	(105.66)
	Equipment division	**1.87**	(8.95)	3.27	**(7.08)**	(5.27)	**1.87**	(8.95)	3.27	**(7.08)**	(5.27)
	Theatrical exhibition division	-	-	(29.51)	-	23.62	**(166.64)**	161.53	(570.25)	**(5.10)**	(517.11)
	Education	-		-		-	**967.99**	(192.00)	361.92	**776.00**	327.12
	Others	**239.84**	182.66	201.59	**422.50**	387.61	**20.21**	189.66	70.21	**209.87**	256.23
	Total	**179.42**	123.98	99.45	**302.40**	300.30	**760.95**	92.72	(210.75)	**853.66**	(44.69)
	Less: Finance costs	**169.56**	174.42	136.45	**342.98**	302.68	**234.55**	349.13	214.29	**583.68**	439.34
	Other un-allocable expenditure								-		
	Net of unallocable income	**(390.21)**	(83.43	53.52	**(305.78)**	69.18	**(434.37)**	204.46	45.11	**(229.92)**	174.49
	Total profit before tax	**400.07**	(132.87)	(90.52)	**268.20**	(71.56)	**960.77**	(460.88)	(470.15)	**499.90**	(658.52)
	Add : Share of profit/(loss) in Joint ventures	-	-	-	-	-	**3.69**	(13.31)	(13.07)	**(9.62)**	(8.09)
	Total profit before tax and after share in Joint venture	**400.07**	(132.87)	(90.52)	**268.20**	(71.56)	**964.46**	(474.19)	(483.22)	**490.29**	(666.61)
3	**SEGMENT ASSETS**										
	Software division	**1,375.93**	1,555.37	1,591.18	**1,375.93**	1,591.18	**1,375.93**	1,636.22	1,591.18	**1,375.93**	1,591.18
	Equipment division	**186.19**	180.98	212.74	**186.19**	212.74	**186.19**	180.98	212.74	**186.19**	212.74
	Theatrical exhibition division	-	-	5,117.15	-	5,117.15	**6,122.87**	5,866.04	6,592.58	**6,122.87**	6,592.58
	Education	-	-	-	-	-	**4,245.36**	4,647.06	3,793.93	**4,245.36**	3,793.93
	Others	**3,579.44**	1,905.41	2,353.52	**3,579.44**	2,353.52	**3,579.44**	1,905.41	2,353.52	**3,579.44**	2,353.52
	Unallocable	**14,157.38**	17,501.16	12,258.60	**14,157.38**	12,258.60	**6,294.39**	17,501.16	8,272.34	**6,294.39**	8,272.34
4	**SEGMENT LIABILITIES**										
	Software division	**411.42**	759.98	483.06	**411.42**	483.06	**411.42**	759.98	483.06	**411.42**	483.06
	Equipment division	**2.38**	2.38	5.70	**2.38**	5.70	**2.38**	2.38	5.70	**2.38**	5.70
	Theatrical exhibition division	-	-	1,690.70	-	1,690.70	**4,814.09**	6,484.28	3,362.16	**4,814.09**	3,362.16
	Education	-	-	-	-	-	**5,945.94**	11,470.45	6,120.88	**5,945.94**	6,120.88
	Others	**614.02**	486.73	568.74	**614.02**	568.74	**614.02**	486.73	568.74	**614.02**	568.74
	Unallocable	**5,847.72**	7,643.83	8,198.39	**5,847.72**	8,198.39	**5,939.81**	7,643.83	7,847.00	**5,939.81**	7,847.00

MUKTA ARTS LIMITED

Statement of assets and liabilities as at 30 September 2017

(Rs in lacs)

Particulars	Standalone As at 30 September 2017 (Unaudited)	Consolidated As at 30 September 2017 (Unaudited)
ASSETS		
Non-current assets		
Property, plant and equipment	179.13	6,792.35
Capital work-in-progress	12.87	81.45
Investment property	3,216.15	3,250.96
Goodwill	-	-
Other Intangible assets	401.67	583.32
Intangible Assets under Development	109.27	234.97
Biological Assets other than bearer plants	-	-
Financial assets		-
Investments	2,539.02	655.33
Trade receivables	-	-
Loans	4,093.11	-
Others	2,427.57	2,752.84
Deferred income tax assets (net)	-	-
Other non-current assets	2,358.91	2,560.76
Current assets		
Inventories	-	80.30
Financial assets		
Investments	-	-
Trade receivables	635.36	1,547.73
Cash and cash equivalents	61.38	756.84
Bank balances other than above	499.58	499.58
Loans	2,496.96	415.03
Others	430.33	809.32
Current tax Assets (Net)	-	-
Other Current assets	443.69	773.79
Total Assets	**19,905.01**	21,794.57
EQUITY AND LIABILITIES		
Equity		
Equity Share capital	1,129.26	1,129.26
Other Equity	11,831.23	2,937.64
Non-current liabilities		
Financial liablities		
Borrowings	4,197.08	308.14
Trade Payables	-	0.12
Other financial liabilities	437.16	7,080.18
Provisions	120.41	215.24
Deferred tax liabilities (Net)	303.92	305.73
Other non-current liabilities	160.82	407.91
Current liabilities		
Financial liablities		
Borrowings	820.00	1,324.78
Trade payables	207.88	2,446.23
Other financial liabilities	462.76	4,066.62
Other current liabilities	139.02	1,182.61
Provisions	95.49	390.11
Total Equity and Liabilities	**19,905.01**	21,794.57

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 29 November 2017.

2 The Company has adopted the Indian Accounting Standards (Ind AS) with effect from 1 April 2017. Results for the quarters ended 30 September 2017 and 30 June 2017 and half year ended 30 September 2017 are in compliance with Indian Accounting Standards (Ind AS) notified by Ministry of Corporate Affairs. Consequently, results for the quarter ended 30 September 2016 have been restated to comply with Ind AS to make them comparable. These restated results have however not been subjected to Audit or Limited Review. The Management has exercised necessary diligence to ensure that the financial results provide a true and fair view of the Company's affairs.

Further transition adjustments may be required to the financial statements as at 31st March 2017 including those arising from new or revised standards or interpretations issued by the ministry of corporate Affairs or changes in use of one or more optional exemptions from full retrospective application of certain Ind AS Standards before constituting the final Ind AS financial statements as of and for the year ending 31.03.2018.

3 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 WWIL to vacate the premises. The Company's and WWI's Review Petitions were heard by High Court and a stay was granted on 30 July 2014. However, the High Court ordered the Company/WWI 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, the Company paid Rs 113,538,000 by 30 June 2017. 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 auditors continue to modify their report on the said matter.

4 Total remuneration paid to the erstwhile managing director (including as film director fees) for earlier financial years from 2005-06 to 2014-2015 aggregating to Rs 131,906,897 exceeds the limits prescribed under Schedule XIII to the Companies Act, 1956. During the year 2011-12, the Company had received approval for part of the excess remuneration paid (approval received for remuneration aggregating to Rs 25,200,000 for the financial years 2005-06, 2006-07 and 2007-08) and made applications to the authorities requesting reconsideration/ approval for the balance excess remuneration. Through its various communications, the Ministry of Corporate Affairs has ordered the Company to recover the excess remuneration paid during the financial years 2008-09 to 2011-12. The Company has requested the authorities to reconsider their Orders and also for his recognition as a professionally qualified person under the Act. Pending conclusion of this matter, no adjustment has been made in these financial results. The auditors continue to modify their report on the said matter.

5 The Company has pursuant to the approval received from the Shareholders of the company, transferred its Cinema exhibition business to a wholly owned subsidiary, Mukta A2 Cinemas Limited as on 31 March 2017, by way of slump sale. Therefore the results of the said business have been disclosed under discontinuing operations.

6 As part of the IND AS conversion of its accounts, the Company has recognised as Interest receivable an amount of Rs 185,117,751/- on account of accumulated dividend on 8% Redeemable Cumulative Preference Shares, issued by its subsidiary Whistling Woods Institute Limited. This dividend had not been recognised by the Company in its accounts maintained as per the erstwhile Indian GAAP, because the Subsidiary did not have adequate profits. While this amount has been recognised by the Company as per IND AS disclosure requirements, this amount cannot be recovered by the Company from its subsidiary until the subsidiary has adequate profits.

7 **The reconciliation between financial results as reported under Indian GAAP and Ind AS are summarised as follows :-**

Particulars	Standalone		Consolidated	
	6 months ended -Sept-2016	3 months ended -Sept-2016	6 months ended -Sept-2016	3 months ended -Sept-2016
Net loss as per Indian GAAP	(11,801,816)	(11,356,816)	(61,982,686)	(46,531,887)
Fair value adjustments on financial instruments	793,247	402,316	5,416,217	5,125,925
Amortised cost adjustments on finacial instrumnets	7,141,545	3,539,555	(5,744,953)	(5,297,414)
Expected Credit Loss provisioning	(271,566)	(128,740)	(524,131)	1,196,611
Depreciation and amortisation due to recognition of assets	(3,016,548)	(1,508,274)	(3,016,548)	(1,508,274)
Deferred tax impact on above adjustments	(1,221,342)	(708,965)	(1,221,342)	(708,965)
	(8,376,480)	(9,760,924)	(67,073,443)	(47,724,004)
Other comprehensive income (OCI) (net of tax)	-		-	-
Total comprehensive income under Ind AS	(8,376,480)	(9,760,924)	(67,073,443)	(47,724,004)

8 Figures for the corresponding period of the previous year/ quarter have been regrouped / rearranged to conform to current quarter's presentation.

For and on behalf of the Board of directors

Rahul Puri
Managing Director
DIN:01925045

Date : 29 November 2017
Place : Mumbai

Phone No.: 2887 8000
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 financial results ("the statement") of **M/s Mukta Arts Limited** ("the Company") for the **Quarter and half year ended on September 30, 2017** attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. 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"** 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.

3. *As at September 30, 2017, the company's investment in its subsidiary, Whistling woods International Limited (WWIL) a joint venture between the company and Maharashtra Film, Stage and Cultural Development Corporation Limited (MFSCDCL), aggregates to Rs. 36,99,97,000/- and loans and advances, Accrued interest, deposits and rent receivable aggregate to Rs. 22,81,84,463/- recoverable from WWIL. As fully explained in Note 3 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, the Company paid Rs. 11,35,38,000/- by September 30, 2017. 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 treated as Deposit 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, 2017. 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

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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 4 to the accompanying un-audited financial results, remuneration paid to the erstwhile managing director (including as film director fees) for earlier financial years from 2005-06 to 2014-15 (total remuneration paid aggregates to Rs.13,19,06,897/-) is in excess of the limits prescribed under Schedule XIII to the Companies Act, 2013. During the year 2011-12, the Company had received approval for part of excess remuneration paid (approval received for remuneration aggregating to Rs. 2,52,00,000/- for the financial years 2005-06, 2006-07, 2007-08) and made applications to the authorities requesting consideration/approval for the balance excess remuneration and for recognition of the erstwhile managing director as professionally qualified person under the Companies Act, 1956. Through its various communications, the Ministry of Corporate Affairs has directed the Company to recover the excess remuneration paid during the financial years 2008-09 to 2011-12. The company has requested the authorities to reconsider their Orders in respect of the above and also for his recognition as a professionally qualified person under this Act. Pending conclusion of this matter, no adjustment has been made in these standalone financial results.*

5. Based on our review conducted as above, except for matter relating to remuneration to the erstwhile managing director referred to in paragraph 4 above and for the matters relating to the investment in and loans and advances 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 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 and SEBI Circular dated July 5, 2016** 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. Prerak Agarwal
(Partner)
Membership No.: 158844

Date: November 29, 2017
Place: Mumbai

Phone No.: 2887 8000
2887 0069

Uttam Abuwala & Co.

Chartered Accountants

Website: http://www.uttamabuwala.com

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 on September 30, 2017** attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. 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"** 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.

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

   and

   b. Joint Venture:

   i. Mukta VN Films Limited

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Out of the above, the unaudited consolidated financial results include the financial results of One subsidiary, which have been reviewed by other auditors (whose financial results reflect total revenues of Rs. 17,89,37,465/- and total profit after tax of Rs. 7,87,96,484/- for the quarter and half year ended September, 2017) 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. 4,58,93,027/- and total loss after tax of Rs. 85,52,389/- for the quarter and half year ended September 30, 2017, as considered in the Statement). Our conclusion is not modified in respect of this matter.

4. *As at September 30, 2017 the Parent company's investment in its subsidiary, Whistling woods International Limited (WWIL) a joint venture between the company and Maharashtra Film, Stage and Cultural Development Corporation Limited (MFSCDCL), aggregates to Rs. 36,99,97,000/- and loans and advances, Accrued interest, deposits and rent receivable* aggregate to Rs. *22,81,84,463/- recoverable from WWIL. As fully explained in Note 3 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, the Company paid Rs. 11,35,38,000/- by September 30, 2017. 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 treated as Deposit 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, 2017. 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. *As explained in Note 4 to the accompanying un-audited financial results, remuneration paid to the erstwhile managing director (including as film director fees) for earlier financial years from 2005-06 to 2014-15 (total remuneration paid aggregates* to Rs. 13,19,06,897/-) *is in excess of the limits prescribed under Schedule XIII to the Companies Act, 2013. During the year 2011-12, the Parent Company had received approval for part of excess remuneration paid (approval received for remuneration aggregating to Rs. 2,52,00,000/- for the financial years 2005-06, 2006-07, 2007-08) and made applications to the authorities requesting consideration/approval for the balance excess remuneration and for recognition of the erstwhile managing director as professionally qualified person under the Companies Act, 1956. Through its various communications, the Ministry of Corporate Affairs has*

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directed the Company to recover the excess remuneration paid during the financial years 2008-09 to 2011-12. The company has requested the authorities to reconsider their Orders in respect of the above and also for his recognition as a professionally qualified person under this Act. Pending conclusion of this matter, no adjustment has been made in these standalone financial results.

6. *WWIL has disputed the demand from Income-tax authorities aggregating to Rs. 5,250,453 (including interest Rs 2,067,447) [March 31, 2017: Rs 5,060,974 (including interest of Rs. 1,902,995)] for the financial years ended 31 March 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 quarter and the deficit in Special Purpose Financial Information at September 30, 2017 would have been lower and higher by Rs. 5,250,453 (March 31, 2017: Rs 5,060,974).*

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 6 above, for the matter relating to remuneration to the erstwhile managing director referred to in paragraph 5 above and for the matters relating to the investment in and loans and advances 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 and SEBI Circular dated July 5, 2016** 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. Prerak Agarwal
(Partner)
Membership No.: 158844

Date: November 29, 2017
Place: Mumbai

MUKTA ARTS LIMITED
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PRESS RELEASE

Mukta Arts Limited sees Revenues rise on the back of Education Business Growth

Mukta Arts Limited posted a post-tax profit of Rs. 346.87 Lacs for the quarter and a half yearly profit of Rs 223.55 lacs. Its subsidiary Mukta A2 Cinemas Limited showed Rs 112.68 lacs of EBITDA in spite of a poor quarter.

Mukta Arts Limited's subsidiary Whistling Woods International showed Rs 785.08 Lacs of profit in the quarter. This July the company took in its largest ever batch, pushing student numbers to 950. Revenue for the company increased from Rs 1,096 lacs this time last year to Rs 1789 lacs this year.

On a consolidated basis, the company reported a substantially higher net income this quarter, coming in at Rs 940 lacs Vs Rs 490.31 of losses for the same period last year.

MUKTA ARTS LTD. MUMBAI