

10th November, 2016

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
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Kind Attn: Corporate Relations DepartmentSubject: Outcome of the Board Meeting and Results for September 2016 quarter

Dear Sirs,

In pursuance with Regulation 29 read with Regulation 47 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we hereby submit the Unaudited Financial Results along with segment wise results of the Company for the Quarter ended 30th September, 2016 with a copy of "Limited Review" Certificate from our Statutory Auditors, M/s Uttam Abuwala & Co., Chartered Accountants for the said Quarter as required by the said clause. The above have been taken on record in the meeting of the Board of Directors held today viz; 10th November, 2016.

The Board of Directors have approved the agenda item pertaining to the hiving off cinemas business to the proposed wholly owned subsidiary of the Company and therefore the outcome of the discussion pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 is attached herewith for submission. Also the Board has approved the notice of postal ballot for the approval of the shareholders regarding the above said business.

Please update the records accordingly and oblige.

Thanking you,

Yours Faithfully,
For and on behalf of
Mukta Arts Limited
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 un-audited financial results for the quarter and six months ended 30 September 2016

(Rs in lakhs, except per share data)						
S.No	Particulars	3 months ended 30/09/2016	Preceding 3 months ended 30/06/2016	Corresponding 3 months ended in the previous year 30/09/2015	6 months ended 30 September 2016	Corresponding 6 months ended 30 September 2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1	Income from operations					
	(a) Net sales / Income from operations	1,124.33	1100.42	1,322.95	2,224.75	2,343.99
	(b) Other operating income	342.13	357.09	238.33	699.22	540.54
	Total income from operations (net)	1,466.46	1,457.51	1,561.28	2,923.97	2,884.53
2	Expenses					
	a) (Increase)/ decrease in stock in trade	(17.22)	(32.37)	1.53	(17.22)	(2.47)
	b) Purchase of food and beverage	98.44	118.13	84.97	184.20	163.85
	c) Distributor and producer's share	356.50	381.74	395.56	738.25	748.96
	d) Other direct operation expenses	35.96	51.47	89.96	87.43	178.19
	e) Employee benefits expense	261.43	249.68	212.02	511.12	429.59
	f) Amortisation of intangible assets (including films rights)	-	-	-	-	44.62
	g) Depreciation of tangible assets	152.07	129.21	144.15	281.28	282.79
	h) Other expenses	602.70	528.40	561.07	1,131.10	1,084.48
	Total expenditure	1,489.88	1,426.26	1,489.26	2,916.16	2,930.01
3	Profit/ (loss) from operations before other income, finance costs and exceptional items	(23.42)	31.25	72.02	7.81	(45.48)
4	Other Income	89.51	92.51	143.90	182.02	292.66
5	Profit/ (loss) from ordinary activities before finance costs and exceptional items	66.09	123.76	215.92	189.83	247.18
6	Finance costs	145.89	128.21	183.46	274.09	357.48
7	Profit/ (loss) after finance costs but before exceptional items	(79.80)	(4.45)	32.46	(84.26)	(110.30)
8	Exceptional item	33.75	-	-	33.75	-
9	Profit/ (loss) from ordinary activities before tax	(113.55)	(4.45)	32.46	(118.01)	(110.30)
10	Profit/ (loss) from continuing operation before tax	(113.55)	(4.45)	32.46	(118.01)	(110.30)
11	Tax expenses (including MAT credit entitlement)	-	-	-	-	15.17
12	Profit/ (loss) from continuing operation after tax	(113.55)	(4.45)	32.46	(118.01)	(110.30)
13	Profit/ (loss) from discontinuing operation before tax (refer Note 4)	-	-	-	-	-
14	Tax expenses (including MAT credit entitlement)	-	-	-	-	-
15	Profit/ (loss) from discontinuing operation after tax	-	-	-	-	-
16	Net profit/ (loss) from ordinary activities after tax	(113.55)	(4.45)	32.46	(118.01)	(110.30)
17	Extraordinary items (net of tax expenses)	-	-	-	-	-
18	Net profit/(loss) after tax for the period	(113.55)	(4.45)	32.46	(118.01)	(110.30)
19	Paid-up equity share capital (face value of Rs. 5/- each)	1,129.06	1,129.06	1,129.06	1,129.06	1,129.06
20	Reserves excluding revaluation reserves	-	-	-	-	10,998.70
21	Basic and diluted earning per share (EPS) (not annualised)	(0.50)	(0.02)	0.14	(0.52)	(0.49)
Part II						
A	Particulars of shareholdings					
1	Public shareholding					
	a) Number of shares	66,91,910	66,91,910	66,91,910	66,91,910	66,91,910
	b) Percentage of shareholding	29.63%	29.63%	29.63%	29.63%	29.63%
2	Promoter and promoter group shareholding					
	a) Pledge / encumbered					
	i) Number of shares	-	-	-	-	-
	ii) % of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-
	iii) % of shares (as a % of the total share capital of the Company)	-	-	-	-	-
	b) Non encumbered					
	i) Number of shares	158,89,290	158,89,290	158,89,290	158,89,290	158,89,290
	ii) % of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%
	iii) % of shares (as a % of the total share capital of the Company)	70.37%	70.37%	70.37%	70.37%	70.37%
B	Investor complaints					
	Particulars					
	Pending at the beginning of the quarter	Nil				
	Received during the quarter	Nil				
	Disposed off during the quarter	Nil				
	Remaining unresolved at the end of the quarter	Nil				



Segment - wise Revenue, Results, Assets and Liabilities							
							(Rs in lakhs)
S.No	Particulars	3 months ended 30 Sept 2016	Preceding 3 months ended 30 June 2016	Corresponding 3 months ended 30 Sept 2015	6 months ended 30 September 2016	Corresponding 6 months ended 30 September 2015	Previous Year ended 31 March 2016
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	SEGMENT REVENUE						
	Software division	12.76	49.85	163.77	62.61	166.64	454.33
	Equipment division (including other income)	8.04	4.48	9.06	12.52	19.13	36.07
	Theatrical exhibition division	1,183.82	1,199.84	1,201.68	2,383.66	2,315.53	4,316.21
	Others	213.83	203.34	186.78	417.17	383.25	763.22
	Total	1,418.45	1,457.51	1,561.29	2,875.96	2,884.54	5,569.81
	Less: Inter segment revenue	-	-	-	-	-	-
	Net sales/ Income from operation	1,418.45	1,457.51	1,561.29	2,875.96	2,884.54	5,569.81
2	SEGMENT RESULTS						
	Profit/ (loss) before tax and finance costs from each Segment						
	Software division	(84.19)	(21.47)	7.56	(105.66)	(186.56)	(289.18)
	Equipment division	3.27	(8.54)	4.69	(5.27)	1.11	(22.73)
	Theatrical exhibition division	(29.51)	53.13	136.17	23.62	184.67	49.74
	Others	213.18	174.43	52.58	387.61	192.98	653.26
	Total	102.74	197.55	200.99	300.30	192.20	391.08
	Less: Finance costs	145.88	128.21	183.46	274.09	357.48	586.55
	Other un-allocable expenditure						
	Net of unallocable income	70.41	73.79	(14.93)	144.22	(54.97)	(20.12)
	Total profit before tax	(113.54)	(4.45)	32.46	(118.01)	(110.30)	(175.34)
3	SEGMENT ASSETS						
	Software division	1,591.18	1,582.83	1,860.77	1,591.18	1,860.77	1,769.39
	Equipment division	212.74	212.77	245.28	212.74	245.28	246.42
	Theatrical exhibition division	5,117.15	4,586.33	3,223.91	5,117.15	3,223.91	3,743.71
	Others	2,353.52	2,353.52	2,459.68	2,353.52	2,459.68	2,459.68
	Unallocable	12,258.60	12,675.48	13,735.73	12,258.60	13,735.73	13,649.23
4	SEGMENT LIABILITIES						
	Software division	483.06	494.05	1,294.02	403.06	1,204.82	1,296.65
	Equipment division	5.70	4.95	3.45	5.70	3.45	1.18
	Theatrical exhibition division	1,690.70	1,371.21	1,728.87	1,690.70	1,728.87	1,797.67
	Others	568.74	568.74	605.01	568.74	605.01	605.01
	Unallocable	8,198.39	7,978.79	6,957.66	8,198.39	6,957.66	7,688.02

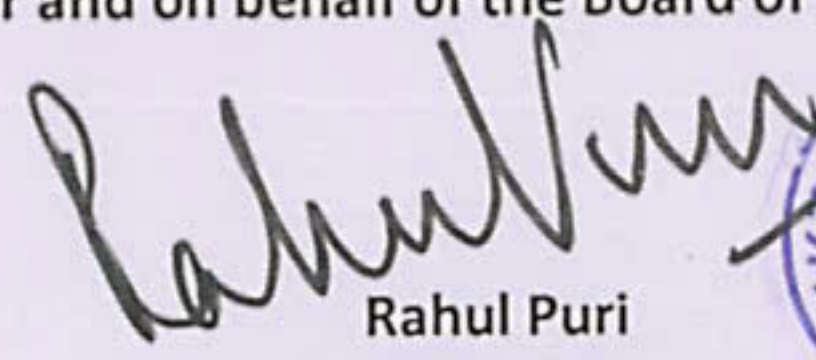


NOTES:

- 1 The above financial results have been reviewed by the audit committee and approved by the Board of Directors at the meeting held on November 10, 2016.
- 2 In terms of order dated February 9, 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 arrears of rent for the years 2000-01 to 2013-14 aggregating to Rs 100,038,000 by January 2015 and pay rent of Rs 4,500,000 per annum from the financial year 2014-15 onwards. As per the terms of the said Order, the Company paid Rs 109,038,000 by March 31, 2016. 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.
- 3 Total remuneration paid to the erstwhile managing director (including as film director fees) for earlier financial years from 2005-06 to 2013-2014 aggregating to Rs 125,744,747 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.
- 4 Exceptional items include property tax for earlier years, crystallised during the current period and accordingly recognised in cost.
- 5 Figures for the previous quarters/ year have been regrouped / rearranged to conform to current quarter's presentation.

Date : 10 November 2016
Place : Mumbai

For Mukta Arts Limited
For and on behalf of the Board of directors


Rahul Puri
Managing Director
DIN:01925045



MUKTA ARTS LIMITED

Standalone statement of assets and liabilities

(Rs in lacs)

Sr. No.	Particulars	Standalone	
		As at 30 September 2016 (Unaudited)	As at 31 March 2016 (Audited)
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
(a)	Share capital	1,129.18	1,129.18
(b)	Reserves and surplus	9,749.84	9,869.52
(c)	Money received against share warrents	-	-
(d)	Minority interest	-	-
	Sub-total shareholders' fund	10,879.02	10,998.70
2	Non-current liabilities		
(a)	Long - term borrowings	4,836.09	4,479.89
(b)	Deferred tax liabilities (net)	15.17	15.17
(c)	Other long-term liabilities	734.19	669.56
(d)	Long-term provisions	91.77	97.22
	Sub-total - non-current liabilities	5,677.22	5,261.84
3	Current liabilities		
(a)	Short term borrowings	1,077.00	603.53
(b)	Trade payables	1,593.31	1,111.57
(c)	Other current liabilities	746.95	1,057.30
(d)	Short-term provisions	51.93	106.27
	Sub total - current liabilities	3,469.19	2,878.67
	TOTAL EQUITY AND LIABILITIES	20,025.43	19,139.21
B	ASSETS		
1	Non - current assets		
(a)	Fixed assets	6,390.06	6,354.92
(b)	Non - current investments	4,412.51	4,323.84
(c)	Long - term loans and advances	6,584.62	5,670.94
(d)	Other non - current assets	26.06	58.96
	Sub-total - non-current assets	17,413.25	16,408.66
2	Current assets		
(a)	Current investments	-	-
(b)	Inventories	57.97	40.75
(c)	Trade receivables	824.14	798.01
(d)	Cash and bank balances	69.12	274.08
(e)	Short term - loans and advnces	1,084.61	1,331.09
(f)	Other current assets	576.34	286.61
	Sub-total - current assets	2,612.18	2,730.54
	TOTAL ASSETS	20,025.43	19,139.21



Phone No.: 2887 8000
2887 0069

Uttam Abuwala & Co.

Chartered Accountants

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

Independent Auditor's Limited Review Report

To
The Board of Directors
Mukta Arts Limited

1. We have reviewed the accompanying statement of unaudited financial results of M/s Mukta Arts Limited ("the Company") for the **Quarter and six months ended September 30, 2016** ("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, 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 explained in Note 2 to the accompanying un-audited financial results, the Order of 9th February 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 30th July 2014 which required deposit of Rs.10,00,38,000/- by January 2015 against payment of arrears of rent for the year 2001 to 2013-14 and payment of Rs.45,00,000/- per annum from Financial Year 2014-15 till the settlement of the case of MFSCDCL. As per the terms of the said Order, the Company paid Rs. 10,90,38,000 by 31 December 2015. The state Govt. of Maharashtra MFSCDCL challenged the order of the High Court in the Supreme Court which application was dismissed by the Supreme Court on 22nd Sept.2014. The amount so paid / being paid by the Company have been treated as deposit to be adjusted on the settlement of the case. 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 an amount due from WWIL. Accordingly the impact on the unaudited Financial result is not determinable since the matter is pending before the court.*



Head Office: 409/410 Abuwala House, Gundecha Industrial Complex, Next to Big Bazaar,
Akurli Road, Kandivali (East), Mumbai – 400 101.

Branch Offices: Pune, Nashik, Jodhpur, Hyderabad

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2887 0069

Uttam Abuwala & Co.

Chartered Accountants

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

4. As explained in Note 3 to the accompanying Statement of un-audited financial results, remuneration paid to the erstwhile managing director (including as film director fees) for earlier financial years from 2005-06 to 2013-14 (total remuneration paid aggregates to Rs.12,57,44,747/- 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 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 Accounting Standards 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** including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Uttam Abuwala & Co.

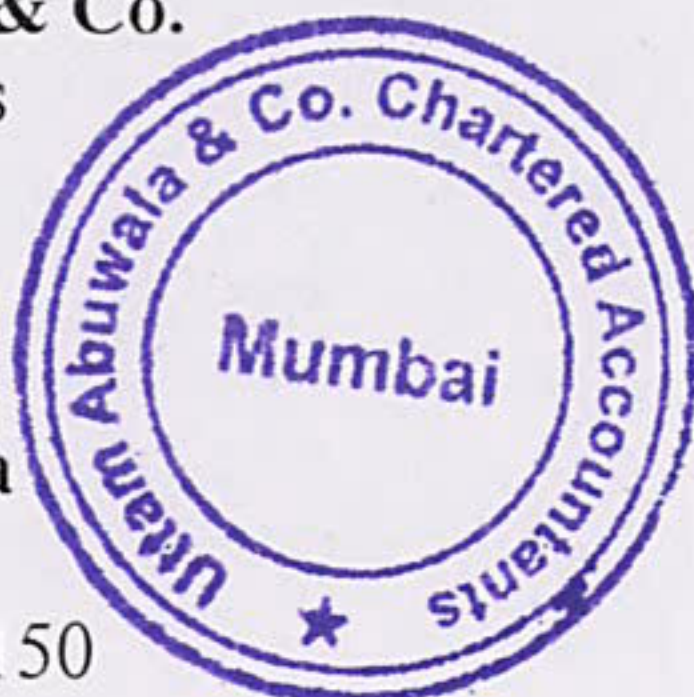
Chartered Accountants

Firm No. 111184W


CA. Urmish P. Mehta

(Partner)

Membership No.: 137150



Date: November 10, 2016

Place: Mumbai

Head Office: 409/410 Abuwala House, Gundecha Industrial Complex, Next to Big Bazaar,
Akurli Road, Kandivali (East), Mumbai – 400 101.

Branch Offices: Pune, Nashik, Jodhpur, Hyderabad

Email: uttam@uttamcorporate.com



November 10, 2016

The Manager

Department of Corporate Services

BSE Limited

Phiroze Jeejeeboy Towers

Dalal Street, Fort,

Mumbai 400 001

Fax No.: 22722037/39/41/61/3121/3719

BSE Scrip Code: 532357

The Assistant Vice President

Listing Department

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor Plot no. C/1, G Block

Bandra Kurla Complex, Bandra (East)

Mumbai 400 051

Fax No.: 26598237/38

NSE Scrip Symbol: MUKTAARTS

Dear Sirs,

Sub: Outcome of the Board Meeting held on November 10, 2016; Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors of Mukta Arts Limited ("the Company") at its meeting held on November 10, 2016, has given approval to transfer the Cinemas Business as a going concern on "Slump Sale" basis, subject to the approval of shareholders by way of Special Resolution through Postal Ballot, regulatory authorities, creditors and such other approvals as may be necessary, to Mukta A2 Cinemas Limited ("Mukta A2") a wholly owned subsidiary of the Company, at a value not less than the Book Value in such manner as the Board may deem fit in the interest of the Company and as per terms and conditions as set out in the Agreement to be entered into between the Board of Directors of the Company and Mukta A2.

Please find enclosed the requisite information pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 as Annexure to this letter.

Regards,

For Mukta Arts Limited

Parvez Farooqui

Executive Director

**ANNEXURE****Sale or disposal of unit or division of the listed entity**

The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the listed entity during the last financial year*	Particulars	Net Worth	Turnover
	Mukta Arts Limited	1,099,869,010	561,350,760
	Cinemas business	117,259,755	431,621,149
	Percentage	10.66%	76.89%
*Last Financial Year: April 1, 2015 to March 31, 2016			
Date on which the agreement for sale has been entered into	The proposed transaction is subject to approval of the shareholders and completion of other necessary formalities, pursuant to which the necessary agreement for sale will be entered into.		
The expected date of completion of sale/disposal	Subject to the approval of the shareholders and other regulatory/statutory approvals, if any, the sale would be completed on or before April 1, 2017		
Consideration received from such sale/disposal	The consideration for the proposed sale of cinema business will be an amount not less than its Book Value.		
Brief details of buyer and whether any of the buyers belong to the promoter/ promoter group/group companies. If yes, details thereof	The business of Mukta A2 comprises a range of activities/services offered at theatres including exhibition of films, sale of tickets, manages/ operates theatres, catering of food and beverages. Mukta A2 is a wholly owned subsidiary of the Company.		
Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"	Mukta A2 is a subsidiary of the Company and therefore, the transaction would fall within related party transactions. Since the transaction is with its Wholly Owned Subsidiary, the Company proposes to do the same on going concern basis, at a value not less than its book value.		
Area of business of the entity	The Company is engaged in the business of film production, distribution, and exhibition, manages/ operates theatres and also provides production equipment to other production houses and independent producers.		
Rationale of the proposed Slump Sale	To streamline the activities of the Company so as to focus on the Cinema business.		
Brief details of change in shareholding pattern (if any) of listed entity	There would not be any change in the shareholding pattern of the Company consequent to the proposed transaction.		

Press Release

Mukta Group improves on a PBT level

10th November 2016, Mumbai

In their results for the Quarter and Half year ended 30-9-2016, Mukta Arts Limited announced an increase in income from operations and a reduction in losses before exceptional items in half yearly performance, to an income from operations of Rs 2923.97 lacs and loss before exceptional items of Rs 84.26 lacs.

Mukta A2 Cinemas, a Division of Mukta Arts Limited, has increased its Pan India screens to 43, with new properties at Dehradun, Aurangabad, Mumbai and Panvel. Mukta Arts has also established its presence outside India with a 6 screen property in Bahrain.

Whistling Woods International, an 85% subsidiary of Mukta Arts Limited has generated an EBITDA of Rs 1297.66 lacs and a Profit before Tax of Rs 940.90 lacs for the half year, with continued growth in students, which count now stands at 850 on campus.

Further details are shown in the attached table: -

Summary unaudited results for the half year ended 30 th September 2016				
	Amounts in Rs lacs			
	Mukta Arts Limited	Whistling Woods International Limited	Mukta VN Films Limited	Consolidated
Revenue	3,105.99	2,301.82	251.00	5,658.81
EBITDA	437.36	1,297.66	82.76	1,817.78
Profit/(Loss) before tax	(118.02)	940.90	25.20	848.08