

# 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



13<sup>th</sup> February, 2019

<b>BSE Limited</b> Phiroze Jeejeeboy Towers Dalal Street, Fort, Mumbai 400 001 BSE Scrip Code: 532357	<b>National Stock Exchange of India Limited</b> 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 December, 2018 quarter**

Further to our letter dated 1<sup>st</sup> February, 2019 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., 13<sup>th</sup> February, 2019 considered and approved:

The Unaudited Standalone and Consolidated Financial Results along with segment wise results of the Company for the quarter ended 31<sup>st</sup> December, 2018 and Limited Review Report in pursuance to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;

The Board Meeting commenced at 11.00 am and concluded at 01.00 pm

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**

Encl: As above.

Part 1 - Statement of Unaudited Financial Results for the Quarter and Nine Months ended December 31 2018



S.No	Particulars	Standalone						Consolidated					
		For the quarter ended		For nine months ended		Year ended		For the quarter ended		For nine months ended		Year ended	
		December 31, 2018 (Unaudited)	December 31, 2017 (Unaudited)	September 30, 2018 (Unaudited)	December 31, 2018 (Unaudited)	December 31, 2017 (Unaudited)	March 31, 2018 (Audited)	December 31, 2018 (Unaudited)	December 31, 2017 (Unaudited)	September 30, 2018 (Unaudited)	December 31, 2018 (Unaudited)	December 31, 2017 (Unaudited)	March 31, 2018 (Audited)
1	Revenue from operations	305.16	304.97	276.70	872.17	844.52	1,150.03	3,854.71	2,844.71	4,688.68	11,800.94	9,572.56	12,431.48
2	Other Income	290.61	282.63	276.87	857.02	756.59	1,018.39	218.13	212.29	252.18	624.58	536.64	659.70
3	<b>Total Revenue</b>	<b>595.77</b>	<b>587.60</b>	<b>553.57</b>	<b>1,729.19</b>	<b>1,601.11</b>	<b>2,168.42</b>	<b>4,072.84</b>	<b>3,057.00</b>	<b>4,940.87</b>	<b>12,425.52</b>	<b>10,109.20</b>	<b>13,091.18</b>
4	Expenses												
	a) (Increase)/ decrease in stock in trade	-	-	-	-	-	-	(1.54)	(6.20)	(6.95)	(14.94)	(5.54)	(3.64)
	b) Purchase of food and beverage	-	-	-	-	-	-	132.09	14.31	148.03	418.73	191.77	1,529.91
	c) Distributor and producer's share	-	-	-	-	-	2.87	928.40	450.75	871.58	2,561.88	1,503.68	1,903.36
	d) Other direct operation expenses	0.03	0.30	0.06	0.15	0.81	-	31.18	284.69	(117.09)	64.97	918.51	(177.83)
	e) Employee benefits expense	137.90	129.51	131.94	406.15	395.33	496.20	705.85	543.25	692.22	2,046.68	1,572.40	2,578.26
	f) Amortisation of intangible assets (including films rights)	-	-	-	-	-	-	7.31	20.76	-	7.31	50.10	-
	g) Depreciation of tangible assets	62.24	61.76	61.04	184.73	190.27	271.47	306.20	316.21	293.70	887.24	987.29	1,261.46
	h) Finance costs	161.56	165.55	151.07	453.15	508.53	684.97	255.63	287.57	255.88	756.20	871.24	1,112.85
	i) Other expenses	231.68	211.08	236.53	685.13	647.69	966.83	1,964.61	1,446.42	2,062.56	5,555.43	4,249.75	5,768.70
	<b>Total expenditure</b>	<b>593.41</b>	<b>568.20</b>	<b>580.64</b>	<b>1,729.31</b>	<b>1,742.63</b>	<b>2,422.34</b>	<b>4,329.73</b>	<b>3,357.77</b>	<b>4,199.94</b>	<b>12,283.49</b>	<b>10,339.20</b>	<b>13,973.08</b>
5	<b>Profit/ (loss) before tax (3-4)</b>	<b>2.36</b>	<b>19.40</b>	<b>(27.07)</b>	<b>(0.12)</b>	<b>(141.52)</b>	<b>(253.92)</b>	<b>(256.89)</b>	<b>(300.77)</b>	<b>740.93</b>	<b>142.02</b>	<b>(230.00)</b>	<b>(881.89)</b>
6	Tax Expenses	-	-	-	-	-	-	-	-	-	-	-	-
	Current tax	-	-	-	-	65.36	72.52	-	-	-	-	65.36	71.90
	Deferred tax	16.62	3.03	(9.41)	(14.55)	(15.78)	(46.61)	23.13	7.10	(23.51)	(25.38)	(10.26)	(48.01)
7	<b>Profit/ (loss) from ordinary activities after tax</b>	<b>(14.26)</b>	<b>16.37</b>	<b>(17.66)</b>	<b>14.43</b>	<b>(191.10)</b>	<b>(279.83)</b>	<b>(280.02)</b>	<b>(307.87)</b>	<b>764.45</b>	<b>167.40</b>	<b>(285.11)</b>	<b>(905.78)</b>
8	Extraordinary Items	-	-	-	-	429.12	429.12	-	-	-	-	429.12	429.12
9	Share of profit in Joint ventures	-	-	-	-	-	-	5.18	(4.72)	2.48	9.60	(14.34)	(2.64)
10	<b>Net profit/(loss) for the period</b>	<b>(14.26)</b>	<b>16.37</b>	<b>(17.66)</b>	<b>14.43</b>	<b>238.02</b>	<b>149.29</b>	<b>(274.84)</b>	<b>(312.60)</b>	<b>766.92</b>	<b>177.00</b>	<b>129.67</b>	<b>(474.02)</b>
11	Other Comprehensive Income (net of tax)	-	-	-	-	-	0.04	(7.25)	3.14	0.91	(4.94)	9.22	6.81
12	<b>Total Comprehensive Income for the period (transferred to BS- Other Equity)</b>	<b>(14.26)</b>	<b>16.37</b>	<b>(17.66)</b>	<b>14.43</b>	<b>238.02</b>	<b>149.25</b>	<b>(282.09)</b>	<b>(309.46)</b>	<b>767.83</b>	<b>172.06</b>	<b>138.89</b>	<b>(480.83)</b>
13	Basic and diluted earning per share (EPS) (not annualised)	(0.06)	0.07	(0.08)	0.06	1.05	0.66	(1.25)	(1.38)	3.40	0.76	0.62	(2.13)
Part II													
A Particulars of shareholdings													
Public shareholding													
1	a) Number of shares	66,91,910	66,91,910	66,91,910	66,91,910	66,91,910	66,91,910	66,91,910	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%	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	1,58,93,290	1,58,93,290	1,58,93,250	1,58,93,290	1,58,93,290	1,58,93,290	1,58,93,290	1,58,93,290	1,58,93,290	1,58,93,290	1,58,93,290	1,58,93,290
	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													
Received during the quarter													
Disposed off during the quarter													
Remaining unresolved at the end of the quarter													



S.No	Particulars	(Rs in lakhs)											
		Standalone					Consolidated						
		For the quarter ended			For nine months ended		For the quarter ended			For nine months ended		Year ended	
December 31, 2018	December 31, 2017	September 30, 2018	December 31, 2018	December 31, 2017	December 31, 2018	September 30, 2018	December 31, 2018	December 31, 2017	December 31, 2017	March 31, 2018			
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)		
<b>1</b>	<b>SEGMENT REVENUE</b>												
	Software division	36.51	42.08	31.33	108.81	113.83	130.25	36.51	42.08	1.33	108.81	113.83	130.25
	Equipment division (including other income)	14.00	7.11	11.02	32.15	16.92	37.38	14.00	7.11	11.02	32.15	16.92	37.38
	Theatrical exhibition division	-	-	-	-	-	-	2,666.14	1,722.70	2,511.19	7,474.47	5,558.87	7,668.84
	Education	-	-	-	-	-	-	1,017.86	852.79	2,087.56	3,857.50	3,223.41	4,006.67
	Others	260.49	255.78	234.36	737.06	713.76	1,132.05	260.49	220.03	234.36	737.06	659.53	1,132.05
	Total	311.00	304.97	276.70	878.01	844.52	1,299.68	3,995.00	2,844.71	4,845.26	12,209.98	9,572.56	12,975.19
	Less: Inter segment revenue	-	-	-	-	-	-	-	-	-	-	-	-
	Net sales/ Income from operation	311.00	304.97	276.70	878.01	844.52	1,299.68	3,995.00	2,844.71	4,845.26	12,209.98	9,572.56	12,975.19
<b>2</b>	<b>SEGMENT RESULTS</b>												
	Profit/ (loss) before tax and finance costs from each Segment												
	Software division	(112.81)	(53.14)	(104.23)	(307.85)	(173.16)	(596.31)	(112.81)	(53.14)	(134.23)	(307.85)	(173.16)	(596.31)
	Equipment division	3.00	(12.56)	2.37	0.30	(19.64)	(24.06)	3.00	(12.56)	2.37	0.30	(19.64)	(24.06)
	Theatrical exhibition division	-	-	-	-	-	-	(1.66)	(145.57)	125.45	191.26	(150.67)	(528.66)
	Education	-	-	-	-	-	-	17.05	147.51	925.85	796.82	923.51	570.01
	Others	191.47	214.88	156.58	517.79	644.37	733.02	191.47	430.34	156.58	517.79	640.21	733.02
	Total	81.66	149.17	54.71	210.24	451.58	112.65	97.04	366.58	1,076.01	1,198.33	1,220.25	154.01
	Less: Finance costs	161.56	165.55	151.07	453.15	508.53	684.97	255.63	287.56	255.88	756.20	871.24	1,112.85
	Other un-allocable expenditure	-	-	-	-	-	-	-	-	-	-	-	-
	Net of unallocable income	(82.26)	(35.76)	(69.28)	(242.78)	(344.55)	(747.52)	98.30	379.80	79.19	300.10	149.88	(506.07)
	Total profit before tax	2.36	19.40	(27.07)	(0.12)	287.60	175.20	(256.89)	(300.77)	740.93	142.02	199.12	(452.77)
	Add : Share of profit/(loss) in Joint ventures	-	-	-	-	-	-	5.18	(4.72)	2.48	9.60	(14.34)	(2.64)
	Total profit before tax and after share in Joint venture	2.36	19.40	(27.07)	(0.12)	287.60	175.20	(251.71)	(305.49)	743.41	151.62	184.78	(455.41)
<b>3</b>	<b>SEGMENT ASSETS</b>												
	Software division	1,289.63	1,205.30	1,340.06	1,289.63	1,205.30	1,315.50	1,289.63	1,205.30	1,340.06	1,289.63	1,205.30	1,315.50
	Equipment division	157.32	216.48	155.39	157.32	216.48	479.54	157.32	216.48	155.39	157.32	216.48	479.54
	Theatrical exhibition division	-	902.81	-	-	902.81	961.53	6,808.74	6,824.47	6,621.76	6,808.74	6,824.47	7,208.48
	Education	-	-	-	-	-	-	4,393.98	3,835.25	4,893.67	4,393.98	3,835.25	3,848.55
	Others	2,232.93	2,589.46	2,211.94	2,232.93	2,589.46	2,030.84	2,232.93	2,589.46	2,211.94	2,232.93	2,589.46	2,030.84
	Unallocable	18,063.04	14,658.19	18,048.89	18,063.04	14,658.19	15,580.61	18,063.04	8,414.06	18,048.89	18,063.04	8,414.06	4,347.58
<b>4</b>	<b>SEGMENT LIABILITIES</b>												
	Software division	234.97	457.48	229.52	234.97	457.48	201.55	234.97	457.48	229.52	234.97	457.48	201.55
	Equipment division	2.50	5.27	2.07	2.50	5.27	6.41	2.50	5.27	2.07	2.50	5.27	6.41
	Theatrical exhibition division	-	1.23	-	-	1.23	1,245.56	5,688.97	4,622.38	5,396.95	5,688.97	4,622.38	1,245.56
	Education	-	-	-	-	-	-	4,277.19	5,901.76	4,578.82	4,277.19	5,901.76	2,141.42
	Others	505.67	591.53	500.65	505.67	591.53	93.92	505.67	591.53	500.65	505.67	591.53	93.92
	Unallocable	7,214.04	7,787.97	7,214.04	7,214.04	7,787.97	5,039.26	7,214.04	7,239.68	7,214.04	7,214.04	7,239.68	12,152.13



Phone No.: 2887 8000  
2887 0069

**Uttam Abuwala & Co.**

**Chartered Accountants**

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

**Limited Review Report on Quarterly Standalone Financial Results of Mukta A2 Cinemas Limited**

To  
The Board of Directors  
Mukta A2 Cinemas Limited

1. We have reviewed the accompanying statement of unaudited financial results ("the statement") of **M/s Mukta A2 Cinemas Limited** ("the Company") for the **quarter and nine months ended December 31, 2018** attached herewith. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. The statement has been prepared solely to enable Mukta Arts Limited (the Holding Company) to prepare its consolidated financial results for the quarter and nine months ended December 31, 2018. 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. Based on our review conducted as above, 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 been prepared in conformity with the group accounting policies followed by Mukta Arts Limited, or that it contains any material misstatement.

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

*Prerak*

CA. Prerak Agarwal  
(Partner)  
Membership No.: 158844



Date: February 06, 2019  
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, Abu Road, Chandigarh, Agra, Bhopal**  
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**Uttam Abuwala & Co.**  
**Chartered Accountants**

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

**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 nine months ended December 31, 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 December 31, 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.61,52,54,717/- 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 financial year 2016-17, Rs. 11,35,38,000/- has been paid by the Holding Company and for financial year 2017-18 and 2018-19 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.*

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**Uttam Abuwala & Co.**  
**Chartered Accountants**

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

*Further, WWIL's net worth stands fully eroded as at December 31, 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 was conducted and approval of shareholders has been duly obtained. Hence the qualification on the same has been removed from the report.

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

*Prerak*

**CA. Prerak Agarwal**  
(Partner)  
Membership No.: 158844



Date: February 13, 2018  
Place: Mumbai

**Head Office: 409/410 Abuwala House, Gundecha Industrial Complex, Next to Big Bazaar,  
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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 nine month ended December 31, 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

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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 us (whose financial results reflect total revenues of Rs. 54,70,98,743/- and total loss after tax of Rs. 1,91,81,514/- as at December 31, 2018). One subsidiary, which have been reviewed by other auditors (whose financial results reflect total revenues of Rs. 38,57,50,271/- and total profit after tax of Rs. 2,85,03,424/- as at December 31, 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. 20,34,48,624/- and total profit after tax of Rs. 54,81,091/- as at December 31, 2018, as considered in the Statement). Our conclusion is not modified in respect of this matter.

4. As at December 31, 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. 61,52,54,717/- 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 financial year 2016-17, Rs. 11,35,38,000/- has been paid by the Holding Company and for financial year 2017-18 and 2018-19 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.

Further, WWIL's net worth stands fully eroded as at December 31, 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. The Ministry of Corporate Affairs (MCA) on March 28, 2018 notified Ind As 115 "Revenue from contracts with customers" as part of companies (Indian Accounting Standards) Amendments Rules, 2018. The New standards is effective for reporting period beginning on or after April 1, 2018. However, pending completion of the evaluation of the extent of the impact if any, on the revenue of the company, no adjustments have been made by the company's managements to the financial information for the quarter and nine months ended December 31, 2018. The impact of same on Financial Information is presently not ascertainable.

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6. *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 loss for the period in the Financial Information at December 31, 2018 would have been higher by Rs. 50,60,764/-.*
7. 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 was conducted and approval of shareholders has been duly obtained. Hence the qualification on the same has been removed from the audit report.

8. 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**

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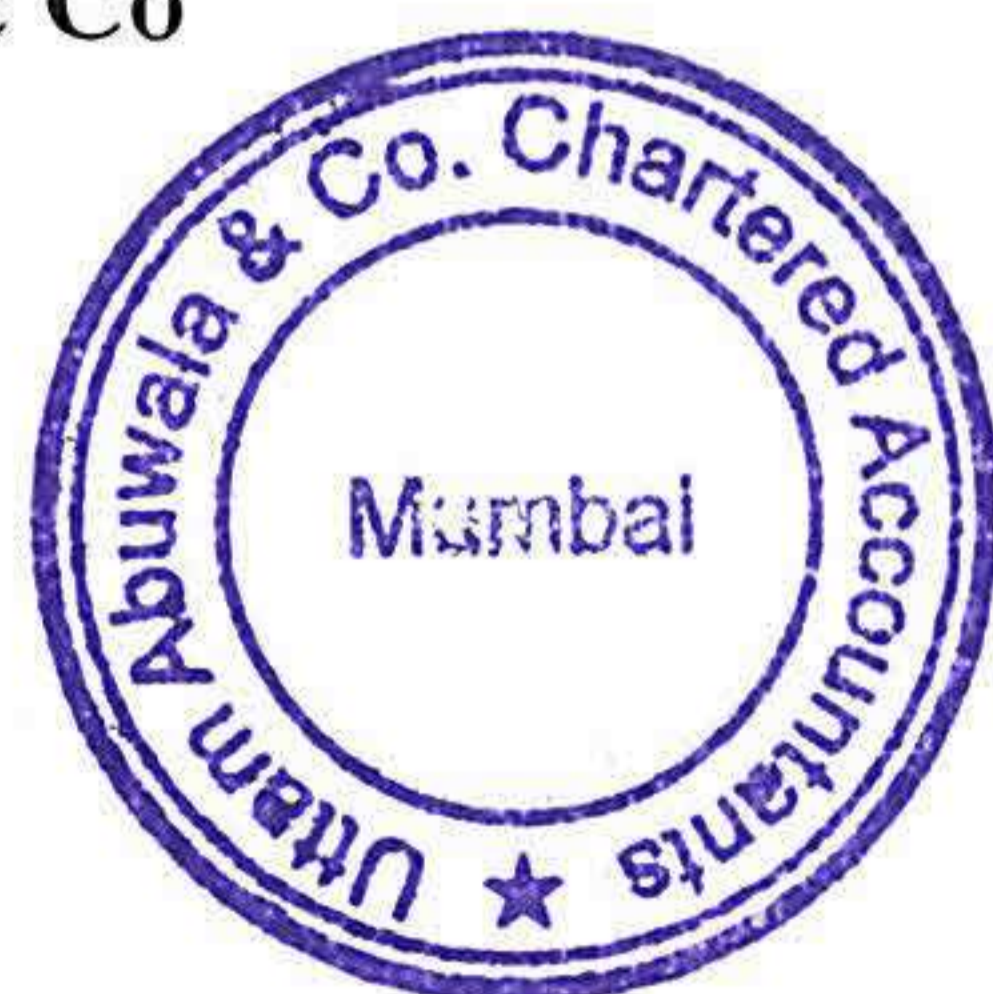
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*Prerak*

**CA. Prerak Agarwal**

(Partner)

Membership No.: 158844



Date: February 13, 2019

Place: Mumbai

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