

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



24th May, 2018

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 Department

Sub: Outcome of the Board Meeting and Results for quarter and year ended 31st March, 2018

Dear Sirs,

Further to our letter dated 14th May 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., 24th May, 2018 have considered and approved the Audited Standalone and Consolidated Financial Results along with segment wise results of the Company for the year ended 31st March, 2018 in pursuance to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the following:

1. Audited Standalone and Consolidated Financial Results for the quarter and year ended March 31, 2018.
2. Independent Auditor's Report on the Audited Standalone and Consolidated Financial Results for the quarter and year ended March 31, 2018.

The meeting of the Board of Directors of the Company commenced at 11.30 am and concluded at 3: 55 pm.

You are requested to take the same on record.

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 Audited Consolidated Financial Results for the Quarter and Year ended 31 March 2018

S.No	Particulars	(Rs in lakhs, except per share data)						
		Standalone			Consolidated			
		3 Months Ended		12 Months Ended		12 Months Ended		
		March 31, 2018	December 31, 2017	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	
1	Revenue from operations	305.51	304.97	1,554.72	1,150.03	5,932.89	12,431.48	9,961.34
2	Other Income	261.80	282.63	635.69	1,447.51	1,208.35	1,088.82	940.98
3	Total Revenue	567.31	587.60	2,190.41	2,597.54	7,141.24	13,520.30	10,902.32
4	Expenses							
	a) (Increase)/ decrease in stock in trade	-	-	52.42	-	40.75	(3.64)	40.75
	b) Purchase of food and beverage	-	-	24.94	-	281.24	1,529.91	865.01
	c) Distributor and producer's share	2.06	0.30	406.48	2.87	1,490.95	1,903.36	1,505.32
	d) Other direct operation expenses	-	-	(70.21)	-	(78.42)	(177.83)	(78.24)
	e) Employee benefits expense	100.87	129.51	319.64	496.20	1,112.71	2,578.26	2,025.60
	f) Finance costs	176.44	165.55	189.23	684.97	634.11	1,112.85	871.25
	g) Depreciation of tangible assets	81.20	61.76	201.17	271.47	704.78	1,261.46	1,179.42
	h) Other expenses	319.14	211.08	813.44	966.83	2,718.69	5,768.70	5,142.46
	Total expenditure	679.71	568.20	1,937.11	2,422.34	6,904.81	13,973.08	11,551.56
5	Profit/ (loss) before tax (3-4)	(112.40)	19.40	253.30	175.20	236.43	(452.77)	(649.23)
6	Tax Expenses							
	Current tax	7.16	-	94.32	72.52	94.32	71.90	94.32
	Deferred tax	(30.83)	3.03	5.86	(46.61)	17.87	(48.01)	32.78
7	Profit/ (loss) from ordinary activities after tax	(88.73)	16.37	153.12	149.29	124.24	(476.66)	(776.33)
8	Share of profit/(loss) in Joint ventures	-	-	-	-	-	(2.64)	(8.63)
9	Net profit/(loss) for the period	(88.73)	16.37	153.12	149.29	124.24	(474.03)	(767.70)
10	Other Comprehensive Income (net of tax)	0.04	-	6.92	0.04	6.92	6.81	(0.12)
11	Total Comprehensive Income for the period (transferred to BS- Other Equity)	(88.77)	16.37	146.20	149.25	117.32	(480.84)	(767.82)
12	Basic and diluted earning per share (EPS) (not annualised)	(0.39)	0.07	0.65	0.66	0.52	(2.13)	(3.40)
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
	b) Percentage of shareholding	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	15,889,290	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%
	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%
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	
		3 Months Ended			12 Months Ended		12 Months Ended	
		March 31, 2018	December 31, 2017	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	
1	SEGMENT REVENUE							
	Software division	16.42	42.08	105.37	130.25	177.40	130.25	177.40
	Equipment division (including other income)	20.46	7.11	19.01	37.38	44.12	37.38	44.12
	Theatrical exhibition division	-	-	1,221.80	-	4,722.96	7,668.84	4,722.96
	Education	-	-	-	-	-	4,006.67	3,450.95
	Others	418.28	255.78	48.61	1,132.05	941.46	1,132.05	941.46
	Total	455.16	304.97	1,394.79	1,299.68	5,885.94	12,975.19	9,336.89
	Less: Inter segment revenue	-	-	-	-	-	-	-
	Net sales/ Income from operation	455.16	304.97	1,394.79	1,299.68	5,885.94	12,975.19	9,336.89
2	SEGMENT RESULTS							
	Profit/ (loss) before tax and finance costs from each Segment							
	Software division	(423.15)	(53.14)	(376.45)	(596.31)	(550.60)	(596.31)	(550.60)
	Equipment division	(4.42)	(12.56)	11.65	(24.06)	(4.42)	(24.06)	(4.42)
	Theatrical exhibition division	-	-	19.65	-	46.62	(528.66)	(6.22)
	Education	-	-	-	-	-	570.01	457.91
	Others	88.64	214.88	140.35	733.02	816.07	733.02	816.07
	Total	(338.92)	149.17	(204.79)	112.65	307.67	154.01	712.73
	Less: Finance costs	176.44	165.55	189.23	684.97	634.11	1,112.85	871.25
	Other un-allocable expenditure							
	Net of unallocable income	(402.97)	(35.78)	(647.33)	(747.52)	(562.87)	(506.07)	490.72
	Total profit before tax	(112.40)	19.40	253.30	175.20	236.43	(452.77)	(649.23)
	Add : Share of profit/(loss) in Joint ventures	-	-	-	-	-	(2.64)	(8.63)
	Total profit before tax and after share in Joint venture	(112.40)	19.40	253.30	175.20	236.43	(450.14)	(640.61)
3	SEGMENT ASSETS							
	Software division	1,315.50	1,205.30	1,350.20	1,315.50	1,350.20	1,315.50	1,350.20
	Equipment division	479.54	216.48	497.06	479.54	497.06	479.54	497.06
	Theatrical exhibition division	961.53	902.81	622.97	961.53	622.97	7,208.48	622.97
	Education	-	-	-	-	-	3,848.55	3,475.02
	Others	2,030.84	2,589.46	2,212.87	2,030.84	2,212.87	2,030.84	2,212.87
	Unallocable	15,580.61	14,658.19	15,455.10	15,580.61	15,455.10	4,347.58	10,911.99
4	SEGMENT LIABILITIES							
	Software division	201.55	457.48	254.73	201.55	254.73	201.55	254.73
	Equipment division	6.41	5.27	4.46	6.41	4.46	6.41	4.46
	Theatrical exhibition division	1,245.56	1.23	1,429.22	1,245.56	1,429.22	1,245.56	1,429.22
	Education	-	-	-	-	-	2,141.42	501.17
	Others	93.92	591.53	126.41	93.92	126.41	93.92	126.41
	Unallocable	5,039.26	7,787.97	4,691.31	5,039.26	4,691.31	12,152.13	12,885.47



MUKTA ARTS LIMITED

Statement of assets and liabilities as at 31 March 2018

(Rs in lacs)

Particulars	Standalone		Consolidated	
	As at	As at	As at	As at
	31 March 2018 (Unaudited)	31 March 2017 (Unaudited)	31 March 2018 (Unaudited)	31 March 2017 (Unaudited)
ASSETS				
Non-current assets				
Property, plant and equipment	1,749.74	1,924.50	8,231.89	8,857.98
Capital work-in-progress	12.87	12.87	92.64	30.72
Investment property	1,548.03	1,594.18	1,563.95	1,611.55
Other Intangible assets	392.02	436.69	526.90	639.89
Intangible Assets under Development	413.95	376.54	617.52	404.56
Financial assets				
Investments	2,571.53	2,708.08	396.93	532.50
Loans	3,879.06	4,115.53	100.00	138.47
Others	3,512.43	4,964.94	1,768.31	1,942.58
Deferred income tax assets (net)	275.15	228.54	261.64	213.63
Other non-current assets	781.71	940.79	992.25	1,173.83
Current assets				
Inventories	-	-	75.18	82.68
Financial assets				
Trade receivables	495.19	570.71	1,180.17	1,210.98
Cash and cash equivalents	68.04	27.56	275.09	171.38
Bank balances other than above	205.74	203.35	205.74	203.35
Loans	3,432.51	1,180.38	1,203.05	731.16
Others	762.34	700.70	828.23	723.43
Other Current assets	542.85	381.36	1,139.48	615.05
Total Assets	20,643.16	20,366.72	19,458.98	19,283.73
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	1,129.26	1,129.26	1,129.26	1,129.26
Other Equity	12,652.05	12,502.80	2,262.53	2,739.37
Minority Interest	-		321.27	302.34
Non-current liabilities				
Financial liabilities				
Borrowings	4,420.99	3,912.74	6,354.42	6,352.55
Other financial liabilities	295.03	308.37	840.56	691.08
Provisions	89.26	112.37	232.79	169.54
Other non-current liabilities	112.59	126.74	200.09	225.10
Current liabilities				
Financial liabilities				
Borrowings	820.00	891.25	1,191.46	1,199.82
Trade payables	159.70	136.64	2,350.09	2,631.84
Other financial liabilities	591.47	716.52	2,096.98	1,570.39
Other current liabilities	119.22	340.72	2,056.58	1,676.59
Provisions	253.59	189.31	422.92	595.86
Total Equity and Liabilities	20,643.16	20,366.72	19,458.98	19,283.73



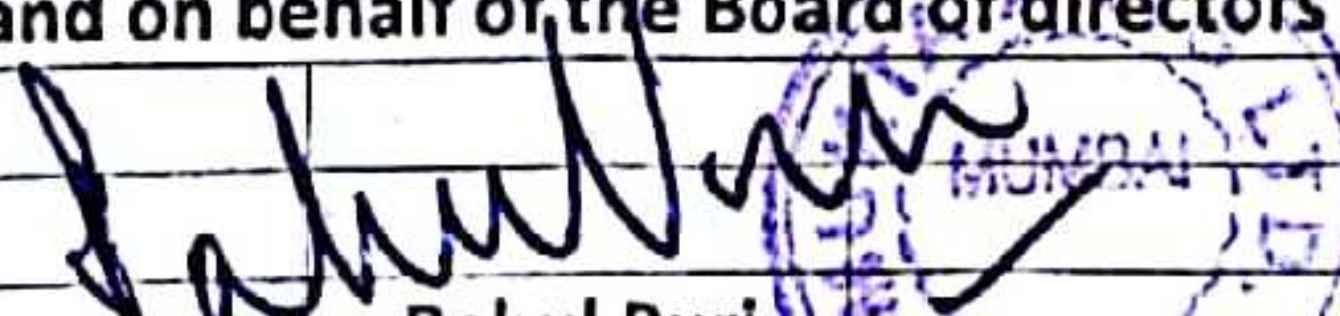
NOTES:

- 1 The above financial results have been reviewed by the audit committee and approved by the Board of Directors at the meeting held on 24 May 2018.
- 2 The Company has adopted the Indian Accounting Standards (Ind AS) with effect from 1 April 2017. The results for the quarter and year ended 31 March 2018 are in compliance with Indian Accounting Standards (Ind AS) notified by Ministry of Corporate Affairs. Consequently, results for the quarter and year ended 31 March 2017 have been restated to comply with Ind AS and 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.
- 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 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 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 As part of the IND AS conversion of its accounts, the Company has recognised as Interest receivable an amount of Rs 189,446,149/- 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.
- 6 The above is an extract of the detailed format of quarter / year ended Financial Results filed with the Stock Exchange under Regulation 33 of SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the same is available on the Stock Exchange Websites (NSE and BSE).
- 7 The reconciliation between financial results as reported under Indian GAAP and Ind AS are summarised as follows :-

Particulars	Standalone		Consolidated	
	12 months ended -March-2017	3 months ended -March-2017	12 months ended -March-2017	3 months ended -March-2017
Net profit/(loss) as per Indian GAAP	(8,759,685)	2,462,207	(78,029,955)	8,892,944
Fair value adjustments on financial instruments	2,255,164	887,090	4,029,197	2,443,248
Amortised cost adjustments on financial instruments	19,616,206	7,004,572	2,650,519	3,082,950
Expected Credit Loss provisioning	(322,911)	(232,665)	(3,770,835)	(2,612,230)
Depreciation and amortisation due to recognition of assets	(5,806,366)	(1,451,591)	(5,806,366)	(1,451,592)
Deferred tax impact on above adjustments	4,748,499	5,949,876	3,294,228	4,495,606
	11,730,907	14,619,488	(77,633,212)	14,850,926
Other comprehensive income (OCI) (net of tax)	692,409	692,409	(12,163)	(12,163)
Total comprehensive income under Ind AS	12,423,316	15,311,897	(77,645,375)	14,838,763

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

For and on behalf of the Board of directors


 Rahul Puri
 Managing Director

DIN:01925045

Date : 24 May 2018

Place : Mumbai



PRESS RELEASE

24th May 2018, Mumbai

Mukta Arts Limited has seen its consolidated turnover grow from Rs 109 crores to Rs 135 crores in 2018 and losses after tax have fallen from Rs 8 crores in 2017 to less than Rs 5 crores. Group EBITDA also saw growth, up 36% from Rs 14 crores to Rs 19 crores.

Whistling Woods International, its subsidiary in the education business posted a 17% growth in its turnover achieving Rs 41 crores and profit after tax of Rs 1.4 crores. It ended the year with 950 students as against 750 in 2017.

Mukta A2 Cinemas, now a subsidiary, completed its full year of operations as a separate entity and posted a turnover of Rs 59.9 crores up 25% from a comparable business division last year and an EBITDA of Rs 3.3 crores. Footfalls grew to 40.13 lacs from 36.58 lacs when this business was a division of Mukta Arts Limited.



Uttam Abuwala & Co.
Chartered Accountants

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

Independent Auditor's Report on the Statement of standalone financial results

To
The Board of Directors
Mukta Arts Limited

1. We have audited the accompanying statement of Standalone Financial Results of **M/s Mukta Arts Limited** ("the Company") for the **Quarter and year ended March 31, 2018** ("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.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related standalone financial statements which have been prepared in accordance with the 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. Our responsibility is to express an opinion on the Statement based on our audit of such standalone financial statements.
3. We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountant of India. Those Standards requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.



**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
Email: uttam@uttamabuwala.com

Uttam Abuwala & Co.
Chartered Accountants

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

Basis of Qualified Opinion

4. As at March 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. 39,95,11,218 /- and loans and advances, deposits and rent receivable aggregate to Rs. 24,61,16,550/- 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, till 31 March 2018 Rs 11,35,38,000/- has been paid by the Company and Rs 4,500,000 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 March 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. 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.



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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2887 0069

Uttam Abuwala & Co.
Chartered Accountants

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

6. In our opinion and to the best of our information and according to the explanations given to us, subject to the matters referred to in **Basis of Qualified Opinion** paragraphs 3 and 4 above, the outcome and consequent adjustment to these financial results of which cannot be presently determined, the Statement:
- is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 and;
 - gives a true and fair view of the **Net Profit** and other financial information for the year ended March 31, 2018.
7. The Statement includes the results for the Quarter ended March 31, 2018 being the balancing figure between audited figures in respect of full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.
8. The previously issued comparative financial information of the Company for the quarter and year ended March 31, 2017 included in the accompanying Statement has been prepared after adjusting the previously issued financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. Adjustment made to previously issued said comparative financial information to comply with Ind AS, have been audited by us.

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

Prerak

CA Prerak Agarwal
(Partner)
Membership No.: 158844



Date: May 24, 2018
Place: Mumbai

**Head Office: 409/410 Abuwala House, Gundecha Industrial Complex, Next to Big Bazaar,
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Independent Auditor's Report on the Statement of Consolidated Financial Results

To
The Board of Directors
Mukta Arts Limited

1. We have audited the accompanying Statement of Consolidated Financial Results of **M/s Mukta Arts Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the **Year ended March 31, 2018** ("the Statement"), being submitted by the Parent pursuant to the requirement of 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.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Board of Directors, has been compiled from the related consolidated financial statements which have been prepared in accordance with the 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. Our responsibility is to express an opinion on the Statement based on our audit of such consolidated financial statements.
3. We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountant of India. Those Standards requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.



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4. These consolidated yearly results include the yearly financial results of the following eight 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

b. Joint Venture:

- i. Mukta VN Films Limited

and

c. Step Down subsidiary:

- i. Whistling Woods International Foundation (100% Subsidiary of Whistling Woods International Limited)

Out of the above, the audited consolidated financial results include the financial results of One subsidiary, which has been audited by us (whose financial results reflect total revenues of Rs.59,63,31,734 /-, Net loss after tax of Rs. 3,89,88,868/-and total comprehensive income for the year of Rs. (3,84,55,548)/- for year ended March 31, 2018), and financial results of Five subsidiaries and One step down subsidiary, which are audited by other auditors (whose financial results reflect total revenues of Rs. 54,54,19,301/-, Net loss after tax of Rs. 2,36,06,752/- and total comprehensive income for the year of Rs. (2,48,17,132)/- for year ended March 31, 2018, as considered in the Statement). Our conclusion is not modified in respect of this matter.

5. *As at March 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. 39,95,11,218 /- and loans and advances, deposits and rent receivable aggregate to Rs. 24,61,16,550/- 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, till 31 March 2018 Rs 11,35,38,000/- has*

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been paid by the 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 March 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.

6. As explained in Note 4 to the accompanying standalone financial statements of Mukta Arts Limited, 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 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.
7. The WWIL has disputed the demand from Income-tax authorities aggregating to Rs. 5,060,764 (including interest Rs. 1,902,995) [March 31, 2017: Rs. 5,060,974 (including interest of Rs. 1,902,995)] for the financial years ended March 31, 2004 (Assessment Year 2004-05) and March 31, 2005 (Assessment Year 2005-06). No provision has been made in this regard. Had the Company accrued for this liability, the profit for the year in the standalone Ind AS financial statements at March 31, 2018 would have been lower by Rs. 5,060,764 (March 31, 2017: Rs. 5,060,974). Refer Note 28(b) of the standalone Ind AS financial statements.
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 7 above, for the matter relating to remuneration to the erstwhile managing director referred to in paragraph 6 above and for the matters relating to the investment in and loans and advances recoverable from WWIL referred to in paragraph 5 above, the outcome and consequent adjustment to the audited financial results of which cannot be presently determined, nothing has come to our attention that causes us to believe that the accompanying statement of audited 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.

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9. The Statement includes the results for the Quarter ended March 31, 2018 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.
10. The comparative financial information of the Group for the quarter and year ended March 31, 2017, have been prepared after adjusting the previously issued consolidated financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. Adjustments made to the previously issued consolidated financial information to comply with Ind AS have been audited by us.

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

Prerak



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

Date: May 24, 2018
Place: Mumbai

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