

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 financial results ("the statement") of M/s **Mukta Arts Limited** ("the Company") for the **Quarter ended on June 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 June 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. 25,64,74,542/- 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 June 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 June 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

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Email: uttam@uttamabuwala.com



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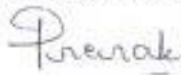
paid consequent to the High Court's Orders. Accordingly the impact on the carrying value of investments, recoverability of loans and advances and consequential impact on loss for the year and reserves is not determinable.

4. *As explained in Note 4 to the accompanying un-audited financial results, remuneration paid to the erstwhile managing director (including as firm 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


CA. Prerak Agarwal

(Partner)

Membership No.: 158844



Date: August 30, 2017

Place: Mumbai

**Head Office: 409/410 Abuwala House, Gundecha Industrial Complex, Next to Big Bazaar,
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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 ended on June 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. Connect I Limited
 - ii. Whistling Woods International Limited
 - iii. Mukta Tele Media Limited
 - iv. Corusant Tec Private Limited
 - v. Mukta VN Films Limited
 - vi. Mukta A2 Multiplex SPC (incorporated in Bahrain)
 - vii. Mukta A2 Cinemas Limited
 - and
 - b. **Joint Venture:**
 - i. Mukta VN Films Limited

Out of the above, the unaudited consolidated financial results include the financial results of One

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subsidiary and One Joint Venture, which have been reviewed by other auditors (whose financial results reflect total revenues of Rs. 7,02,38,977/- and total loss after tax of Rs.3,97,31,252/- for the quarter ended June 30, 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. 4,43,59,991/- and total loss after tax of Rs. 81,29,181/- for the quarter ended June 30, 2017, as considered in the Statement). Our conclusion is not modified in respect of this matter.

4. *As at June 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. 25,64,74,542/- 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 June 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 June 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 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*

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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 5,060,974 (March 31, 2017: Rs 5,060,974 (including interest Rs 1,902,995 (March 31, 2017: Rs 1,902,995) and penalty Rs 413,148 June 30, 2016: Rs 413,148) 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 the financial statements in this regard. Had the Company accrued for this liability, the loss for the year and the deficit in Statement of financial results for quarter ended June 30, 2017 would have been higher by Rs 5,060,974 (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

Prerak

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



Date: August 30, 2017
Place: Mumbai

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