

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



12th November, 2019

BSE Limited PhirozeJeejeeboy Towers Dalal Street, Fort, Mumbai 400 001 BSE Scrip Code: 532357	National Stock Exchange of India Limited 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 September 2019 quarter

Further to our letter dated 5th November, 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., 12th November, 2019 considered and approved the Unaudited Standalone and Consolidated Financial Results along with segment wise results of the Company for the quarter and half year ended 30th September, 2019 and Limited Review Report in pursuance to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

As per Regulation 24(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 at least one independent director on the Board of directors of the listed entity shall be a director on the Board of directors of an unlisted material subsidiary, whether incorporated in India or not.

Accordingly, the Board of Mukta A2 Cinemas Limited and Whistling Woods International Limited has approved the appointment of Ms. Paulomi Dhawan (Independent Director of Mukta Arts Limited) as an independent director. The Company hereby took note of these appointments to be in compliance with the abovementioned regulation.

A press release for the quarter is also enclosed herewith for your reference along with the copy of the aforesaid unaudited financial results. The Board Meeting commenced at 03.00 p.m. and concluded at 4.45 pm.

Please take the same on records accordingly and oblige.

Thanking you,

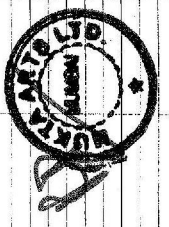
Yours Faithfully,
For and on behalf of
Mukta Arts Limited



Monika Shah
Company Secretary
Encl: As above.

Part 1 - Statement of Unaudited Financial Results for the Quarter and Half year ended September 30 2019

S.No	Particulars	Consolidated										
		Standalone					(ft's in lakhs, except per share data)					
		For the quarter ended		For the half year ended		Year Ended	For the quarter ended		For the half year ended		Year Ended	
September 30, 2019	September 30, 2018	June 30, 2019	September 30, 2019	September 30, 2018	March 31, 2019	September 30, 2019	September 30, 2018	June 30, 2019	September 30, 2019	March 31, 2019		
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
1	Revenue from operations	326.63	276.70	1,036.53	1,363.16	567.01	1,967.18	4,330.06	4,688.68	8,901.05	7,946.23	16,188.61
2	Other income	272.14	276.87	295.61	567.95	566.41	1,127.00	178.83	252.18	401.33	406.45	1,173.74
3	Total Revenue	598.77	553.57	1,332.34	1,931.11	1,133.42	3,094.18	4,508.89	4,940.86	9,302.38	8,352.68	17,362.35
4	Expenses											
a)	(Increase)/decrease in stock in trade	-	-	-	-	-	-	(20.88)	(6.85)	(5.19)	(13.39)	(11.98)
b)	Purchase of food and beverage	-	-	-	-	-	-	163.51	148.03	130.49	294.00	266.64
c)	Disinfectant and producer's share	-	-	-	-	-	0.30	912.15	871.58	1,190.79	2,102.94	1,633.48
d)	Other direct operation expenses	-	0.06	353.85	353.85	0.12	551.27	45.40	(117.09)	84.14	33.79	199.05
e)	Employee benefits expense	136.74	131.94	136.41	275.16	266.25	551.27	795.84	692.22	731.13	1,340.62	2,755.94
f)	Amortisation of intangible assets (including films rights)	-	-	-	-	-	-	15.29	7.90	23.18	-	71.46
g)	Depreciation of tangible assets	68.71	61.04	55.00	123.70	122.49	246.63	593.10	293.70	271.60	864.70	1,148.06
h)	Finance costs	228.78	151.07	186.06	386.84	291.59	597.03	514.74	255.68	274.08	788.82	1,018.34
i)	Other expenses	253.71	236.53	232.74	486.45	453.45	1,138.84	1,609.03	2,062.55	1,980.07	3,589.10	7,669.52
	Total expenditure	687.94	580.64	938.06	1,626.00	1,135.90	2,534.07	4,628.18	4,199.92	4,619.62	9,247.77	16,933.51
5	Profit (loss) before tax (3-4)	(89.17)	(27.07)	394.28	305.11	(2.48)	560.11	(119.28)	740.94	173.87	396.92	430.84
6	Tax Expenses											
	Current tax	-	-	26.00	26.00	-	101.00	-	-	26.00	-	101.00
	Deferred tax	(66.22)	(9.41)	4.26	(61.96)	(31.17)	71.06	(39.07)	(23.51)	21.33	(48.50)	57.55
7	Profit (loss) from ordinary activities after tax	(22.95)	(17.66)	364.02	341.07	28.69	388.05	(80.21)	764.45	126.54	46.36	272.29
8	Extraordinary items	-	-	-	-	-	-	(5.75)	2.48	7.60	1.85	(11.26)
9	Share of profit/(loss) in Joint ventures	(22.95)	(17.66)	364.02	341.07	28.69	388.05	(85.96)	766.93	134.14	48.21	261.03
10	Net profit/(loss) for the period	(22.95)	(17.66)	364.02	341.07	28.69	388.05	(85.96)	766.93	134.14	48.21	261.03
11	Other Comprehensive Income (net of tax)						(23.17)	3.79	0.91	(17.89)	2.31	(57.64)
12	Total Comprehensive Income for the period (transferred to BS- Other Equity)	(22.95)	(17.66)	364.02	341.07	28.69	364.88	(82.17)	767.84	116.25	34.11	203.39
13	Basic and diluted earning per share (EPS) (not annualised)	(0.10)	(0.08)	1.61	1.51	0.13	1.62	(0.36)	3.40	0.51	2.01	0.90
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	6,691,910	6,691,910	6,691,910	6,691,910
b)	Percentage of shareholding	29.63%	29.63%	29.63%	29.63%	29.63%	29.63%	29.63%	29.63%	29.63%	29.63%	29.63%
2. Promoter and promoter group shareholding												
a)	Number of shares	-	-	-	-	-	-	-	-	-	-	-
b)	Percentage of shareholding	-	-	-	-	-	-	-	-	-	-	-
3. Promoter and promoter group shareholding												
a)	Number of shares	-	-	-	-	-	-	-	-	-	-	-
b)	Percentage of shareholding	-	-	-	-	-	-	-	-	-	-	-
4. Non encumbered												
a)	Number of shares	-	-	-	-	-	-	-	-	-	-	-
b)	Percentage of shareholding	-	-	-	-	-	-	-	-	-	-	-
5. 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												



MUKTA ARTS LIMITED

Statement of assets and liabilities as at 30 September 2019

(Rs in lacs)

Particulars	Standalone		Consolidated	
	As at 30 Sept 2019 (Audited)	As at 31 March 2019 (Audited)	As at 30 Sept 2019 (Audited)	As at 31 March 2019 (Audited)
ASSETS				
Non-current assets				
Property, plant and equipment	1,697.96	1,561.04	11,510.72	7,854.44
Capital work-in-progress	12.87	12.87	164.53	219.84
Investment property	1,425.01	1,444.02	1,454.22	1,474.50
Other Intangible assets	89.65	392.02	131.47	467.08
Intangible Assets under Development	593.47	433.89	1,260.37	888.12
Financial assets				
Investments	2,699.89	2,678.28	413.18	395.06
Loans	3,569.06	3,704.06	-	101.23
Others	3,535.03	3,758.82	2,018.04	1,942.04
Deferred income tax assets (net)	266.05	204.09	221.83	204.09
Other non-current assets	1,047.40	1,136.22	1,312.74	1,418.96
Current assets				
Inventories	-	-	118.10	101.84
Financial assets				
Trade receivables	1,338.98	1,297.12	2,124.37	2,150.09
Cash and cash equivalents	147.16	69.10	349.47	612.25
Bank balances other than above	337.84	206.70	337.83	206.70
Loans	3,414.81	3,283.68	1,218.18	1,174.31
Others	776.96	708.36	1,018.46	712.92
Other Current assets	483.90	412.21	1,133.36	1,031.74
Total Assets	21,436.04	21,302.48	24,786.87	20,955.21
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	1,129.26	1,129.26	1,129.26	1,129.26
Other Equity	12,793.53	13,016.93	781.93	1,626.72
Minority Interest	-	-	351.67	349.15
Non-current liabilities				
Financial liabilities				
Borrowings	4,391.34	4,385.78	6,367.70	6,232.61
Other financial liabilities	442.78	405.61	6,292.59	1,322.26
Provisions	119.71	101.98	379.07	318.73
Other non-current liabilities	455.42	174.33	227.51	241.06
Current liabilities				
Financial liabilities				
Borrowings	820.00	820.00	1,327.55	1,100.89
Trade payables	253.63	226.11	2,982.52	3,035.49
Other financial liabilities	638.67	387.34	1,762.87	1,698.97
Other current liabilities	125.62	217.68	2,291.92	3,083.36
Provisions	266.08	437.46	892.28	816.71
Total Equity and Liabilities	21,436.04	21,302.48	24,786.87	20,955.21



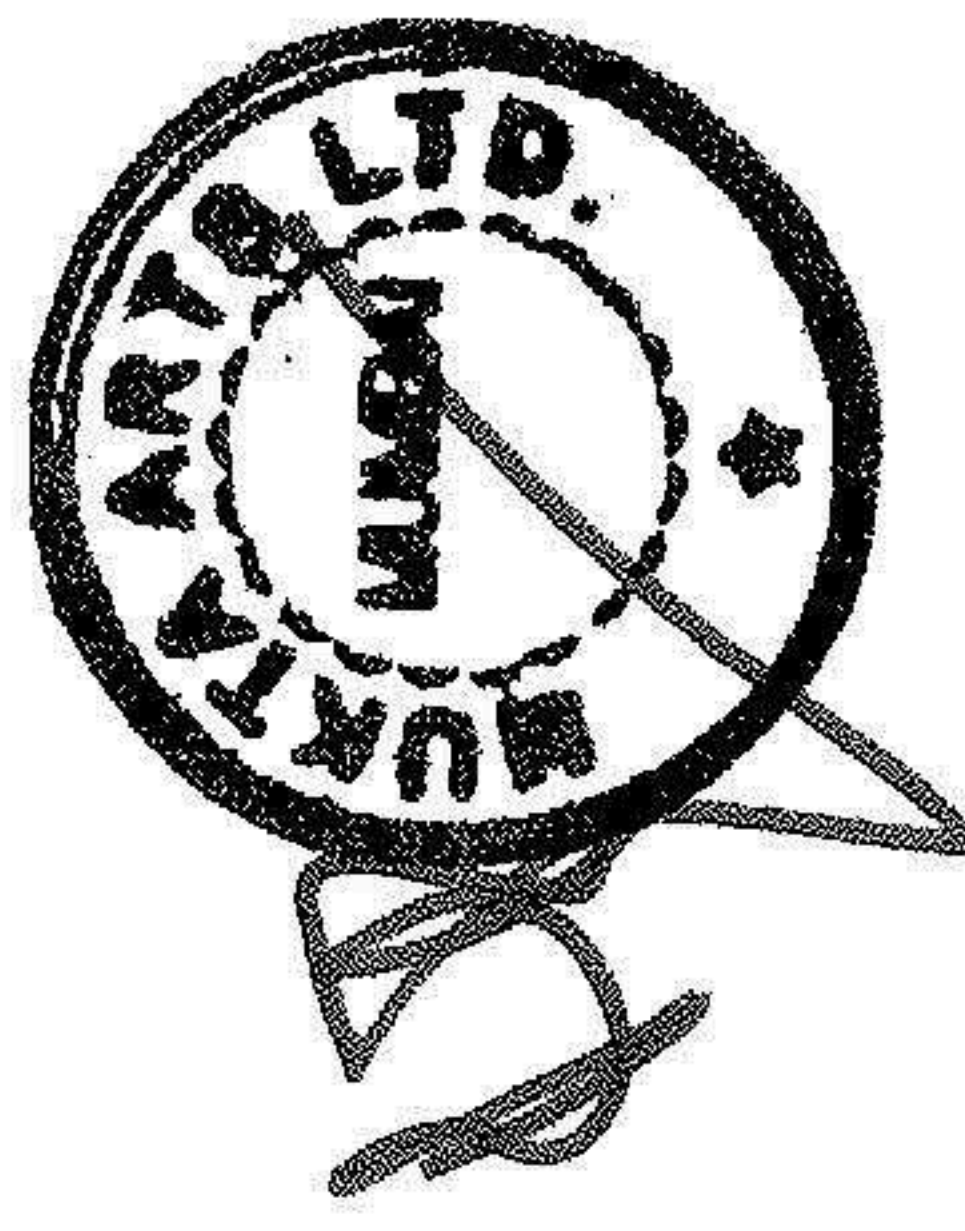
Mukta Arts Limited

Cash Flow Statement for the six months ended 30 September 2019

Sr. No.	Particulars	(In Rupees)			
		Standalone		Consolidated	
		30/Sep/2019 (Unaudited)	30/Sep/2018 (Unreviewed)	30/Sep/2019 (Unaudited)	30/Sep/2018 (Unreviewed)
A.	Cash flow from operating activities				
	Net Profit before tax	30,510,758	(248,117)	5,460,647	39,891,473
	Adjustments for:				
1	Depreciation and amortisation	12,370,487	12,249,430	88,787,840	58,104,247
2	Bad debts/ advances/ intangible assets under development written-off	4,636,231	411,739	5,901,929	417,514
3	Finance costs	38,683,824	29,158,535	78,882,047	50,056,418
4	Interest income	(36,557,675)	(33,413,025)	(6,295,143)	(39,612,221)
4	Interest on income tax refund	(482,915)	-	(626,313)	-
6	(Gain) on sale of tangible assets (net)	(546,736)	-	(546,736)	-
	Operating profit before working capital changes	48,613,973	8,158,563	171,564,270	108,857,432
	Movements in working capital:				
1	Increase/(Decrease) in other current liabilities	(9,205,535)	648,154	(79,143,881)	141,606
2	Increase/(Decrease) in other financial liabilities	5,543,852	(14,937,860)	263,682,158	36,912,139
3	Increase/(Decrease) in other non current liabilities	3,945,299	5,084,214	(1,354,751)	110,409,570
4	Increase/(Decrease) in trade payables	2,752,470	6,372,461	(5,297,511)	83,313,880
5	Increase/(Decrease) in Current Provisions	(17,137,995)	(2,100,510)	7,557,497	124,361,983
6	(Increase)/Decrease in inventories	-	-	(1,625,239)	(1,641,027)
7	(Increase)/Decrease in trade receivables	(4,185,612)	2,563,304	2,571,165	(44,908,310)
8	(Increase) /Decrease in other non- current assets	8,882,332	(16,032,978)	10,622,693	(23,802,035)
9	(Increase)/Decrease in short-term loans and advances	(13,112,992)	(8,366,547)	(4,387,835)	(7,585,698)
10	(Increase)/Decrease in other financial assets	22,379,064	(8,558,989)	(7,599,680)	(264,156,641)
11	(Increase) /Decrease in other current assets	(7,169,430)	15,769,354	(10,161,384)	2,541,867
12	(Increase)/Decrease in other current financial assets	(6,859,643)	9,217,398	(30,554,211)	(10,191,374)
	Cash generated from (used in) operations	34,445,783	(2,183,436)	315,873,291	114,253,391
	Taxes paid (net)	(1,279,854)	(1,714,902)	(94,355)	(94,355)
	Net cash generated from (used in) operating activities (A)	33,165,929	(3,898,338)	315,873,291	114,159,036
B	Cash flow from investing activities				
1	Investments in equity shares of subsidiaries	(2,161,012)	(11,992,175)	(1,811,085)	(2,590,446)
2	Purchase of fixed assets (tangible and intangible)	(9,883,005)	(984,422)	(272,944,309)	(58,459,194)



3	Proceeds from maturity/ (reinvestment) of fixed deposits, net	(14,544,056)	(1,614,795)	(33,783,636)	(1,614,795)
4	Proceeds from sale of fixed assets	2,800,000	-	2,800,000	-
5	Interest income	36,557,675	33,413,025	6,295,143	39,612,221
C	Net cash used in investing activities (B)	12,769,602	18,821,632	(299,443,887)	(23,052,215)
	Cash flow from financing activities				
1	Secured loan (repaid)/taken, net	555,916	8,523,903	13,509,220	33,460,021
2	Unsecured loan (repaid)/taken , net	-	-	22,666,038	(2,123,035)
3	Finance charges (net)	(38,683,824)	(29,158,535)	(78,882,047)	(50,056,418)
	Net cash flow from / (used in) financing activities (C)	(38,127,908)	(20,634,632)	(42,706,789)	(18,719,431)
	Net increase /(decrease) in cash and cash equivalents (A + B + C)	7,807,623	(5,711,338)	(26,277,385)	72,387,390
	Cash and cash equivalents at the beginning of the period	6,910,295	6,804,224	61,224,602	27,508,582
	Cash and cash equivalents at the end of the period	14,716,418	1,092,886	34,947,218	99,895,972



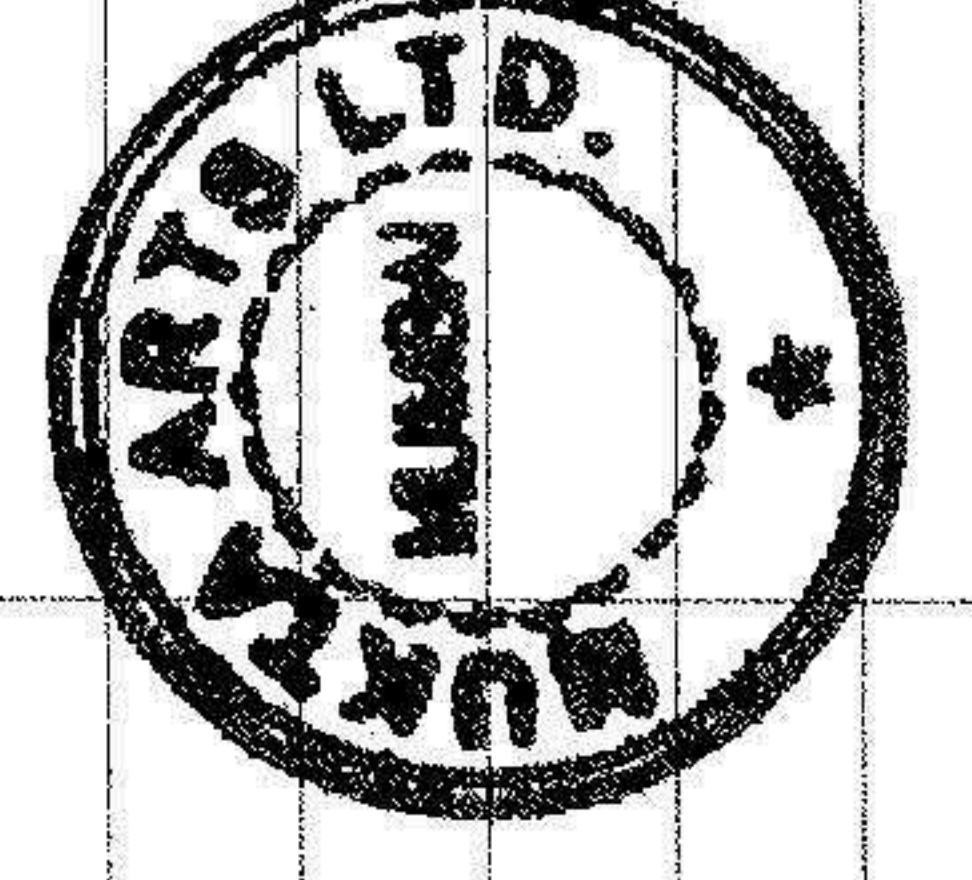
NOTES:

- 1 The above financial results have been reviewed by the audit committee and approved by the Board of Directors at the meeting held on 12 November 2019.
- 2 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 30 Sept 2019 Rs 113,538,000 has been paid by the Company and Rs 13,500,000 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 22 September 2014 with recourse to the State Government of Maharashtra to make an application to Bombay High Court. The Maharashtra State Cabinet has on 25 September 2018 approved allotment of 5.5 acres of land on lease basis to the Company. However the matter is sub-judice and is subject to final disposal by the Honorable Bombay High Court. The auditors continue to modify their report on the said matter.
- 3 The Ministry of Corporate Affairs (MCA) has notified IndAS 116 "Leases", which is effective for accounting periods beginning on or after 1 April, 2019. The Company has transitioned to Ind AS 116 with effect from 1 April, 2019 using the 'modified retrospective approach'. Under this approach, the Company has recognised the right of use assets at their carrying amounts as if the standard had been applied since the lease commencement date, but discounted at its incremental borrowing rate at the date of initial application and lease liability measured at the present value of the remaining lease payments. The Company has operating lease arrangements in the form of office premises. Accordingly, the Company has recognised Right of Use Assets (ROU) of Rs 117.13 lakhs and lease liabilities of Rs 341.10 lakhs and the net effect of Rs 223.97 lakhs is debited to retained earnings. Further, the comparatives for the previous periods are not required to be restated. The effect of the transition to Ind AS 116 on the Statement of Profit & Loss for the half year ended 30 September, 2019 is as under :

Particulars	September 30, 2019 as Reported	Ind AS 116 Impact	September 30, 2019 before Ind As 116
Rent & common facilities charges	4,858,501	(2,724,927)	7,583,428
Depreciation and amortisation	12,370,487	686,581	11,683,905
Finance cost	38,683,824	2,098,876	36,584,948
EBITDA	81,565,069	2,724,927	78,840,141
PBT	30,510,758	60,530	30,571,288

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

For and on behalf of the Board of directors



(Handwritten Signature)

Date : 12 November 2019
 Place : Mumbai
 Managing Director
 DIN:01925045

Uttam Abuwala Ghosh & Associates
Chartered Accountants

Independent Auditor's Review Report On Consolidated unaudited quarterly financial results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To The Board of Directors of
Mukta Arts Limited

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **Mukta Arts Limited** ("the Parent"), and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") and its share of net profit after tax and total comprehensive income of its joint venture for the quarter and half year ended September 30, 2019 ("the statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 as amended ("the Regulations") read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 ("the Circular").
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34), prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India read with the Circular. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, to the extent applicable.

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 Ghosh & Associates

Chartered Accountants

4. The statement includes the results of the following entities:

a. Parent Company

i. Mukta Arts Limited

b. Subsidiaries:

- i. Mukta A2 Cinemas Limited
- ii. Whistling Woods International Limited
- iii. Whistling Woods International Foundation (100% Subsidiary of Whistling Woods International Limited)
- iv. Mukta A2 Multiplex SPC (incorporated in Bahrain)
- v. Mukta Creative Ventures Limited
- vi. Mukta Tele Media Limited
- vii. Connect.1 Limited

and

c. Joint Venture:

i. Mukta VN Films Limited

5. *As at September 30, 2019, 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. 18,51,00,000/- and loans and advances, deposits, interest receivable 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 Parent 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*

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Uttam Abuwala Ghosh & Associates

Chartered Accountants

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. Management of WWIL informs that these will be accounted as an expense, if required, on the settlement of the case.

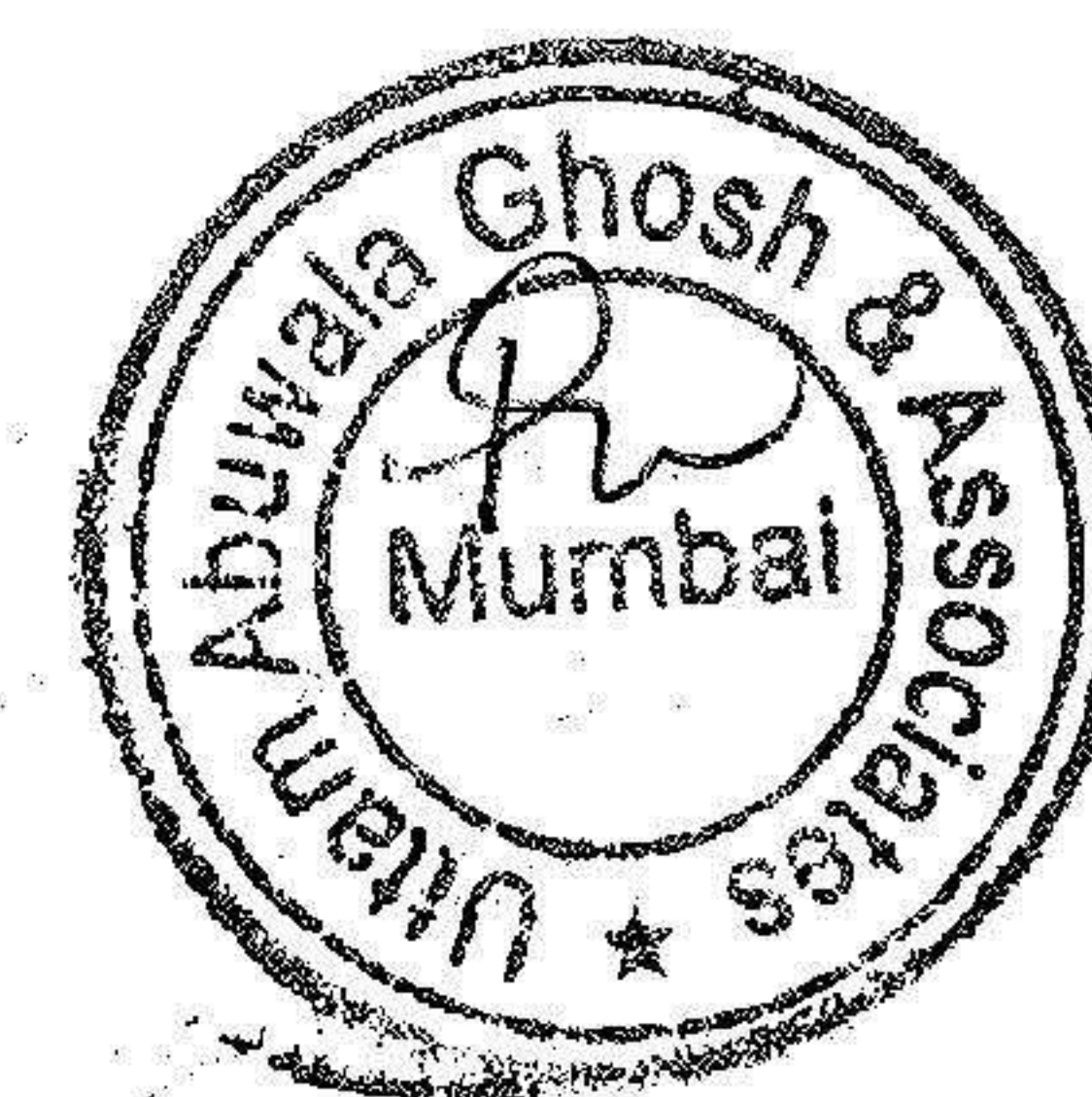
Additionally, without giving effect to the matter as stated above, WWIL's net worth stands fully eroded as at September 30, 2019. Having regard to the circumstances explained above and pending final outcome of the matter under litigation, the Company has not made any adjustment to the carrying value 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. *WWIL has disputed the demand from Income-tax authorities aggregating to Rs. 50,60,764/- (including interest Rs. 19,02,995/-) [March 31, 2019: 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 September 30, 2019 would have been higher by Rs. 50,60,764/-.*
7. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 9 below and management certified accounts referred to in paragraph 10 below, except for the matters relating to the investment in and loans and advances and interest recoverable from WWIL referred to in paragraph 5 above and for matter relating to income tax disputes referred to in paragraph 6 above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
8. We did not review the interim financial results of three subsidiaries included in the consolidated unaudited financial results for the quarter and half year ended September 30, 2019, as considered in the consolidated unaudited financial results. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and

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Chartered Accountants

disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matters.

For Uttam Abuwala Ghosh & Associates
Chartered Accountants

Firm No. 111184W

Prerak



CA. Prerak Agarwal
(Partner)

Membership No.: 158844

UDIN: 19158844AAAA BE8874

Date: November 12, 2019

Place: Mumbai

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Independent Auditor's Review Report on the Quarterly Unaudited Standalone Results of the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
Mukta Arts Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of **M/s Mukta Arts Limited** ("the Company") for the **quarter and half year ended September 30, 2019** ("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 ('Listing Regulations') as amended, read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 ("the Circular").
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, read with the Circular is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.
3. 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.
4. *As at September 30, 2019, the company's investment in its subsidiary (including deemed investment), Whistling woods International Limited (WWIL) a joint venture between the*

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company and Maharashtra Film, Stage and Cultural Development Corporation Limited (MFSCDCL), aggregates to Rs.18,51,00,000/- along with loans and advances, deposits and interest receivable 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 ('MFSCDC'). 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 for financial year 2017-18, 2018-19 & 2019-20 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. Management of WWIL informs that these will be accounted as an expense, if required, on the settlement of the case.

Additionally, without giving effect to the matter as stated above, WWIL's net worth stands fully eroded as at September 30, 2019. 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. 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 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 recognition and measurement principles laid down in aforesaid Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (as amended),

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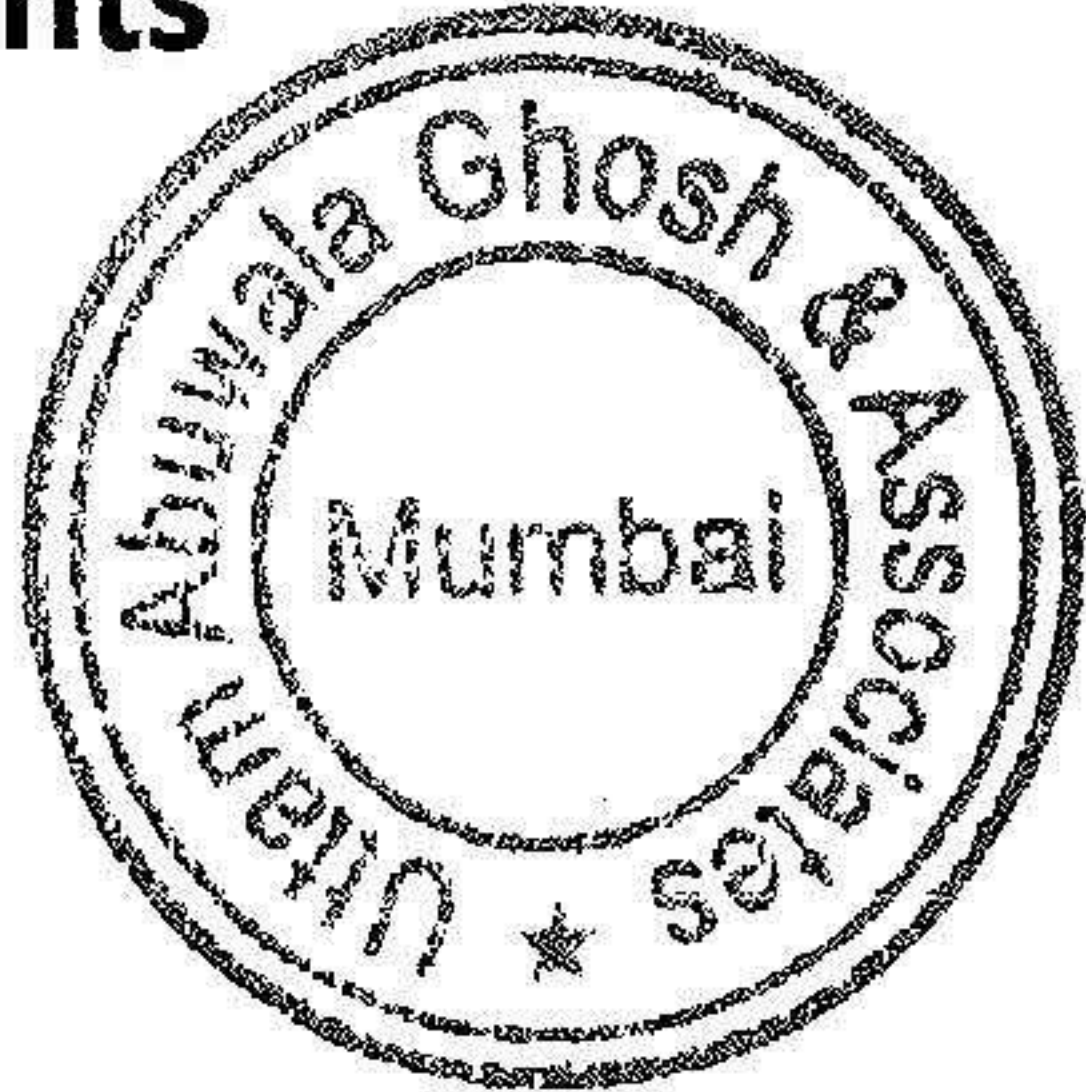
including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Uttam Abuwala Ghosh & Associates

Chartered Accountants

Firm No. 111184W

Prerak



CA. Prerak Agarwal

(Partner)

Membership No.: 158844

UDIN: 1915 8844 AAAA BF3444

Date: November 12, 2019

Place: Mumbai

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**PRESS RELEASE**

12th November 2019, Mumbai

Mukta Arts Consolidated EBITDA margin improves from 15% to 22% quarter on quarter but PBT is impacted by implementation of IndAS 116.

Mukta Arts Limited Standalone Revenue remains stable except for the sale of rights recorded in Q1.

The subsidiaries in the cinema space, operating under the Mukta A2 brand in India and Bahrain, posted a consolidated turnover of Rs 2,643 lacs, up 7% from Q1 with total screen count increasing to 58 while another 10 screens are operating under a joint venture in Telengana and Andhra Pradesh. While EBITDA margins of the subsidiaries improved to 19%, threefold increase in amortisation and finance cost because of implementation of Ind AS 116 resulted in increase in losses before tax from Rs 152 lacs in Q1 to Rs 208 lacs in Q2.

Whistling Woods International, its subsidiary in the education business posted a 20% growth in revenue from Rs 1222 lacs in Q1 to Rs 1470 lacs in Q2. Performance is not comparable with Q2 Year-on-year because the impact of IndAS 115 had only been taken at the year end. However, the entity continues to improve its bottom line with a strong 32% EBITDA margin and 13% PAT margin. Student count has also grown from 1,043 to 1,249.