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

26th May, 2016

BSE Limited Phiroze Jeejeebhoy Towers, 1st Floor, Dalal Street, Mumbai – 400 001	**National Stock Exchange of India Limited** Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051

Kind Attn: <u>Corporate Relations Department</u>

Dear Sirs,

This is to inform you that the Board of Directors of the Company at its meeting held today viz., 26th May, 2016 considered and approved the Audited Standalone and Consolidated Financial Results along with segment wise results of the Company for the year ended 31st March, 2016 in pursuance to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

A press release to be issued with respect to above is also enclosed herewith for your reference along with the copy of the aforesaid audited financial results.

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 results for the quarter and year ended 31 March 2016

(Rs in lacs, except per share data)

S.No	Particulars	3 months ended 31/03/2016 (Unaudited)	Preceding 3 months ended 31/12/2015 (Unaudited)	Corresponding 3 months ended in the previous year 31/03/2015 (Unaudited)	Standalone Year ended 31 March 2016 (Audited)	Standalone Year ended 31 March 2015 (Audited)	Consolidated Year ended 31 March 2016 (Audited)	Consolidated Year ended 31 March 2015 (Audited)
1	**Income from operations**							
	(a) Net sales / Income from operations	**855.86**	1326.35	824.00	**4,526.21**	9,429.63	**7,659.73**	12,088.80
	(b) Other operating income	**263.68**	239.38	242.30	**1,043.60**	970.12	**1,180.40**	1,050.99
	Total income from operations (net)	**1,119.54**	1,565.73	1,066.30	**5,569.81**	10,399.75	**8,840.13**	13,139.79
2	**Expenses**							
	a) (Increase)/ decrease in stock in trade	**(10.67)**	(4.38)	10.95	**(13.14)**	(11.41)	**(17.14)**	(11.41)
	b) Purchase of food and beverage	**72.67**	91.24	36.29	**323.37**	242.58	**327.37**	242.58
	c) Distributor and producer's share	**277.61**	357.82	247.44	**1,384.38**	3,340.08	**1,423.61**	3,320.35
	d) Other direct operation expenses	**15.65**	60.95	(56.07)	**254.80**	1,115.80	**5.49**	1,115.80
	e) Employee benefits expense	**279.49**	232.28	214.12	**941.36**	701.00	**1,578.31**	1,306.12
	f) Amortisation of intangible assets (including films rights)	**11.51**	-	1.81	**56.13**	2,903.91	**-**	2,917.19
	g) Depreciation of tangible assets	**146.75**	179.20	240.22	**608.75**	683.70	**943.02**	1,006.98
	h) Other expenses	**612.80**	517.87	782.51	**2,215.15**	2,154.93	**4,196.05**	3,560.79
	Total expenditure	**1,405.81**	1,434.98	1,477.27	**5,770.80**	11,130.59	**8,456.71**	13,458.40
3	**Profit/ (loss) from operations before other income, finance costs and exceptional items**	**(286.27)**	130.75	(410.97)	**(200.99)**	(730.84)	**383.42**	(318.61)
4	Other Income	**163.24**	158.33	176.56	**614.23**	729.32	**218.32**	373.10
5	**Profit/ (loss) from ordinary activities before finance costs and exceptional items**	**(123.03)**	289.08	(234.41)	**413.24**	(1.52)	**601.75**	54.49
6	Finance costs	**154.32**	76.79	119.80	**588.59**	770.89	**899.90**	960.71
7	**Profit/ (loss) after finance costs but before exceptional items**	**(277.35)**	212.29	(354.21)	**(175.35)**	(772.41)	**(298.15)**	(906.22)
8	Exceptional item		-		**-**	-	**-**	-
9	**Profit/ (loss) from ordinary activities before tax**	**(277.35)**	212.29	(354.21)	**(175.35)**	(772.41)	**(298.15)**	(906.22)
10	**Profit/ (loss) from continuing operation before tax**	**(277.35)**	212.29	(354.21)	**(175.35)**	(774.76)	**(298.15)**	(906.22)
11	Tax expenses (including MAT credit entitlement)	**(15.17)**	-		**(15.17)**	(93.99)	**(17.95)**	(51.91)
12	**Profit/ (loss) from continuing operation after tax**	**(262.18)**	212.29	(354.21)	**(160.18)**	(680.77)	**(280.20)**	(854.31)
13	**Profit/ (loss) from discontinuing operation before tax (refer Note 4)**	**-**	-	-	**-**	2.35	**-**	-
14	Tax expenses (including MAT credit entitlement)	**-**	-	-	**-**	20.67	**-**	-
15	**Profit/ (loss) from discontinuing operation after tax**	**-**	-	-	**-**	(18.32)	**-**	-
16	**Net profit/ (loss) from ordinary activities after tax**	**(262.18)**	212.29	(354.21)	**(160.18)**	(699.09)	**(280.20)**	(854.31)
17	Extraordinary items (net of tax expenses)		-		**-**	-	**-**	(15.68)
18	**Net profit/(loss) after tax and minority interest for the period**	**(262.18)**	212.29	(354.21)	**(160.18)**	(699.09)	**(280.20)**	(869.99)
19	Paid-up equity share capital (face value of Rs. 5/- each)	**1,129.06**	1,129.06	1,129.06	**1,129.06**	1,129.06	**1,129.06**	1,129.06
20	Reserves excluding revaluation reserves				**11,029.04**	11,168.25	**4,417.01**	4,322.44
21	Basic and diluted earning per share (EPS) (not annualised) from continuing operation	**(1.16)**	0.94	(1.57)	**(0.71)**	(3.01)	**(1.24)**	(3.85)
22	Basic and diluted earning per share (EPS) (not annualised) from discontinuing operation	**-**	-	-	**-**	(0.08)	**-**	-
	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
	b) Percentage of shareholding				**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
	ii) % of shares (as a % of the total shareholding of promoter and promoter group)				**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%
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							-

MUKTA ARTS LIMITED MUMBAI

Segment - wise Revenue, Results and Capital Employed

(Rs in lacs)

S.No	Particulars	3 months ended 31 March 2016	3 months ended 31 December 2015	Corresponding 3 months ended 31 March 2015	Standalone Year ended 31 March 2016	Standalone Year ended 31 March 2015	Consolidated Year ended 31 March 2016	Consolidated Year ended 31 March 2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)
1	**SEGMENT REVENUE**							
	Software division	**24.52**	263.17	277.53	**454.33**	6,698.36	**1,022.53**	7,338.56
	Equipment division (including other income)	**6.66**	10.27	7.66	**36.07**	30.65	**36.07**	30.65
	Theatrical exhibition division	**888.59**	1,112.10	624.28	**4,316.21**	2,958.79	**4,316.21**	2,958.79
	Education						**2,702.11**	2,146.16
	Others	**199.76**	180.19	159.46	**763.22**	714.58	**763.22**	716.98
	Total	**1,119.54**	1,565.73	1,068.93	**5,569.81**	10,402.38	**8,840.13**	13,191.14
	Less: Inter segment revenue	-	-	2.63	-	2.63	-	51.35
	Net sales/ Income from operation	**1,119.54**	1,565.73	**1,066.30**	**5,569.81**	10,399.75	**8,840.13**	13,139.79
2	**SEGMENT RESULTS**							
	Profit/ (loss) before tax and finance costs from each Segment							
	Software division	**(200.75)**	98.13	100.55	**(289.18)**	(234.67)	**(113.79)**	104.83
	Equipment division	**(11.24)**	(12.60)	9.93	**(22.73)**	(37.67)	**(22.73)**	(37.67)
	Theatrical exhibition division	**(52.30)**	7.43	(51.28)	**49.74**	(73.89)	**49.74**	(54.15)
	Education						**(62.91)**	52.78
	Others	**175.81**	194.41	151.18	**653.26**	625.68	**776.38**	625.89
	Total	**(88.48)**	287.37	210.38	**391.08**	279.45	**626.69**	691.68
		-	-					
	Less: Finance costs	**154.32**	76.79	119.80	**588.59**	770.89	**899.90**	960.71
	Other un-allocable expenditure	-	-					
	Net of unallocable income	**34.56**	(1.71)	444.79	**(22.17)**	280.97	**24.94**	637.19
	Total profit before tax	**(277.35)**	212.29	(354.21)	**(175.35)**	(774.76)	**(298.15)**	(906.22)
3	**CAPITAL EMPLOYED**							
	(Segment assets - Segment liabilities)							
	Software division	**472.74**	570.47	724.45	**472.74**	724.45	**2,762.21**	2,958.29
	Equipment division	**245.24**	243.73	294.66	**245.24**	294.66	**245.24**	294.66
	Theatrical exhibition division	**1,946.04**	1,776.19	1,913.28	**1,946.04**	1,913.28	**1,946.04**	2,309.44
	Education	-	-	-	-	-	**795.23**	827.58
	Others	**1,854.67**	1,854.67	1,381.44	**1,854.67**	1,381.44	**1,554.67**	1,390.49
	Unallocable	**5,961.21**	6,541.46	6,854.42	**5,961.21**	6,854.42	**(2,423.99)**	(3,656.23)

MUKTA ARTS LIMITED MUMBAI

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 26th May 2016.

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 WWIL to vacate the premises. The Company's and WWI's Review Petitions were heard by High Court and a stay was granted on 30 July 2014. However, the High Court ordered the Company/WWI to pay arrears of rent for the years 2000-01 to 2013-14 aggregating to Rs 100,038,000 by January 2015 and pay rent of Rs 4,500,000 per annum from the financial year 2014-15. As per the terms of the said Order, the Company paid Rs 109,038,000 by 31 March 2016. The State Government of Maharashtra and MFSCDC challenged the Order of the High Court in the Supreme Court which was dismissed by the court on 22nd September 2014 with recourse to the State Government of Maharashtra to make an application to Bombay High Court. The auditors continue to modify their report on the said matter.

3 Total remuneration paid to the erstwhile managing director (including as film director fees) for earlier financial years from 2005-06 to 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.

4 Together with another venturer, a company was incorporated as a subsidiary of Mukta Arts Limited to conduct the business of exhibition and programming being carried out by Mukta Arts Limited. The business was discontinued during the year 2014-15 and is now being carried out by the subsidiary company. The results of the said business have been disclosed as Discontinuing operations in the results.

5 Figures for the previous quarter / nine months / year have been regrouped / rearranged to conform to current quarter's presentation.

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

Date : 26 May 2016
Place : Mumbai

Rahul Puri
Managing Director
DIN:01925045

MUKTA ARTS LIMITED

Statement of assets and liabilities

(Rs in lacs)

Sr. No.	Particulars	Standalone		Consolidatetd	
		As at 31 March 2016 (Audited)	As at 31 March 2015 (Audited)	**As at 31 March 2016 (Audited)**	As at 31 March 2015 (Audited)
A	**EQUITY AND LIABILITIES**				
1	**Shareholders' funds**				
(a)	Share capital	**1,129.18**	1,129.18	**1,129.18**	1,129.18
(b)	Reserves and surplus	**9,899.86**	10,039.07	**3,726.24**	4,148.98
(c)	Money received against share warrents	**-**	-	**24.00**	-
(d)	Minority interest	**-**	-	**(462.41)**	2.17
	Sub-total shareholders' fund	**11,029.04**	11,168.25	**4,417.01**	5,280.33
2	**Non-current liabilities**				
(a)	Long - term borrowings	**4,479.89**	887.29	**5,986.79**	1,832.51
(b)	Deferred tax liabilities (net)	**(15.17)**	-	**(10.83)**	73.33
(c)	Other long-term liabilities	**669.56**	859.21	**998.64**	2,712.83
(d)	Long-term provisions	**97.22**	76.51	**161.19**	96.50
	Sub-total - non-current liabilities	**5,231.50**	1,823.01	**7,135.79**	4,715.18
3	**Current liabilities**				
(a)	Short term borrowings	**603.53**	2,588.08	**2,181.90**	3,130.48
(b)	Trade payables	**1,111.57**	1,699.92	**3,215.91**	3,729.34
(c)	Other current liabilities	**1,057.30**	2,318.04	**2,247.58**	3,032.95
(d)	Short-term provisions	**106.27**	49.10	**111.33**	99.09
	Sub-total - current liabilities	**2,878.67**	6,655.14	**7,756.71**	9,991.86
	TOTAL EQUITY AND LIABILITIES	**19,139.21**	19,646.40	**19,309.52**	19,987.37
B	**ASSETS**				
1	**Non - current assets**				
(a)	Fixed assets	**6,354.92**	6,164.08	**9,036.94**	11,603.48
(b)	Non - current investments	**4,323.84**	4,323.84	**207.94**	100.02
(c)	Long - term loans and advances	**5,670.94**	6,153.90	**3,327.34**	1,989.22
(d)	Other non - current assets	**58.96**	17.06	**67.87**	111.86
	Sub-total - non-current assets	**16,408.66**	16,658.88	**12,640.09**	13,804.58
2	**Current assets**				
(a)	Current investments	**-**	-		-
(b)	Inventories	**40.75**	23.61	**40.75**	12.19
(c)	Trade receivables	**798.01**	847.10	**4,214.23**	3,215.12
(d)	Cash and bank balances	**274.08**	333.32	**371.56**	316.69
(e)	Short term - loans and advnces	**1,331.09**	1,163.97	**1,975.75**	2,622.83
(f)	Other current assets	**286.61**	619.52	**67.13**	15.95
	Sub-total - current assets	**2,730.54**	2,987.52	**6,669.43**	6,182.79
	TOTAL ASSETS	**19,139.21**	19,646.40	**19,309.52**	19,987.37

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Auditor's Report On Quarterly and Yearly Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
Board of Directors of **Mukta Arts Limited**

We have audited the quarterly and yearly financial results of Mukta Arts Limited for the quarter and year ended March 31, 2016, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the quarter ended March 31, 2016 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the current and previous financial year. Also the figures upto the end of the third quarter for the current and the previous financial year had only been reviewed and not subjected to audit.

Management's Responsibility for the financial results

These quarter and yearly financial results have been prepared on the basis of the annual standalone financial statements and reviewed quarterly financial results upto the end of the third quarter, which are the responsibility of the company's management. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial results that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial results based on our audit of such annual financial statements. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s).

An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

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Uttam Abuwala & Co. Chartered Accountants Mumbai

Basis for Qualified Opinion:

(i) *As explained in Note 3 to the accompanying Statement of 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.*

(ii) *As at March 31, 2016, 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 and deposits include Rs.28,74,78,014/- recoverable from WWIL. As fully explained in Note 2 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. 10,90,38,000/- by March 31, 2016. The State Govt. of Maharashtra and MFSCDCL challenged the order of the High Court in the Supreme Court which application was dismissed by the Supreme Court on 22nd Sept.2014. The amount so paid / being paid by the*

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Chartered Accountants

Company have been treated as Deposit in the standalone financial statements to be adjusted on the settlement of the case.

Further, WWI's net worth stands fully eroded as at March 31, 2016. 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.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis of Qualified Opinion paragraph (ii) above, the outcome and consequent adjustment to these financial results of which cannot be presently determined, and subject to the matter referred to in Basis for Qualified Opinion paragraph (i) above, these financial results:

(i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and;

(ii) give a true and fair view of the Net Loss and other financial information for the year ended March 31, 2016.

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

Urmish

CA. Urmish P. Mehta
Partner
Membership No.: 137150

Uttam Abuwala & Co. Chartered Accountants Mumbai

Place: Mumbai
Date: May 26, 2016

Phone No.: 2887 8000
2887 0069
Uttam Abuwala & Co.
Website: http://www.uttamabuwala.co.in
Chartered Accountants

Auditor's Report On Yearly Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

Board of Directors of **Mukta Arts Limited**

We have audited the consolidated financial results of Mukta Arts Limited for the year ended March 31, 2016, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Management's Responsibility for the financial results

These consolidated yearly financial results have been prepared from consolidated annual financial statements, which are the responsibility of the company's management. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial results that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial results based on our audit of such consolidated annual financial statements. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

Basis for Qualified Opinion

(i) *In 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 Company had received approval for part of excess remuneration paid (approval*

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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.

(ii) *As at March 31, 2016, 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 and deposits include Rs.28,74,78,014/- recoverable from WWIL. 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. 10,90,38,000/- by March 31, 2016. The State Govt. of Maharashtra and MFSCDCL challenged the order of the High Court in the Supreme Court which application was dismissed by the Supreme Court on 22nd Sept.2014. The amount so paid / being paid by the Company have been treated as Deposit in the standalone financial statements to be adjusted on the settlement of the case.*

Further, WWI's net worth stands fully eroded as at March 31, 2016. 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.

(iii) *WWI has disputed the demand from Income-tax authorities aggregating to Rs 5,060,974 (31 March 2015: Rs 5,060,974 (including interest Rs 1,902,995 (31 March 2015: Rs 1,902,995)*

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and penalty Rs 413,148 (31 March 2015: Rs 413,148) for the financial years ended 31 March 2004 (assessment year 2004-05) and 31 March 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 profit and loss at year end would have been higher by Rs 5,060,974 (31 March 2015: Rs 5,060,974).

Opinion

We did not audit the financial statements of Five subsidiaries included in the consolidated consolidated yearly results, whose consolidated financial statements reflect total assets of Rs. 1,93,35,51,835/- as at March 31, 2016; as well as the total revenue of Rs. 90,58,45,276/- for the year ended March 31, 2016. These consolidated financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the yearly financial results, to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis of Qualified Opinion paragraph (ii) above, the outcome and consequent adjustment to these financial results of which cannot be presently determined, and subject to the matter referred to in Basis for Qualified Opinion paragraph (i) and (iii) above, these financial results:

(i) include the yearly financial results of the following entities:
   a. Mukta Arts Limited (Standalone)
   b. Whistling Woods International Limited
   c. Coruscant Tec Private Limited
   d. Mukta Tele Media Limited
   e. Connect.1 Limited
   f. Mukta VN Films Limited

(ii) have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and

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(iii) give a true and fair view of the consolidated net loss and other financial information for the year ended March 31, 2016 as well as the consolidated results for the year ended March 31, 2016.

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

CA. Urmish P. Mehta
Partner
Membership No.: 137150

Place: Mumbai
Date: May 26, 2016

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

Mukta Arts improves profit from Ordinary Activities

26th May 2016, Mumbai

In their results for the year 2015-2016, Mukta Arts Limited announced an increase in Profit from ordinary activities for the year ended March 2016 to Rs 4.13 cr. The company has seen its subsidiary Whistling Woods International and division Mukta A2 Cinemas post substantially higher EBITDA which leads to higher consolidated Profit from ordinary activities to Rs 6.02 cr from Rs 54 lac in 2014-15.

Mukta A2 Cinemas, a division of Mukta Arts Limited, has seen its topline grow over 45% as it increased its Pan-India properties to 13 and screens to 36. The division showed strong growth in EBITDA as well as improved operating margins and was profitable at a net level after depreciation. The division will further expand across the country and internationally in the coming months, adding properties in Aurangabad, Mumbai, Dehradun, Panvel and Bahrain.

Whistling Woods International, an 85% subsidiary of Mukta Arts Limited, saw its EBITDA increase 20% in the period and saw topline grow more than 21% on the back of its degree tie-up with Tata Institute of Social Sciences (TISS) which has seen student intake at the Institute rise to over 700 students. Strong margin improvement has also been seen for the subsidiary showing a strong performance in the past year.

Overall the company reported a loss at the net level of Rs 1.75 cr on account of higher depreciation from the cinema division, but this loss shows a substantial improvement on last year's performance and the increased Operating Income shows that the company is on the right path to grow in all its business segments.