

14th September, 2017

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**

Dear Sirs,

Sub: 35th Annual General Meeting – Compliance as required under SEBI (Listing Obligations and Disclosure) Regulations, 2015

The 35th Annual General Meeting (AGM) of the Company was held on Wednesday, the 13th day of September, 2017 at 4.00 p.m. at the Whistling Woods Institute's Auditorium, Dada Saheb Phalke Chitra Nagari, Goregaon (East), Mumbai- 400 065 and the business mentioned in our notice dated 24th May 2017 was transacted.

Please find enclosed the following:

1. **Annexure A** - Summary of proceedings as required under regulation 30 Part A of Schedule III of SEBI (listing Obligations and Disclosure) Regulations, 2015;
2. **Annexure B** – Annual Report for the FY 2016-17 as required under Regulation 34 of SEBI (listing Obligations and Disclosure) Regulations, 2015, as duly approved and adopted by the members at the annual general meeting as per the provisions of Companies Act, 2013 alongwith the Annexure I as per the SEBI circular dated June 01, 2016 on Disclosure of the Impact of Audit Qualifications by the Listed Entities under Regulation 33/52 of SEBI (LODR), (Amendment) Regulations, 2016;

Thanking you,

Yours Faithfully,
For and on behalf of
Mukta Arts Limited
Monika Shah
Company Secretary

**Annexure A****PROCEEDINGS OF THE 35th ANNUAL GENERAL MEETING OF MUKTA ARTS LIMITED**

The 35th Annual General Meeting of the members of Mukta Arts Limited ('the Company') was held on Wednesday, 13th September, 2017 at 4.00 PM at Whistling Woods Institute's Auditorium, Dada Saheb Phalke Chitra Nagari, Goregaon (East), Mumbai- 400 065.

The following were present:

Directors Present:

Mr. Subhash Ghai	Executive Chairman
Mr. Rahul Puri	Managing Director
Mr. Parvez Farooqui	Non-Executive Director
Mr. Kewal Handa	Independent Director
Ms. Paulomi Dhawan	Independent Director

In Attendance

Mr. Ravi Gupta	Advisor
Ms. Monika Shah	Company Secretary
Mr. Prabuddha Dasgupta	CFO
Mr. Uttam P. Agarwal	Partner of Uttam Abuwala & Co., Statutory Auditors
Mr. Pratik Shah	Scrutinizers for the voting process

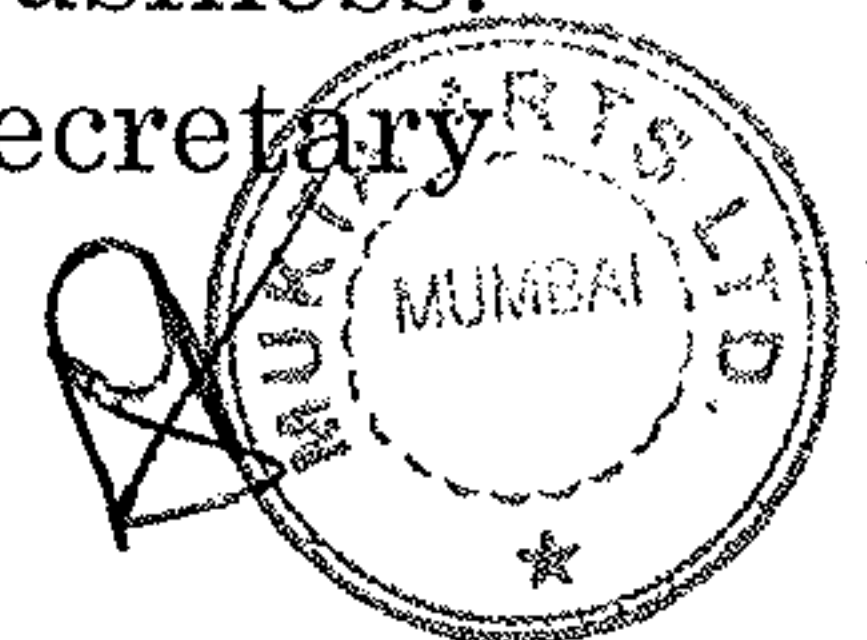
Members Present:

- 1) In Person – 49
- 2) By Proxy – NIL

Mr. Subhash Ghai being the Chairman of the Board occupied the chair and welcomed all the members of the Company, Auditors, Scrutinizers and Directors of the Company, thanked them for their presence and declared the meeting opened.

QUORUM:

The Chairman declared that the requisite quorum was present at the meeting and that the meeting was in order to commence official business. The Chairman then gave permission and requested the Company Secretary to conduct the proceedings of the General Meeting.



NOTICE OF THE MEETING AND AUDITOR'S REPORT:

Upon Chairman's request, the Company Secretary first introduced the Directors on the dias and declared that the copies of audited financial statements for the year ended March 31, 2017, Director's and Auditor's report had been sent by courier/emailed as the case may be, to all the Members and that the original documents along with the statutory registers and Secretarial Auditors' Report were available for inspection. With the consent of the members present, the Notice convening the meeting was taken as read. The Chairman's statement was taken as read. The Chairman requested the Company Secretary to read the Auditor's Report on the accounts of the Company which was duly read.

SPEECH BY MANAGING DIRECTOR:

The Managing Director, Mr. Rahul Puri addressed the shareholders by making a presentation as to the status of the Company as on date and the progress made by the Company. He briefed the members about the Company's status as well as performance and the progress being made by the Company's subsidiaries.

QUERIES AND SUGGESTIONS:

On the invitation of the Chairman, Members raised queries, gave their suggestions and sought clarifications. The Chairman requested Mr. Ravi Gupta, Advisor to the Company to answer the questions as raised by the Members.

VOTING & POLL PROCESS:

The Company Secretary informed the shareholders that e-voting facility has been provided to all Members to vote electronically but for those who could not vote through electronic means can cast their vote using poll papers which were distributed to all the members present.

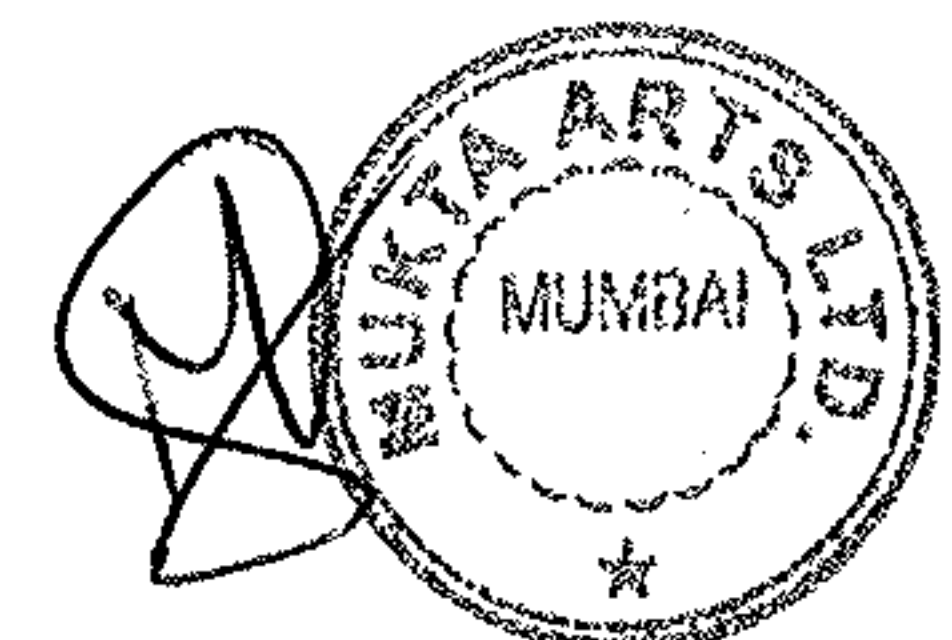
In the presence of Mr. Pratik Shah, Scrutinizer the poll process was conducted.

AGENDA:

The following items of business, as per the Notice of the AGM were transacted –

ORDINARY BUSINESS:

1. Adoption of the Audited Financial Statements (including Audited Consolidated Financial Statement) of the Company for the financial year ended March 31, 2017, together with the Reports of the Board of Directors and the Auditors thereon;



2. Re-appointment of Mr. Parvez Farooqui (DIN 00019853), Non-Executive Director who retires by rotation and being eligible, offers himself for re-appointment;

3. Ratification of the appointment of M/s Uttam Abuwala & Co., Chartered Accountants (Firm Registration Number: 111184W) as Statutory Auditors to hold office until the conclusion of the Thirty Sixth Annual General Meeting of the Company to be held in the year 2018 and approve their remuneration.

SPECIAL BUSINESS:

4. Approve the change in designation of Mr. Parvez Farooqui, from Whole time Director (designated as Executive Director) to Director (to be designated as Non-Executive Director) with effect from 1st June, 2017 with Nil remuneration and that he shall be liable to retire by rotation

VOTING RESULTS:

The Company Secretary then requested the members to deposit Poll Papers in the Ballot Box and informed that the Voting Results would be declared within 48 hours of closure of the meeting and the same would be forthwith declared by the Company by publishing it on its website www.muktaarts.com, the website of NSDL www.evoting.nsdl.com and by notifying the Stock Exchanges where the shares of the Company are listed.

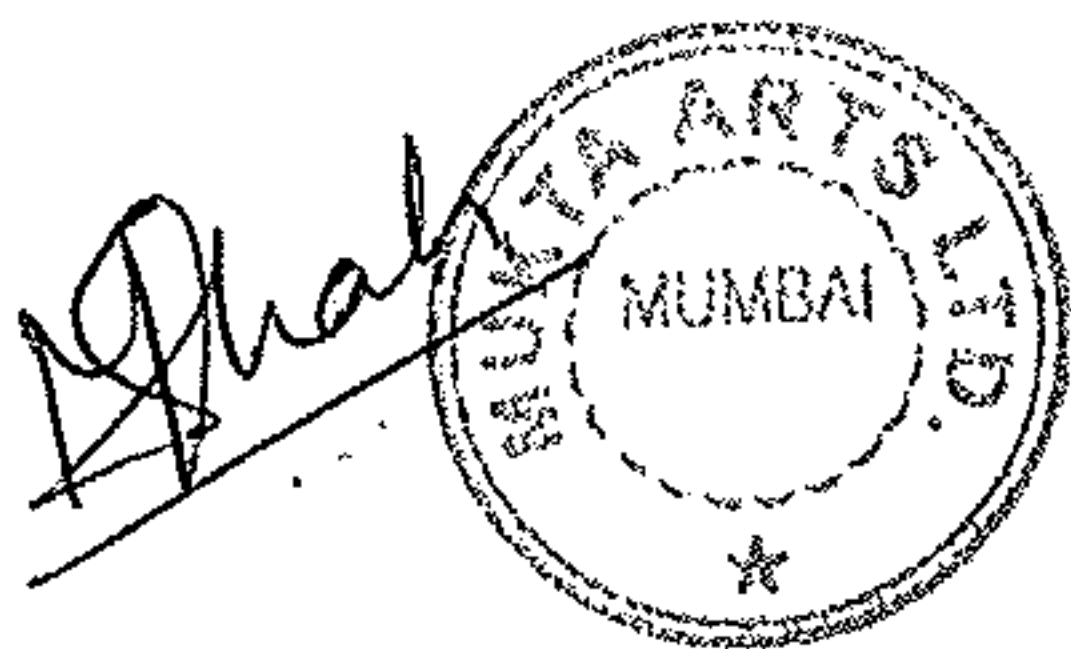
After ensuring that all the members had cast their votes the Scrutinizer closed the voting and took custody of the box.

VOTE OF THANKS:

The Company Secretary then proposed a vote of thanks to the Chair.

The Chairman declared the Meeting as closed at 6.00 pm since all the business proposed in the Notice convening the meeting was taken up and transacted.

For Mukta Arts Limited

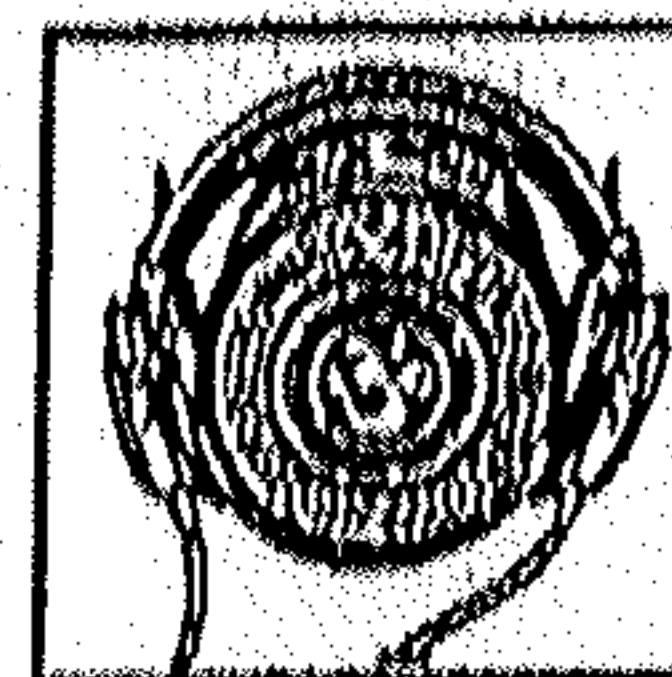
A circular stamp of Mukta Arts Limited, Mumbai, with a handwritten signature of Ms. Monika Shah over it. The stamp contains the text 'MUKTA ARTS LTD.' around the top edge, 'MUMBAI' in the center, and a small star at the bottom.

Ms. Monika Shah
Company Secretary

MUKTA ARTS LIMITED

an entertainment company

Regd. Office : Mukta House, Behind Whittling Woods Institute, Filmolly Complex,
Goregaon (East), Mumbai - 400 008, TEL. : 91-22-3304 0400



ANNEXURE B

Statement on Impact of Audit Qualifications (for Audit Report on Standalone Financial Statements with Modified Opinion) submitted along-with Annual Audited Financial Results for the Year ended March 31, 2017 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1.	Total Income	68,10,22,498	68,10,22,498
2.	Total Expenditure	67,38,14,452	67,38,14,452
3.	Net Profit/(Loss) before Tax	72,08,046	72,08,046
4.	Earnings Per Share	(0.39)	(0.39)
5.	Total Assets	1,78,50,12,735	1,78,50,12,735
6.	Total Liabilities	1,78,50,12,735	1,78,50,12,735
7.	Net Worth	1,09,13,74,284	1,09,13,74,284
8.	Any other financial item(s) (as felt appropriate by the management)	-	-

* No adjustments made as impact not quantifiable

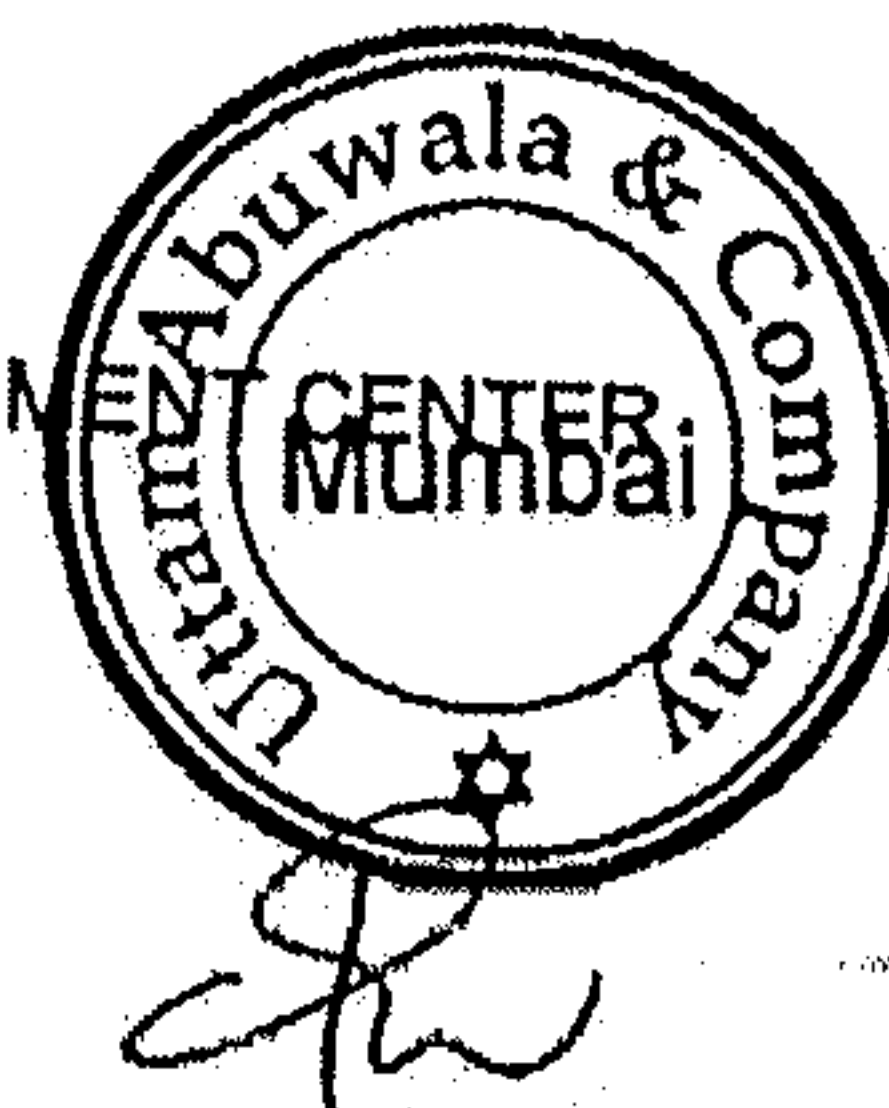
II. Audit Qualifications:

1. Qualification 1:

a. Details of Audit Qualification:

As explained in Note 3.40 to the Statement of Standalone 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

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professionally qualified person under this Act. Pending conclusion of this matter, no adjustment has been made in these standalone financial results.

- b. **Type of Audit Qualification:** Qualified Opinion
- c. **Frequency of Qualification:** Repetitive (continuing since 2009)
- d. **For Audit Qualification(s) where the Impact is quantified by the auditor, Management's Views:** Not Applicable
- e. **For Audit Qualification where the Impact is not quantified by the auditor:**

(i) **Management's Estimation on the Impact of Audit Qualification:**

Not Applicable

(ii) **If management is unable to estimate the impact, reasons for the same:**

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.

Moreover, the shareholders of the Company have passed a special resolution at the 35th Annual General Meeting of the Company held on 13th September, 2017 according their consent for waiver of recovery of excess managerial remuneration and the professional fees subject to approval of the Central Government. Accordingly, the Company shall again approach the Central Government for waiver of recovery of the remuneration as mentioned above.

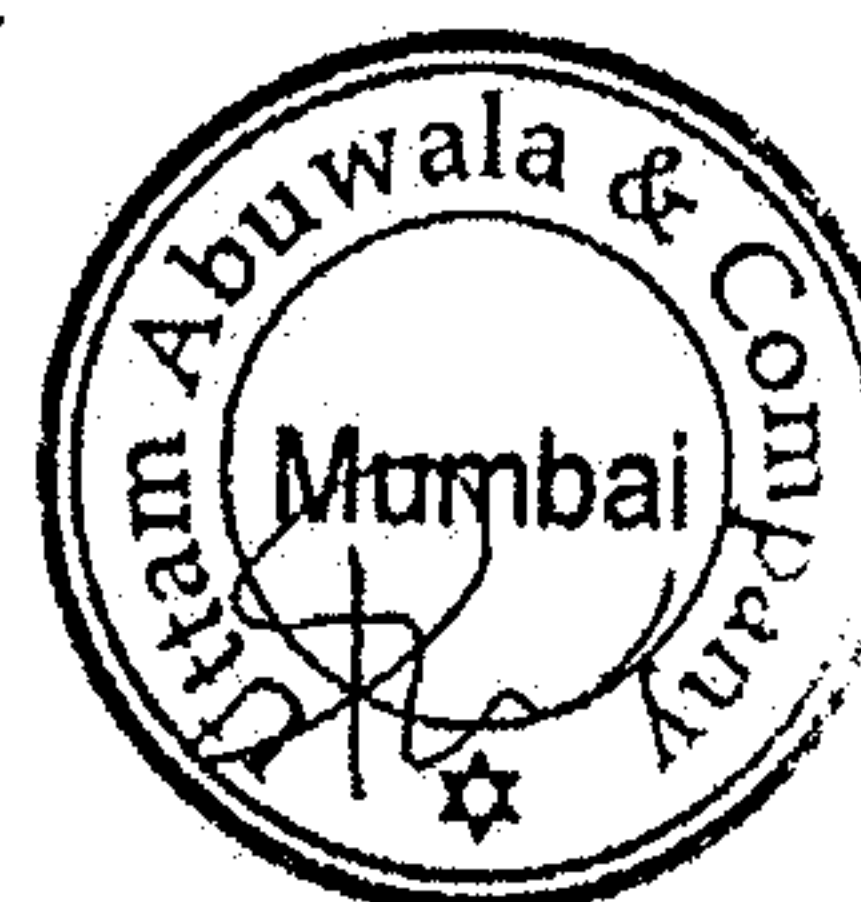
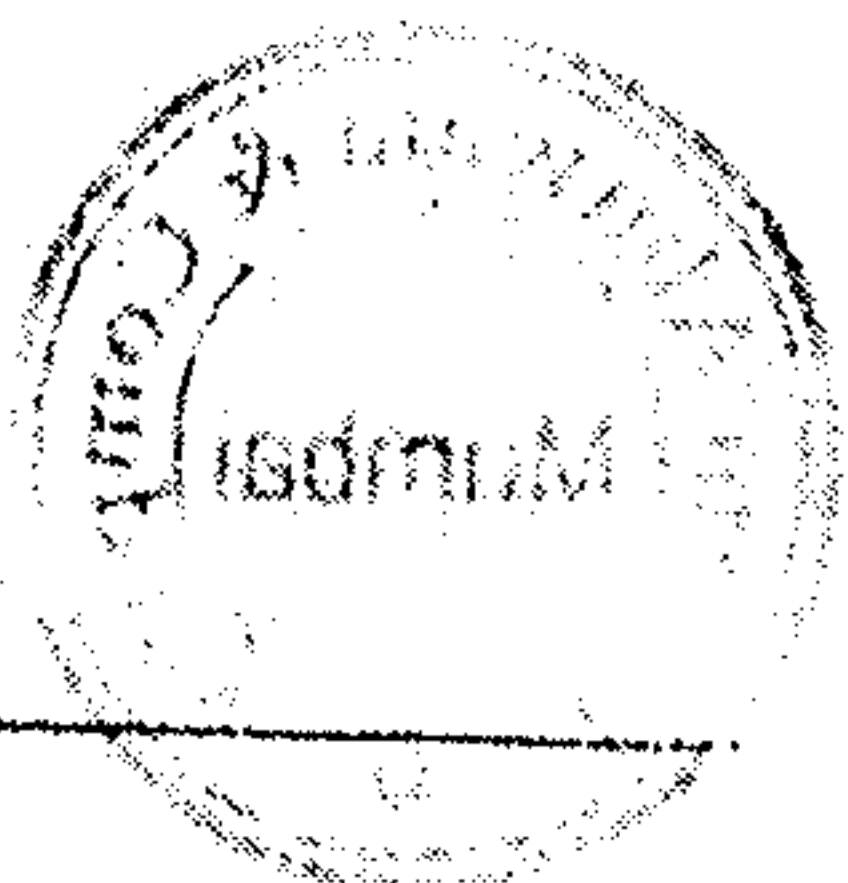
(iii) **Auditors' Comments on (ii) above:**

As per the explanation provided by the Management in point (ii) above, it is not possible for us to determine the impact of the above qualification in the Standalone Financial Results.

2. Qualification 2:

a. **Details of Audit Qualification:**

As at March 31, 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 and deposits include Rs.257,126,743/- recoverable from WWIL. As fully explained in Note 3.41 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. 113,538,000/- by March 31, 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 March 31, 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.

- b. Type of Audit Qualification: Qualified Opinion**
- c. Frequency of Qualification: Repetitive (continuing since 2011)**
- d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable**
- e. For Audit Qualification where the impact is not quantified by the auditor:**
 - (i) Management's Estimation on the impact of Audit Qualification:**
Not Applicable
 - (ii) If management is unable to estimate the impact, reasons for the same:**

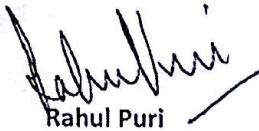
Having regard to the circumstances and pending final outcome of the matter under litigation, the Company has not made any adjustment to the carrying value of investment in and amounts due from WWIL and the deposit paid consequent to the High Court's Orders. Accordingly the impact on the carrying value of investments, recoverability of loans and advances and consequential impact on loss for the year and reserves is not determinable.

(iii) Auditors' Comments on (ii) above:

As per the explanation provided by the Management in point (ii) above, 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.

For Mukta Arts Limited




Rahul Puri

Managing Director



Kewal Handa

Chairman – Audit Committee



Prabuddha Dasgupta

Chief Financial Officer

Date: September 13, 2017

Place: Mumbai

For M/s Uttam Abuwala & Co.

Chartered Accountants

Firm No. 111184W

(Statutory Auditors)



CA Prerak Agarwal

(Partner)

Membership No. 158844



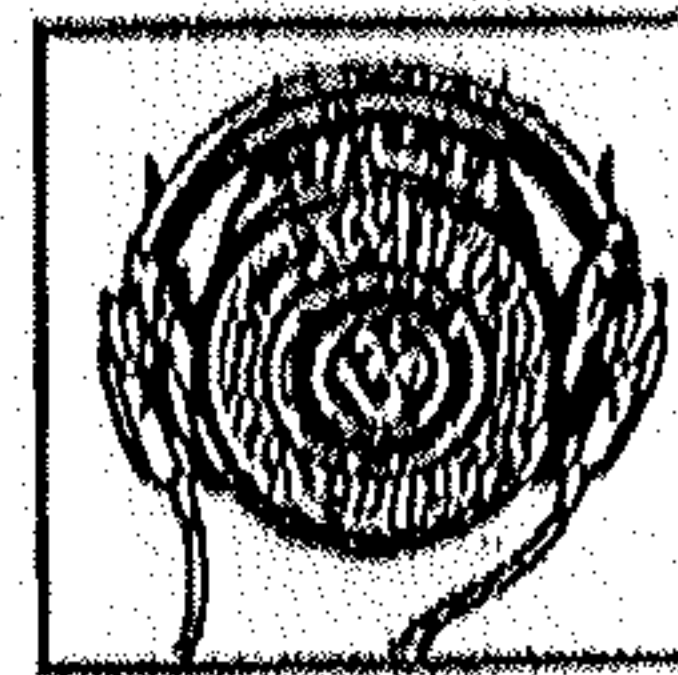
Date: September 13, 2017

Place: Mumbai

MUKTA ARTS LIMITED

an entertainment company

Regd. Office : Mukta House, Behind Whaling Woods Institute, Filmolly Complex,
Goragaon (East), Mumbai - 400 086, TEL. : 91-22-3364 9400



Statement on Impact of Audit Qualifications (for Audit Report on Consolidated Financial Statements with Modified Opinion) submitted along-with Annual Audited Financial Results for the Year ended March 31, 2017 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1.	Total Income	1,10,51,23,041	1,10,51,23,041
2.	Total Expenditure	1,16,49,75,900	1,17,00,72,487
3.	Net Profit/(Loss) before Tax	(5,98,52,859)	(5,98,52,859)
4.	Earnings Per Share	(3.50)	(3.50)
5.	Total Assets	2,08,69,62,327	2,08,18,66,740
6.	Total Liabilities	2,08,69,62,327	2,08,18,66,740
7.	Net Worth (excluding Minority Interest)	32,53,67,967	32,02,71,380
8.	Any other financial item(s) (as felt appropriate by the management)	-	-

* After adjusting for impact of Qualification 2

No adjustments made for Qualification 1 and 3 as impact not quantifiable

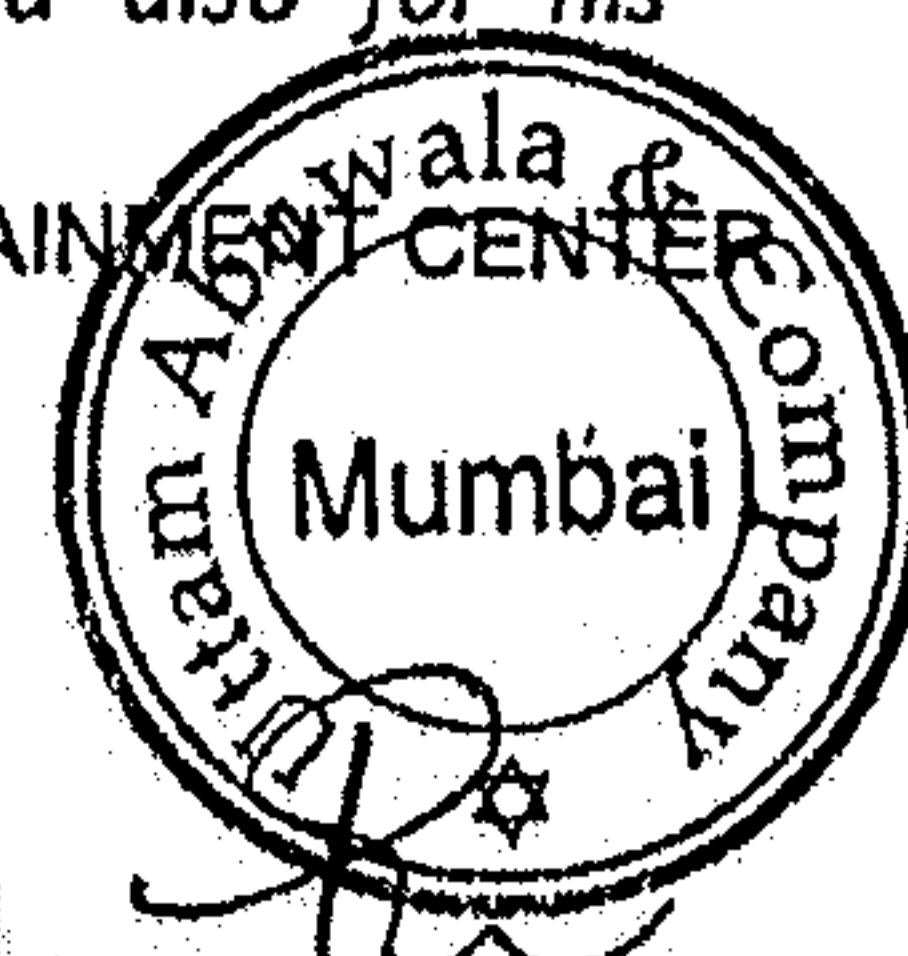
II. Audit Qualifications:

1. Qualification 1:

a. Details of Audit Qualification:

As explained in Note 3.37 to the accompanying consolidated financial statements, remuneration paid to the erstwhile managing director of the Holding Company (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 Holding 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 Holding Company to recover the excess remuneration paid during the financial years 2008-09 to 2011-12. The Holding Company has requested the authorities to reconsider their Orders in respect of the above and also for his

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recognition as a professionally qualified person under this Act. Pending conclusion of this matter, no adjustment has been made in these financial results.

- b. **Type of Audit Qualification:** Qualified Opinion
- c. **Frequency of Qualification:** Repetitive (continuing since 2009)
- d. **For Audit Qualification(s) where the Impact is quantified by the auditor, Management's Views:** Not Applicable
- e. **For Audit Qualification where the Impact is not quantified by the auditor:**

(i) Management's Estimation on the Impact of Audit Qualification:

Not Applicable

(ii) If management is unable to estimate the impact, reasons for the same:

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.

Moreover, the shareholders of the Company have passed a special resolution at the 35th Annual General Meeting of the Company held on 13th September, 2017 according to their consent for waiver of recovery of excess managerial remuneration and the professional fees subject to approval of the Central Government. Accordingly, the Company shall again approach the Central Government for waiver of recovery of the remuneration as mentioned above.

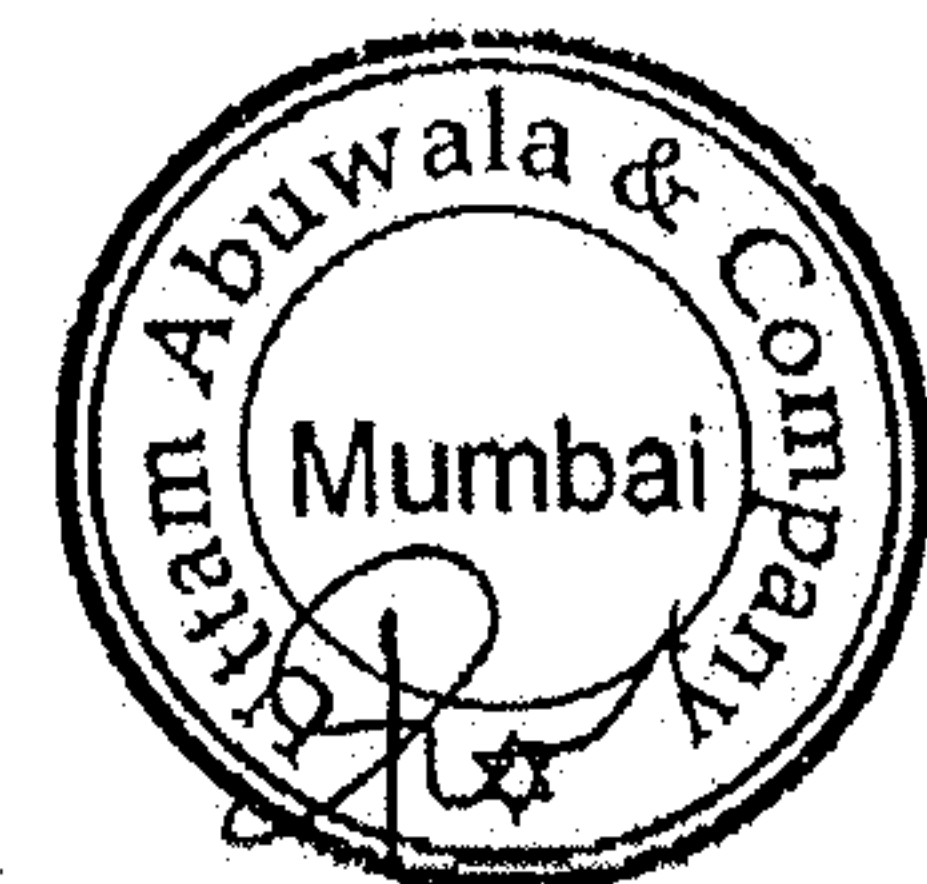
(iii) Auditors' Comments on (ii) above:

As per the explanation provided by the Management in point (ii) above, it is not possible for us to determine the impact of the above qualification in the Standalone Financial Results.

2. Qualification 2:

a. Details of Audit Qualification:

As more fully explained Note 3.34 to the financial statements, Whistling Woods International Limited (WWIL), a subsidiary company, has disputed the demand from Income-tax authorities aggregating to Rs 50,96,587 (March 31, 2016: Rs 50,60,974 (including interest Rs 19,02,995 (March 31, 2016: Rs 19,02,995) 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 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 50,96,587 (March 31, 2016: Rs 50,60,974).

- b. Type of Audit Qualification: Qualified Opinion
- c. Frequency of Qualification: Repetitive (continuing since 2011)
- d. For Audit Qualification(s) where the Impact is quantified by the auditor, Management's Views:

We are in agreement with the quantification.

- e. For Audit Qualification where the Impact is not quantified by the auditor:

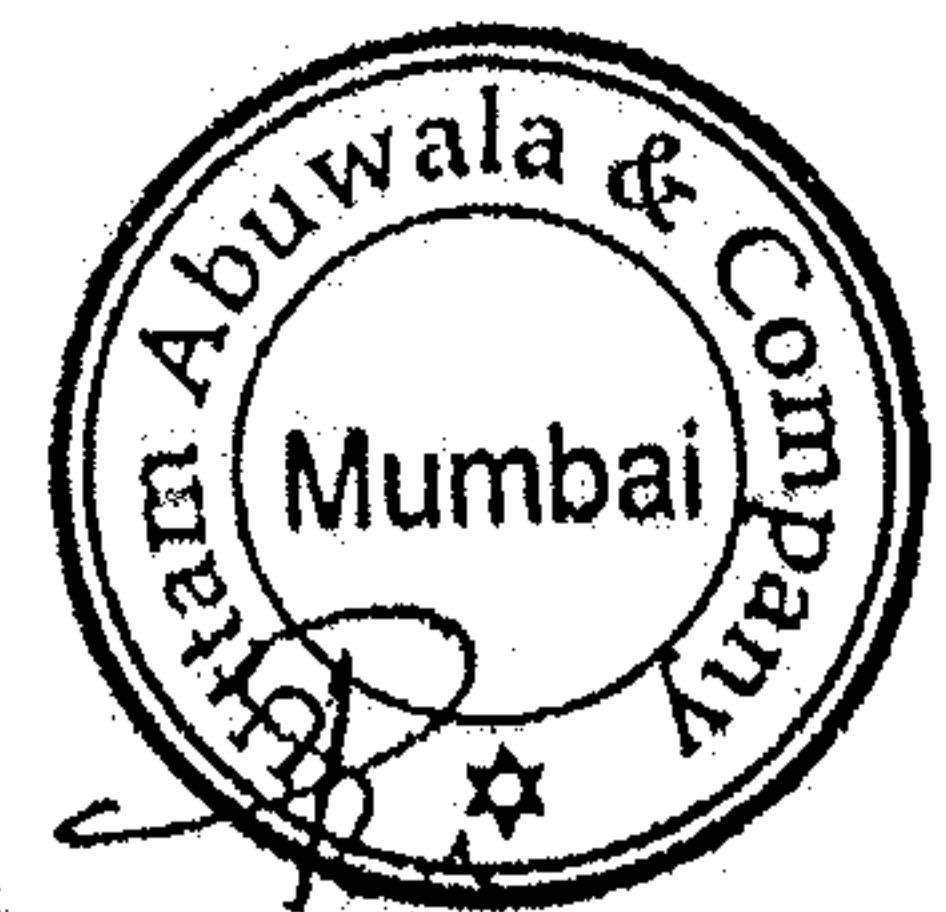
Not Applicable

3. Qualification 3:

- a. Details of Audit Qualification:

As at March 31, 2017, the Holding 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. 257,126,743/- recoverable from WWIL. As more fully explained in Note 3.38 to the financial statements, through its Order of 9 February 2012, the Hon'ble High Court of Judicature at Bombay ('High Court') had quashed the Joint Venture Agreement ('JVA') between the WWILs' shareholders and had passed consequential orders. The petition for Special Leave to Appeal had been dismissed by the Supreme Court of India in April 2012.

Pursuant to the High Court's aforesaid Order, the allotment of land to the WWIL, pursuant to the JVA (in lieu of which equity shares of corresponding value were issued to Maharashtra Film, Stage and Cultural Development Corporation Limited ('MFSCDCL')), recorded in the books of the Company as land rights at a cost of Rs 3,00,00,000, had been cancelled and WWIL had been ordered to return the land to MFSCDCL (of the total land admeasuring 20 acres, 14.5 acres vacant unused land had been handed over to MFSCDCL on April 18, 2012 and the balance was to be handed over on or before July 31, 2014). Pending discussion and/or agreement with MFSCDCL and/or clarifications to be sought from the concerned parties, no adjustments have been made to the share capital structure of the WWIL and the carrying value of the land rights in the books of account.



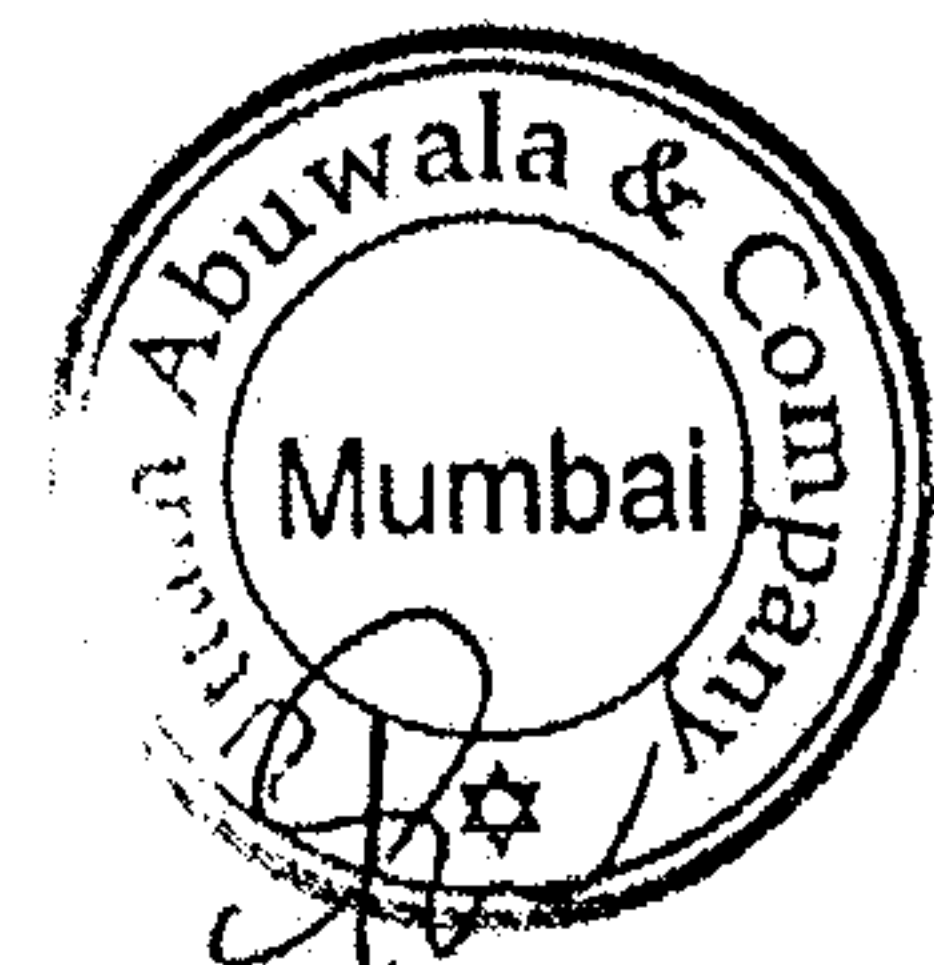
Further, MFSCDCL had demanded Rs 83,20,62,611 towards arrears of rent and interest thereon by letter dated December 3, 2012. Also, as per the High Court's Order which is under challenge from the Holding Company and WWIL, there is an option to set-off the arrears of rent and interest thereon against the value of the building with net excess or shortfall to be refunded to / claimed from the holding company/ WWIL, as applicable. During the year 2012-13, the Public Works Department (PWD) Engineer had given his valuation report of Institute building (net book value at March 31, 2017 : Rs 16,42,16,905 (March 31, 2016: Rs 17,17,57,505)) based on the Balance sheet of the Company as at March 31, 2011. MFSCDCL vide letter dated July 14, 2014, demanded Rs 59,19,66,210 towards arrears of rent and interest thereon, up to July 31, 2014, net of value of building determined as above.

The holding company, and WWI had filed applications to review the said Order with the High Court and an interim stay was granted on July 30, 2014 which required deposit by Mukta Arts Limited of Rs 10,00,38,000 by January 2015 against payment of arrears of rent for the years 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. The State Government of Maharashtra and MFSCDCL challenged the Order of the High Court in the Supreme Court, which special leave petition was dismissed by the Supreme Court on September 22, 2014. The amounts so paid/ being paid by Mukta Arts Limited to MFSCDCL have not been accounted in these financial statements. Management of WWIL informs that these will be accounted, if required, on the settlement of the case.

Additionally, without giving effect to the matter stated above, the WWIL's net worth stands fully eroded as at March 31, 2017 and it has earned a net profit (after tax) of Rs 1,75,66,621 during the year ended March 31, 2017 (March 31, 2016: net loss (after tax) Rs 62,91,208). Management of WWIL believes that it is appropriate to prepare the financial statements on a going-concern basis based on its assessment of the merits of the case, plans for the future and support provided by its holding company.

Having regard to the circumstances explained above and pending final outcome of the matter under litigation, the impact on the consolidated financial statements and the results for the year is currently not ascertainable. The Auditors of WWIL in their Audit Report on standalone financial statements of WWIL have issued a Disclaimer of Opinion.

- b. Type of Audit Qualification: Qualified Opinion
- c. Frequency of Qualification: Repetitive (continuing since 2012)
- d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable
- e. For Audit Qualification where the impact is not quantified by the auditor:



(I) Management's Estimation on the Impact of Audit Qualification:

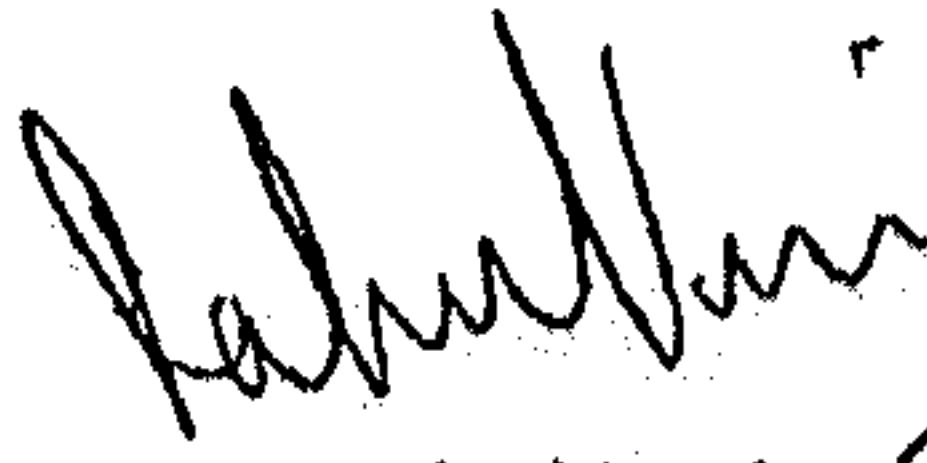
Not Applicable

(ii) If management is unable to estimate the impact, reasons for the same:
Having regard to the circumstances 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. Further, the management of WWIL believes that it is appropriate to prepare the financial statements on a going-concern basis based on its assessment of the merits of the case, plans for the future and support provided by its holding company.

(iii) Auditors' Comments on (ii) above:


As per the explanation provided by the Management in point (ii) above, 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.

For Mukta Arts Limited


Rahul Puri
Managing Director




Kewal Handa
Chairman – Audit Committee


Prabuddha Dasgupta
Chief Financial Officer

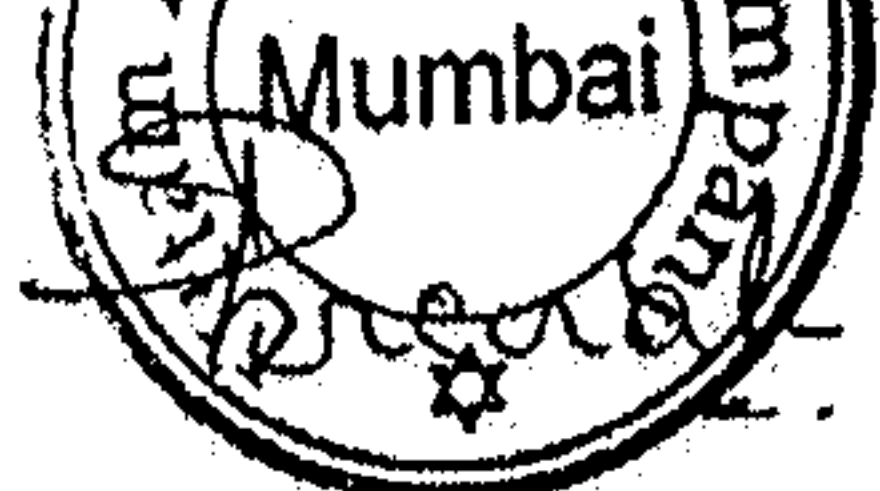
Date: September 13, 2017

Place: Mumbai

For M/s. Httam Abuwala & Co.

Chartered Accountants

Firm No. 111180A (Statutory Auditors)



CA Prerak Agarwal

(Partner)

Membership No. 158844

Date: September 13, 2017

Place: Mumbai