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 February, 2018

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

Kind Attn: **Corporate Relations Department**

Subject: Outcome of the Board Meeting and Results for quarter ended 31st December, 2017

Dear Sirs,

Further to our letter dated 31st January, 2018 and pursuant to the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors of the Company at its meeting held today viz., 12th February, 2018 considered and approved:

- The Unaudited Standalone and Consolidated Financial Results along with segment wise results of the Company for the quarter ended 31st December, 2017 and Limited Review Report in pursuance to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;

Please update the records accordingly and oblige.

Thanking you,

Yours Faithfully,
For and on behalf of
Mukta Arts Limited

MUKTA ARTS LTD MUMBAI

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 Unaudited Consolidated Financial Results for the Quarter ended 31 Dec 2017

(Rs in lakhs, except per share data)

S.No	Particulars	Standalone					Consolidated				
		For the quarter ended			For the nine months ended		For the quarter ended			For the nine months ended	
		December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016	December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1	Revenue from operations	304.97	270.51	1,431.08	844.52	4,378.17	2,844.71	3,710.87	2,419.58	9,572.56	7,025.09
2	Other Income	282.63	754.21	252.26	1,185.71	572.66	212.29	658.31	202.74	965.76	298.92
3	**Total Revenue**	587.60	1,024.72	1,683.34	2,030.23	4,950.83	3,057.00	4,369.18	2,622.32	10,538.32	7,324.01
4	**Expenses**										
	a) (Increase)/ decrease in stock in trade	-	-	5.55	-	(11.67)	(6.20)	7.66	(40.68)	(5.54)	(57.90)
	b) Purchase of food and beverage	-	-	72.10	-	256.30	14.31	68.84	133.88	191.77	318.08
	c) Distributor and producer's share	-	-	346.23	-	1,084.47	450.75	166.03	346.23	1,503.68	1,084.47
	d) Other direct operation expenses	0.30	0.01	(95.64)	0.81	(8.21)	284.69	624.81	167.47	918.51	291.92
	e) Employee benefits expense	129.51	133.66	281.94	395.33	793.07	543.25	431.76	574.69	1,572.40	1,427.89
	f) Amortisation of intangible assets (including films rights)	-	-	-	-	-	20.76	15.86	13.50	50.10	40.51
	g) Depreciation of tangible assets	61.76	64.48	192.16	190.27	503.61	316.21	349.49	316.82	987.29	796.48
	h) Finance costs	165.55	169.56	141.12	508.53	444.88	287.57	234.55	224.97	871.24	664.32
	i) Other expenses	211.08	256.94	685.21	647.69	1,905.25	1,446.42	1,509.42	1,122.73	4,249.75	3,654.05
	Total expenditure	568.20	624.65	1,628.67	1,742.63	4,967.70	3,357.77	3,408.41	2,859.62	10,339.20	8,219.83
5	**Profit/ (loss) before tax (3-4)**	19.40	400.07	54.67	287.60	(16.87)	(300.77)	960.77	(237.30)	199.12	(895.82)
6	Tax Expenses										
	Current tax	-	65.36	-	65.36	-	-	33.26	-	65.36	-
	Deferred tax	3.03	(10.26)	(0.20)	(15.78)	12.01	7.10	(9.08)	(0.20)	(10.26)	12.01
7	**Profit/ (loss) from ordinary activities after tax**	16.37	344.96	54.87	238.02	(28.89)	(307.87)	936.59	(237.10)	144.01	(907.83)
8	Share of profit/(loss) in Joint ventures	-	-	-	-	-	(4.72)	3.69	(11.98)	(14.34)	(20.07)
9	**Net profit/(loss) for the period**	16.37	344.96	54.87	238.02	(28.89)	(312.60)	940.28	(249.08)	129.67	(927.90)
10	Other Comprehensive Income (net of tax)	-	-		-		3.14	2.89	-	9.22	-
11	Total Comprehensive Income for the period (transferred to BS- Other Equity)	16.37	344.96	54.87	238.02	(28.89)	(309.46)	943.18	(249.08)	138.89	(927.90)
12	Basic and diluted earning per share (EPS) (not annualised)	0.07	1.53	0.24	1.05	(0.13)	(1.38)	4.16	(1.10)	0.57	(4.11)
	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
	b) Percentage of shareholding	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) Pledge / encumbered										
	i) Number of shares	-	-	-	-	-	-	-	-	-	-
	ii) % of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-	-	-	-	-
	iii) % of shares (as a % of the total share capital of the Company)	-	-	-	-	-	-	-	-	-	-
	b) Non encumbered										
	i) Number of shares	15,889,290	15,889,290	15,889,290	15,889,290	15,889,290	15,889,290	15,889,290	15,889,290	15,889,290	15,889,290
	ii) % of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	iii) % of shares (as a % of the total share capital of the Company)	70.37%	70.37%	70.37%	70.37%	70.37%	70.37%	70.37%	70.37%	70.37%	70.37%
B	**Investor complaints**										
	Particulars										
	Pending at the beginning of the quarter				Nil						
	Received during the quarter				Nil						
	Disposed off during the quarter				Nil						
	Remaining unresolved at the end of the quarter				Nil						

Segment - wise Revenue, Results, Assets and Liabilities

(Rs in lakhs)

S.No	Particulars	Standalone					Consolidated				
		For the quarter ended			For the nine months ended		For the quarter ended			For the nine months ended	
		December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016	December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1	**SEGMENT REVENUE**										
	Software division	42.08	41.52	9.42	113.83	72.03	42.08	26.29	9.42	113.83	72.03
	Equipment division (including other income)	7.11	6.89	12.59	16.92	25.12	7.11	6.89	12.59	16.92	25.12
	Theatrical exhibition division	-	-	1,117.50	-	3,501.16	1,722.70	1,688.92	1,484.21	5,558.87	3,867.87
	Education	-	-	-	-	-	852.79	1,767.15	646.53	3,223.41	2,271.85
	Others	255.78	240.10	132.17	713.76	892.85	220.03	221.62	266.83	659.53	788.23
	Total	304.97	288.51	1,271.67	844.52	4,491.15	2,844.71	3,710.87	2,419.58	9,572.56	7,025.09
	Less: Inter segment revenue	-	-	-	-	-	-	-	-	-	-
	Net sales/ Income from operation	304.97	288.51	1,271.67	844.52	4,491.15	2,844.71	3,710.87	2,419.58	9,572.56	7,025.09
2	**SEGMENT RESULTS**										
	Profit/ (loss) before tax and finance costs										
	from each Segment										
	Software division	(53.14)	(62.29)	(68.49)	(173.16)	(174.15)	(53.14)	(62.49)	(68.49)	(173.16)	(174.15)
	Equipment division	(12.56)	1.87	(10.80)	(19.64)	(16.07)	(12.56)	1.87	(10.80)	(19.64)	(16.07)
	Theatrical exhibition division	-	-	3.35	-	26.97	(145.57)	(166.64)	(134.40)	(150.67)	(651.51)
	Education	-	-	-		-	147.51	967.99	24.09	923.51	351.21
	Others	214.88	239.84	288.11	644.37	675.72	430.34	20.21	419.49	640.21	675.72
	Total	149.17	179.42	212.17	451.58	512.47	366.58	760.95	229.89	1,220.25	185.20
							0				
	Less: Finance costs	165.55	169.56	142.19	508.53	444.87	287.56	234.55	224.97	871.24	664.32
	Other un-allocable expenditure	-					-		-		
	Net of unallocable income	(35.76)	(390.21)	15.30	(344.55)	84.46	379.80	(434.37)	242.21	149.88	416.70
	Total profit before tax	19.40	400.07	54.67	287.60	(16.87)	(300.77)	960.77	(237.30)	199.12	(895.82)
	Add : Share of profit/(loss) in Joint ventures	-	-	-	-	-	(4.72)	3.69	(11.98)	(14.34)	(20.07)
	Total profit before tax and after share in Joint venture	19.40	400.07	54.67	287.60	(16.87)	(305.49)	964.46	(249.28)	184.78	(915.89)
3	**SEGMENT ASSETS**										
	Software division	1,205.30	1,375.93	1,467.42	1,205.30	1,467.42	1,205.30	1,375.93	1,467.42	1,205.30	1,467.42
	Equipment division	216.48	186.19	211.61	216.48	211.61	216.48	186.19	211.61	216.48	211.61
	Theatrical exhibition division	902.81	-	4,789.76	902.81	4,789.76	6,824.47	6,122.87	6,283.28	6,824.47	6,283.28
	Education	-	-	-	-	-	3,835.25	4,245.36	3,543.81	3,835.25	3,543.81
	Others	2,589.46	3,579.44	2,353.52	2,589.46	2,353.52	2,589.46	3,579.44	2,353.52	2,589.46	2,353.52
	Unallocable	14,658.19	14,157.38	12,457.40	14,658.19	12,457.40	8,414.06	6,294.39	10,288.35	8,414.06	10,288.35
									-		
4	**SEGMENT LIABILITIES**								-		
	Software division	457.48	411.42	361.89	457.48	361.89	457.48	411.42	361.89	457.48	361.89
	Equipment division	5.27	2.38	7.01	5.27	7.01	5.27	2.38	7.01	5.27	7.01
	Theatrical exhibition division	1.23	-	1,738.91	1.23	1,738.91	4,622.38	4,814.09	3,477.87	4,622.38	3,477.87
	Education	-	-	-	-	-	5,901.76	5,945.94	5,397.64	5,901.76	5,397.64
	Others	591.53	614.02	568.74	591.53	568.74	591.53	614.02	568.74	591.53	568.74
	Unallocable	7,787.97	5,847.72	8,245.31	7,787.97	8,245.31	7,239.68	5,939.81	7,675.32	7,239.68	7,675.32

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 February 2018.

2 The Company has adopted the Indian Accounting Standards (Ind AS) with effect from 1 April 2017. The results for the quarter and nine months ended 31 December 2017 are in compliance with Indian Accounting Standards (Ind AS) notified by Ministry of Corporate Affairs. Consequently, results for the quarter and nine months ended 31 December 2016 have been restated to comply with Ind AS and to make them comparable. These restated results have however not been subjected to Audit or Limited Review. The Management has exercised necessary diligence to ensure that the financial results provide a true and fair view of the Company's affairs. Further transition adjustments may be required to the financial statements as at 31 March 2017 including those arising from new or revised standards or interpretations issued by the ministry of corporate Affairs or changes in use of one or more optional exemptions from full retrospective application of certain Ind AS Standards before constituting the final Ind AS financial statements as of and for the year ending 31 March 2018.

3 In terms of order dated 9.02.2012 passed by the High Court of Judicature at Bombay ('High Court'), Maharashtra Film Stage and Cultural Development Corporation ('MFSCDC') raised net demand of Rs. 591,966,210 and asked 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 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, the Company paid Rs 113,538,000 by 31 December 2017. The State Government of Maharashtra and MFSCDC challenged the Order of the High Court in the Supreme Court which was dismissed by the court on 22nd September 2014 with recourse to the State Government of Maharashtra to make an application to Bombay High Court. The auditors continue to modify their report on the said matter.

4 Total remuneration paid to the erstwhile managing director (including as film director fees) for earlier financial years from 2005-06 to 2014-2015 aggregating to Rs 131,906,897 exceeds the limits prescribed under Schedule XIII to the Companies Act, 1956. During the year 2011-12, the Company had received approval for part of the excess remuneration paid (approval received for remuneration aggregating to Rs 25,200,000 for the financial years 2005-06, 2006-07 and 2007-08) and made applications to the authorities requesting reconsideration/ approval for the balance excess remuneration. Through its various communications, the Ministry of Corporate Affairs has ordered the Company to recover the excess remuneration paid during the financial years 2008-09 to 2011-12. The Company has requested the authorities to reconsider their Orders and also for his recognition as a professionally qualified person under the Act. Pending conclusion of this matter, no adjustment has been made in these financial results. The auditors continue to modify their report on the said matter.

5 As part of the IND AS conversion of its accounts, the Company has recognised as Interest receivable an amount of Rs 189,446,149/- on account of accumulated dividend on 8% Redeemable Cumulative Preference Shares, issued by its subsidiary Whistling Woods Institute Limited. This dividend had not been recognised by the Company in its accounts maintained as per the erstwhile Indian GAAP, because the Subsidiary did not have adequate profits. While this amount has been recognised by the Company as per IND AS disclosure requirements, this amount cannot be recovered by the Company from its subsidiary until the subsidiary has adequate profits.

6 The reconciliation between financial results as reported under Indian GAAP and Ind AS are summarised as follows :-

Particulars	Standalone		Consolidated	
	9 months ended -Dec-2016	3 months ended -Dec-2016	9 months ended -Dec-2016	3 months ended -Dec-2016
Net profit/(loss) as per Indian GAAP	(11,221,892)	579,925	(86,922,899)	(24,940,212)
Fair value adjustments on financial instruments	1,368,074	574,827	1,585,949	(3,830,268)
Amortised cost adjustments on finacial instrumnets	12,611,634	5,470,090	(432,431)	5,312,522
Expected Credit Loss provisioning	(90,246)	181,321	(1,158,605)	(634,474)
Depreciation and amortisation due to recognition of assets	(4,354,775)	(1,338,227)	(4,354,775)	(1,338,227)
Deferred tax impact on above adjustments	(1,201,377)	19,963	(1,201,377)	19,965
	(2,888,581)	5,487,900	(92,484,138)	(25,410,694)
Other comprehensive income (OCI) (net of tax)	-		-	-
Total comprehensive income under Ind AS	(2,888,581)	5,487,900	(92,484,138)	(25,410,694)

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

For and on behalf of the Board of directors

Parvez Farooqui
Director
DIN:00019853

Date : 12 February 2018
Place : Mumbai

Phone No.: 2887 8000
2887 0069

Uttam Abuwala & Co.

Chartered Accountants

Website: http://www.uttamabuwala.com

Limited Review Report on Quarterly Standalone Financial Results of Mukta Arts Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors
Mukta Arts Limited

1. We have reviewed the accompanying statement of unaudited financial results ("the statement") of **M/s Mukta Arts Limited** ("the Company") for the **Quarter and nine months ended December 31, 2017** attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

2. We conducted our review of the statement in accordance with the **Standard on Review Engagement (SRE) 2410,"Review of Interim Financial Information performed by the Independent Auditor of the Entity"** issued by The Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. *As at December 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, deposits and rent receivable aggregate to Rs. 24,98,37,482/- recoverable from WWIL. As fully explained in Note 3 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, the Company paid Rs. 11,35,38,000/- by December 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.*

Uttam Abuwala & Co. Chartered Accountants Mumbai

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Further, WWIL's net worth stands fully eroded as at December 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.

4. *As explained in Note 4 to the accompanying un-audited financial results, remuneration paid to the erstwhile managing director (including as film director fees) for earlier financial years from 2005-06 to 2014-15 (total remuneration paid aggregates to Rs.13,19,06,897/-) is in excess of the limits prescribed under Schedule XIII to the Companies Act, 2013. During the year 2011-12, the Company had received approval for part of excess remuneration paid (approval received for remuneration aggregating to Rs. 2,52,00,000/- for the financial years 2005-06, 2006-07, 2007-08) and made applications to the authorities requesting consideration approval for the balance excess remuneration and for recognition of the erstwhile managing director as professionally qualified person under the Companies Act, 1956. Through its various communications, the Ministry of Corporate Affairs has directed the Company to recover the excess remuneration paid during the financial years 2008-09 to 2011-12. The company has requested the authorities to reconsider their Orders in respect of the above and also for his recognition as a professionally qualified person under this Act. Pending conclusion of this matter, no adjustment has been made in these standalone financial results.*

5. Based on our review conducted as above, except for matter relating to remuneration to the erstwhile managing director referred to in paragraph 4 above and for the matters relating to the investment in and loans and advances recoverable from WWIL referred to in paragraph 3 above, the outcome and consequent adjustment to the unaudited financial results of which cannot be presently determined, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of **Regulations 33 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated July 5, 2016** including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

Uttam Abuwala & Co. Chartered Accountants Mumbai

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

Date: February 12, 2018
Place: Mumbai

Phone No.: 2887 8000
2887 0069

Uttam Abuwala & Co.

Website: http://www.uttamabuwala.com

Chartered Accountants

Limited Review Report on Quarterly Consolidated Financial Results of Mukta Arts Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors
Mukta Arts Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ("the statement") of **M/s Mukta Arts Limited** ("the Parent"), its subsidiaries and joint venture (the Parent and its subsidiaries and joint venture together referred to as "the Group") for the **Quarter and nine months ended December 31, 2017** attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

2. We conducted our review of the statement in accordance with the **Standard on Review Engagement (SRE) 2410,"Review of Interim Financial Information performed by the Independent Auditor of the Entity"** issued by The Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. These consolidated quarterly results include the quarterly financial results of the following seven entities, in addition to the Parent entity 'Mukta Arts Limited':

   a. **Subsidiaries:**

   i. Mukta Creative Ventures Limited (Formerly known as Coruscant Tec Private Limited)
   ii. Whistling Woods International Limited
   iii. Mukta Tele Media Limited
   iv. Connect.1 Limited
   v. Mukta A2 Multiplex SPC (incorporated in Bahrain)
   vi. Mukta A2 Cinemas Limited

   and

   b. **Joint Venture:**

   i. Mukta VN Films Limited

Uttam Abuwala & Co. Chartered Accountants Mumbai

Out of the above, the unaudited consolidated financial results include the financial results of One subsidiary, which have been reviewed by us (whose financial results reflect total revenues of Rs.44,01,09,467/- and total loss after tax of Rs. 1,91,59,298/- for nine months ended December 31, 2017), One subsidiary, which have been reviewed by other auditors (whose financial results reflect total revenues of Rs. 32,23,40,685/- and total profit after tax of Rs. 3,89,95,098/- for nine months ended December 31, 2017) and financial results of Four subsidiaries, which are not reviewed by us or any other auditors and are based solely on management certified accounts (whose financial results reflect total revenues of Rs. 11,66,75,163/- and total loss after tax of Rs. 2,92,36,526/- for nine months ended December 31, 2017, as considered in the Statement). Our conclusion is not modified in respect of this matter.

4. *As at December 31, 2017 the Parent company's investment in its subsidiary, Whistling woods International Limited (WWIL) a joint venture between the company and Maharashtra Film, Stage and Cultural Development Corporation Limited (MFSCDCL), aggregates to Rs. 36,99,97,000/- and loans and advances, Accrued interest, deposits and rent receivable* aggregate to Rs. *24,98,37,482/- recoverable from WWIL. As fully explained in Note 3 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, the Company paid Rs. 11,35,38,000/- by December 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 December 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.

5. *As explained in Note 4 to the accompanying un-audited financial results, remuneration paid to the erstwhile managing director (including as film director fees) for earlier financial years from 2005-06 to 2014-15 (total remuneration paid aggregates* to Rs. *13,19,06,897/-) is in excess of the limits prescribed under Schedule XIII to the Companies Act, 2013. During the year 2011-12, the Parent Company had received approval for part of excess remuneration paid (approval received for remuneration aggregating to Rs. 2,52,00,000/- for the financial years 2005-06, 2006-07, 2007-08) and made applications to the authorities requesting consideration/approval for the balance excess remuneration*

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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.

6. *WWIL has disputed the demand from Income-tax authorities aggregating to Rs. 50,60,764 (including interest Rs. 19,02,995) [March 31, 2017: 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 quarter and the deficit in Special Purpose Financial Information at December 31, 2017 would have been higher by Rs. 50,60,764 (March 31, 2017: Rs 5,060,974).*

7. Based on our review conducted as above and management certified accounts as referred to above, except for matter relating to income tax disputes referred to in paragraph 6 above, for the matter relating to remuneration to the erstwhile managing director referred to in paragraph 5 above and for the matters relating to the investment in and loans and advances recoverable from WWIL referred to in paragraph 4 above, the outcome and consequent adjustment to the unaudited financial results of which cannot be presently determined, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of **Regulations 33 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated July 5, 2016** including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

Prerak

Uttam Abuwala & Co. Chartered Accountants Mumbai

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

Date: February 12, 2018
Place: Mumbai