

9th February, 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**Subject: Outcome of the Board Meeting and Results for quarter ended 31st December, 2016**

Dear Sirs,

This is to inform you that the Board of Directors of the Company at its meeting held today viz., 9th February, 2017:

- (a) have taken on record the Unaudited Financial Results along with segment wise results of the Company for the Quarter ended 31st December, 2016 with a copy of “Limited Review” Certificate from our Statutory Auditors, M/s Uttam Abuwala & Co., Chartered Accountants for the said Quarter.


In pursuance with Regulation 29 read with Regulation 47 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we hereby enclose the said results and Limited Review Certificate.

- (b) the Board of Directors have approved the re-issue and allotment of 4000 Forfeited Equity Shares to Mr. Subhash Ghai @ 66.24/- per share pursuant to SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Please update the records accordingly and oblige.

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 un-audited financial results for the quarter and nine months ended 31 December 2016

(Rs in lakhs, except per share data)							
S.No	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	9 months ended 31 December 2016	Corresponding 9 months ended 31 December 2015	Previous Year ended
		31/12/2016 (Unaudited)	30/09/2016 (Unaudited)	31/12/2015 (Unaudited)	(Unaudited)	(Unaudited)	31 March 2016 (Audited)
1	Income from operations						
	(a) Net sales / Income from operations	1,088.69	1124.33	1,326.35	3,313.44	3,670.35	4,526.21
	(b) Other operating income	330.25	342.13	239.38	1,029.47	779.92	1,087.30
	Total income from operations (net)	1,418.94	1,466.46	1,565.73	4,342.91	4,450.27	5,613.51
2	Expenses						
	a) (Increase)/ decrease in stock in trade	5.55	15.15	(4.38)	(11.67)	(6.85)	(17.14)
	b) Purchase of food and beverage	72.10	66.07	91.24	256.30	255.08	327.37
	c) Distributor and producer's share	346.22	356.51	357.82	1,084.47	1,106.77	1,432.38
	d) Other direct operation expenses	(95.64)	35.96	60.95	(8.21)	239.15	254.80
	e) Employee benefits expense	281.95	261.44	232.28	793.07	661.87	941.36
	f) Amortisation of intangible assets (including films rights)	-	-	-	-	44.62	8.13
	g) Depreciation of tangible assets	178.78	152.07	179.20	460.06	461.99	608.75
	h) Other expenses	622.81	602.70	517.87	1,753.91	1,602.35	2,217.20
	Total expenditure	1,411.77	1,489.90	1,434.98	4,327.93	4,364.98	5,772.84
3	Profit/ (loss) from operations before other income, finance costs and exceptional items	7.17	(23.44)	130.75	14.98	85.29	(159.33)
4	Other Income	181.66	89.51	158.33	363.68	450.99	570.53
5	Profit/ (loss) from ordinary activities before finance costs and exceptional items	188.83	66.07	289.08	378.66	536.28	411.20
6	Finance costs	165.47	145.88	76.79	439.56	434.27	586.54
7	Profit/ (loss) after finance costs but before exceptional items	23.36	(79.81)	212.29	(60.90)	102.01	(175.34)
8	Exceptional item	17.56	33.75	-	51.31	-	-
9	Profit/ (loss) from ordinary activities before tax	5.80	(113.56)	212.29	(112.21)	102.01	(175.34)
10	Profit/ (loss) from continuing operation before tax	5.80	(113.56)	212.29	(112.21)	102.01	(175.34)
11	Tax expenses (including MAT credit entitlement)	-	-	-	-	-	15.17
12	Profit/ (loss) from continuing operation after tax	5.80	(113.56)	212.29	(112.21)	102.01	(190.51)
13	Profit/ (loss) from discontinuing operation before tax (refer Note 4)	-	-	-	-	-	-
14	Tax expenses (including MAT credit entitlement)	-	-	-	-	-	-
15	Profit/ (loss) from discontinuing operation after tax	-	-	-	-	-	-
16	Net profit/ (loss) from ordinary activities after tax	5.80	(113.56)	212.29	(112.21)	102.01	(190.51)
17	Extraordinary items (net of tax expenses)	-	-	-	-	-	-
18	Net profit/(loss) after tax for the period	5.80	(113.55)	212.29	(112.21)	102.01	(190.51)
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
20	Reserves excluding revaluation reserves	-	-	-	-	-	9,869.52
21	Basic and diluted earning per share (EPS) (not annualised)	0.03	(0.50)	0.94	(0.50)	0.45	(0.84)

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
	b) Percentage of shareholding	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
	ii) % of shares (as a % of the total shareholding of promoter and promoter group)	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%

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	3 months ended 31 December 2016	Preceding 3 months ended 30 Sept 2016	Corresponding 3 months ended 31 December 2015	9 months ended 31 December 2016	Corresponding 6 months ended 31 December 2015	Previous Year ended 31 March 2016
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	SEGMENT REVENUE						
	Software division	9.42	12.76	263.17	72.03	429.80	454.33
	Equipment division (including other income)	12.59	8.04	10.27	25.12	29.40	36.07
	Theatrical exhibition division	1,117.50	1,183.82	1,112.10	3,501.16	3,427.62	4,316.21
	Others	231.44	213.83	180.19	648.61	563.45	763.22
	Total	1,370.95	1,418.45	1,565.73	4,246.92	4,450.27	5,569.81
	Less: Inter segment revenue	-	-	-	-	-	-
	Net sales/ Income from operation	1,370.95	1,418.45	1,565.73	4,246.92	4,450.27	5,569.81
2	SEGMENT RESULTS						
	Profit/ (loss) before tax and finance costs from each Segment						
	Software division	(68.49)	(84.19)	98.13	(174.15)	(88.43)	(289.18)
	Equipment division	(10.80)	3.27	(12.60)	(16.07)	(11.49)	(22.73)
	Theatrical exhibition division	3.35	(29.52)	7.43	26.97	102.05	49.74
	Others	187.46	213.17	194.41	575.07	477.45	653.26
	Total	111.52	102.73	287.37	411.82	479.56	391.08
	Less: Finance costs	165.47	145.88	76.79	439.56	434.27	586.55
	Other un-allocable expenditure						
	Net of unallocable income	(59.75)	70.41	(1.71)	84.47	(56.71)	(20.12)
	Total profit before tax	5.80	(113.56)	212.29	(112.21)	102.01	(175.34)
3	SEGMENT ASSETS						
	Software division	1,467.42	1,591.18	1,865.68	1,467.42	1,865.68	1,769.39
	Equipment division	211.61	212.74	245.89	211.61	245.89	246.42
	Theatrical exhibition division	4,789.76	5,117.15	3,545.40	4,789.76	3,545.40	3,743.71
	Others	2,353.52	2,353.52	2,459.68	2,353.52	2,459.68	2,459.68
	Unallocable	12,457.40	12,258.60	13,591.55	12,457.40	13,591.55	13,649.23
4	SEGMENT LIABILITIES						
	Software division	361.89	483.06	1,295.21	361.09	1,295.21	1,296.65
	Equipment division	7.01	5.70	2.16	7.01	2.16	1.18
	Theatrical exhibition division	1,738.91	1,690.70	1,769.21	1,738.91	1,769.21	1,797.67
	Others	568.74	568.74	605.01	568.74	605.01	605.01
	Unallocable	8,245.31	8,198.39	7,050.09	8,245.31	7,050.09	7,688.02




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 February 9, 2017.
- 2 In terms of order dated February 9, 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 onwards. As per the terms of the said Order, the Company paid Rs 109,038,000 by December 31, 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 2013-2014 aggregating to Rs 125,744,747 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 The credit amount in Other Direct Operation Expenses is primarily on account of share of profits / (losses) of the exhibition business attributable to a business partner.
- 5 Exceptional items include professional fees and property tax for earlier years, crystallised during the current financial year and accordingly recognised in cost.
- 6 Figures for the previous quarters/ year have been regrouped / rearranged to conform to current quarter's presentation.

Date : 9 February 2017
Place : Mumbai



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


Rahul Puri
Managing Director
DIN:01925045

Uttam Abuwala & Co.**Chartered Accountants**Website: <http://www.uttamabuwala.com>**Independent Auditor's Limited Review Report**

To
The Board of Directors
Mukta Arts Limited

1. We have reviewed the accompanying statement of unaudited financial results of **M/s Mukta Arts Limited** ("the Company") for the **Quarter and nine months ended December 31, 2016** ("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, 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 explained in Note 2 to the accompanying un-audited financial results, 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 And Cultural Development Corporation Limited ('MFSCDCL'). MFSCDCL raised net demand of Rs. 59,19,66,210 and asked Whistling Woods International Limited (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 2001 to 2013-14 and payment of Rs.45,00,000/- per annum from Financial Year 2014-15 till the settlement of the case of MFSCDCL. As per the terms of the said Order, the Company paid Rs. 10,90,38,000/- by December 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 September 22, 2014. The amount so paid / being paid by the Company have been treated as deposit to be adjusted on the settlement of the case. Having regard to the circumstances explained and pending final outcome of the matter under litigation the Company has not made any adjustment to the carrying value of investment in and amount due from WWIL. Accordingly the impact on the unaudited financial results is not determinable since the matter is pending before the court.*



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Uttam Abuwala & Co.

Chartered Accountants

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4. As explained in Note 3 to the accompanying Statement of un-audited financial results, remuneration paid to the erstwhile managing director (including as film director fees) for earlier financial years from 2005-06 to 2013-14 (total remuneration paid aggregates to Rs.12,57,44,747/- 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 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 Accounting Standards 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** 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

Urmish

CA. Urmish P. Mehta

(Partner)

Membership No.: 137150



Date: February 9, 2017

Place: Mumbai

**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 on a PBT level

10th February 2017, Mumbai

In their results for the Quarter and Nine Months ended 31-12-2016, Mukta Arts Limited announced an increase in profit from operations and profit before taxes in comparison to the previous quarter, reporting an income from operations of Rs 1,418.94 lacs and profit before tax of Rs 5.80 lacs.

In a quarter hit by movies underperforming at the Box Office and also by demonetisation, Mukta Arts Limited exhibited resilience to return profits.

Mukta A2 Cinemas, a Division of Mukta Arts Limited, increased its presence to 51 screens, with a new property opening at Mumbai today.

On a group level, Whistling Woods International, an 85% subsidiary of Mukta Arts Limited shall further bolster the bottom line with a strong performance in the quarter.

A handwritten signature in blue ink is written over a circular purple stamp. The stamp contains the text "MUKTA ARTS LIMITED" around the top edge, "MUMBAI" in the center, and a small star at the bottom. The signature is stylized and appears to be "Kalyan Chitambar".