

MUKTA ARTS LIMITED							Segment - wise Revenue, Results and Capital Employed							
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 six months ended 30 September 2014														
S.No	Particulars	(Rs in lacs, except per share data)					S.No	Particulars	3 months ended	3 months ended	Corresponding 3	6 months ended	Year ended 31	
		30 September 2014	30 June 2014	months ended 30 September 2013	30 September 2014	months ended 30 September 2013			March 2014					
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)			(Audited)					
1	Income from operations						1	SEGMENT REVENUE						
	(a) Net sales / Income from operations	2,189.47	2,308.82	8,332.04	4,498.29	15,305.25		Software division	1,388.85	1,675.74	7,966.75	3,064.59	14,559.04	26,587.60
	(b) Other operating income	205.48	189.73	183.70	395.21	355.07		Equipment division	9.50	5.03	26.31	14.53	57.51	93.91
	Total income from operations (net)	2,394.95	2,498.55	8,515.74	4,893.50	15,660.32		Theatrical exhibition division	811.41	631.78	352.02	1,443.19	720.03	1,765.22
2	Expenses							Others	185.20	185.99	179.00	371.19	350.37	758.19
	a) (Increase)/ decrease in stock in trade	(14.28)	0.06	9.10	(14.22)	3.80		Total	2,394.95	2,498.54	8,524.08	4,893.50	15,686.95	29,204.92
	b) Purchase of food and beverage	71.47	56.24	22.41	127.70	50.62		Less: Inter segment revenue	-	-	8.34	-	26.63	150.63
	c) Distributor and producer's share	574.08	2,304.31	7,821.31	2,878.39	14,315.43		Net sales/ Income from operation	2,394.95	2,498.54	8,515.74	4,893.50	15,660.32	29,054.29
	d) Other direct operation expenses	1.74	41.80	30.57	43.54	48.98								
	e) Employee benefits expense	153.68	126.53	149.87	280.21	298.29		2	SEGMENT RESULTS					
	f) Amortisation of intangible assets (including films rights)	925.78	1,950.10	36.89	2,875.88	42.16		Profit/ (Loss) before tax and finance costs from each Segment						
	g) Depreciation of tangible assets	143.16	133.04	91.99	276.20	182.55		Software division	32.65	(2,502.97)	34.68	(2,470.32)	103.97	(237.86)
	h) Other expenses	518.54	361.89	298.47	880.43	552.82		Equipment division	(11.58)	(9.59)	(3.01)	(21.17)	(8.75)	(27.67)
	Total expenditure	2,374.17	4,973.97	8,460.61	7,348.13	15,494.65		Theatrical exhibition division	7.20	(13.71)	(24.47)	(6.51)	(16.36)	14.95
3	Profit/ (loss) from operations before other income, finance costs and exceptional items	20.78	(2,475.41)	55.13	(2,454.63)	165.67		Others	168.08	157.42	153.75	325.50	294.37	646.98
4	Other Income	186.56	137.85	104.07	324.41	216.35		Total	196.35	(2,368.84)	160.96	(2,172.50)	373.22	396.40
5	Profit/ (loss) from ordinary activities before finance costs and exceptional items	207.34	(2,337.56)	159.21	(2,130.22)	382.02		Less: Finance costs	210.66	197.84	139.45	408.49	271.92	618.76
6	Finance costs	210.66	197.84	139.45	408.49	271.92		Other un-allocable expenditure	(11.00)	(31.27)	1.75	(42.27)	(8.79)	(35.77)
7	Profit/ (loss) after finance costs but before exceptional items	(3.32)	(2,535.39)	19.76	(2,538.71)	110.10		Net of unallocable income	(11.00)	(31.27)	1.75	(42.27)	(8.79)	(35.77)
8	Exceptional item	-	-	-	-	-		Total profit/ (loss) before tax	(3.31)	(2,535.41)	19.76	(2,538.71)	110.10	(186.58)
9	Profit/ (loss) from ordinary activities before tax	(3.32)	(2,535.39)	19.76	(2,538.71)	110.10		3	CAPITAL EMPLOYED					
10	Profit/ (loss) from continuing operation before tax	(3.32)	(2,528.64)	(37.76)	(2,531.94)	(5.72)		(Segment assets - Segment liabilities)						
11	Tax expenses (including MAT credit entitlement and deferred tax)	-	(93.99)	(9.37)	(93.99)	(4.72)		Software division	128.12	(213.96)	967.26	128.12	967.26	2,577.74
12	Profit/ (loss) from continuing operation after tax	(3.32)	(2,434.63)	(28.39)	(2,437.95)	(1.00)		Equipment division	596.24	595.39	658.94	596.24	658.94	612.47
13	Profit/ (loss) from discontinuing operation before tax (refer Note 4)	-	(6.77)	57.51	(6.77)	115.82		Theatrical exhibition division	136.65	1,858.77	2,005.08	136.65	2,005.08	2,336.14
14	Tax expenses (including MAT credit entitlement and deferred tax)	-	20.67	12.80	20.67	24.24		Others	1,309.46	1,425.41	1,396.38	1,309.46	1,396.38	1,363.61
15	Profit/ (loss) from discontinuing operation after tax	-	(27.44)	44.71	(27.44)	91.58		Unallocable	7,239.20	5,791.33	7,134.01	7,239.20	7,134.01	5,029.04
16	Net profit/ (loss) from ordinary activities after tax	(3.32)	(2,462.07)	16.32	(2,465.39)	90.58								
17	Extraordinary items (net of tax expenses)	-	-	-	-	-								
18	Net profit/ (loss) for the period	(3.32)	(2,462.07)	16.32	(2,465.39)	90.58								
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								
20	Reserves excluding revaluation reserves	-	-	-	-	10,789.83								
21	Basic and diluted earning per share (EPS) (not annualised) from continuing operation	(0.01)	(10.78)	(0.13)	(10.80)	(0.00)								
22	Basic and diluted earning per share (EPS) (not annualised) from discontinuing operation	-	(0.12)	0.20	(0.12)	0.41								
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								
b)	Percentage of shareholding	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								
ii)	% of shares (as a % of the total shareholding of promoter and promoter group)	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%								
B Investor complaints							3 Months ended 30 September 2014							
Particulars														
Pending at the beginning of the quarter							-							
Received during the quarter							2							
Disposed off during the quarter							2							
Remaining unresolved at the end of the quarter							-							
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 13 November 2014.														
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 (MISCDC) 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 has 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 has paid Rs 32,538,000 by 30 September 2014 and further Rs 18,000,000 in October 2014. During the quarter, the State Government of Maharashtra and MISCDC challenged the order of the Bombay High Court in the Supreme Court which was dismissed by the court on 22 September 2014. The auditors continue to modify their report on the said matter.														
3 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 is in excess of 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 communication dated 18 June 2014 and 25 July 2014, the Ministry of Corporate Affairs has ordered the Company to recover the excess remuneration paid during the financial years 2008-09 to 2010-11 and 2011-12 respectively. The Company has requested the authorities to reconsider their order for financial years 2008-09 to 2010-11 and request for reconsideration of the order for financial year 2011-12 is proposed to be made. Pending final communication from the authorities in this regard, no adjustment has been made in these financial results. The auditors continue to modify their report on the said matter.														
4 During the year ended 31 March 2013, the Board of Directors approved the formation with another venturer, of a company as a subsidiary of Mukta Arts Limited - the said company was incorporated in June 2013, to conduct the business of exhibition and programming currently being carried out by Mukta Arts Limited. The business was discontinued during the period and transferred to the subsidiary company and the results of the said business till that date have been disclosed as Discontinuing operations in the results.														
5 Other income for the year ended 31 March 2014 includes proceeds from maturity of Keyman policy taken from LIC in an earlier year amounting to Rs 11,900,000.														
6 During the quarter ended 30 September 2014 the Company has commenced its cinemas at Sangli and Hyderabad.														
7 Income from operations includes Rs 35,000,000 relating to sale of certain rights. The Company has recognized revenue based on milestone payments received. As certain conditions precedent are to be fulfilled, the auditors have modified their report in this regard. Management is confident that the said conditions will be fulfilled in due course.														
							For Mukta Arts Limited							
							For and on behalf of the Board of directors							
Date : 13 November 2014							Parvez A. Farooqui							
Place : Mumbai							Executive Director							

MUKTA ARTS LIMITED
Standalone statement of assets and liabilities

(Rs in lacs)

Sr. No.	Particulars	Standalone	
		As at 30 September 2014 (Unaudited)	As at 31 March 2014 (Audited)
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
(a)	Share capital	1,129.18	1,129.18
(b)	Reserves and surplus	8,280.49	10,789.83
(c)	Money received against share warrents	-	-
(d)	Minority interest	-	-
	Sub-total shareholders' fund	9,409.66	11,919.01
2	Non-current liabilities		
(a)	Long - term borrowings	1,202.62	1,507.40
(b)	Deferred tax liabilities (net)	-	73.33
(c)	Other long-term liabilities	2,407.84	2,570.04
(d)	Long-term provisions	77.45	69.45
	Sub-total - non-current liabilities	3,687.91	4,220.22
3	Current liabilities		
(a)	Short term borrowings	2,946.29	3,130.48
(b)	Trade payables	1,954.59	3,439.41
(c)	Other current liabilities	2,670.40	2,234.03
(d)	Short-term provisions	51.93	95.97
	Sub-total - current liabilities	7,623.21	8,899.90
	TOTAL EQUITY AND LIABILITIES	20,720.78	25,039.13
B	ASSETS		
1	Non - current assets		
(a)	Fixed assets	6,327.39	8,682.39
(b)	Non - current investments	3,912.67	3,912.67
(c)	Long - term loans and advances	5,912.12	5,863.55
(d)	Other non - current assets	114.35	111.46
	Sub-total - non-current assets	16,266.53	18,570.08
2	Current assets		
(a)	Current investments	-	-
(b)	Inventories	26.42	12.19
(c)	Trade receivables	1,064.85	3,112.58
(d)	Cash and bank balances	291.47	302.36
(e)	Short term - loans and advnces	2,383.65	3,039.17
(f)	Other current assets	687.86	2.76
	Sub-total - current assets	4,454.25	6,469.07
	TOTAL ASSETS	20,720.78	25,039.13

B S R & Co. LLP

Chartered Accountants

1st Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 3989 6000
Fax +91 (22) 3090 2511

Review Report

To the Board of Directors of Mukta Arts Limited

1. We have reviewed the accompanying Statement of un-audited financial results ('the Statement') of Mukta Arts Limited ('the Company') for the quarter ended 30 September 2014 and year to date results for the period 1 April 2014 to 30 September 2014, except for the disclosures regarding 'Public Shareholding and Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors in their meeting held on 13 November 2014. Our responsibility is to issue a report on these financial results based on our review.
2. We conducted our review 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 un-audited financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel responsible for financial and accounting matters and analytical procedures applied to financial data and thus provides 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 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 2013-2014 aggregating to Rs 125,744,747 is in excess of 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 communications dated 18 June 2014 and 25 July 2014, the Ministry of Corporate Affairs has directed the Company to recover the excess remuneration paid during the financial years 2008-09 to 2010-11 and 2011-12 respectively. The Company has requested the authorities to reconsider their order for financial years 2008-09 to 2010-11 and request for reconsideration of the order for financial year 2011-12 is proposed to be made. Pending final communication from the authorities in this regard, no adjustment has been made in these financial results.*

B S R & Co. (a partnership firm with
Registration No. BA61223) converted into
B S R & Co. LLP (a Limited Liability Partnership
with LLP Registration No. AAB-8181)
with effect from October 14, 2013

Registered Office:
1st Floor, Lodha Excelus
Apollo Mills Compound
N.M. Joshi Marg, Mahalaxmi
Mumbai - 400 011

Review Report (Continued)

Mukta Arts Limited

4. *As explained in Note 2 to the accompanying Statement of un-audited financial results, through its order of 9 February 2012, 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 ('MFSCDCL') and passed consequential orders. WWI's petition for special leave to appeal filed with the Supreme Court of India had also been dismissed. The Company and WWI had filed applications to review the said order with the High Court and an interim stay was granted on 30 July 2014 which required 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 financial year 2014-15 till the settlement of the case. During the quarter, 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 22 September 2014. 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 investments in and amounts due from WWI. Accordingly, the impact on the un-audited financial results is not determinable.*
5. *As explained in Note 7 to the accompanying Statement of un-audited financial results, during the quarter ended 30 September 2014, the Company has recognised income of Rs 35,000,000 relating to sale of certain rights. As the Company has not fulfilled certain conditions precedent, in our view, having regard to the provisions of AS 9 - Revenue Recognition and the generally accepted accounting principles in India, revenue recognition should be postponed till the said conditions are fulfilled. Consequently, loss after tax for the quarter and six months ended 30 September 2014 is lower by Rs 35,000,000.*
6. *Based on our review conducted as referred to above, except for the matter relating to WWI referred to in paragraph 4 above, the outcome and consequent adjustments to the un-audited financial results of which cannot be presently determined, and for the matters referred to in paragraphs 3 and 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement of un-audited financial results for the quarter ended 30 September 2014 and year to date results for the period 1 April 2014 to 30 September 2014, prepared in accordance with the Accounting Standards notified pursuant to the Companies (Accounting Standards) Rules, 2006 which continue to apply under Section 133 of the Companies Act 2013, and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed or that it contains any material misstatement.*

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022



Rajesh Mehra
Partner

Membership No: 103145

Mumbai
13 November 2014