

MUKTA ARTS LIMITED						Segment - wise Revenue, Results and Capital Employed					
Regd. Office: Mukta House, Rohini Whiting Woods Institute, Film City Complex, Goregaon (E), Mumbai-400 605											
Part 1 - Statement of unaudited financial results for the quarter ended 30 June 2014											
S.No.	Particulars	(Rs in Lacs, except per share data)				S.No.	Particulars				
		3 months ended 30 June 2014	3 months ended 31 March 2014	Corresponding 3 months ended 30 June 2013	Year ended 31 March 2014			3 months ended 30 June 2014	3 months ended 31 March 2014	Corresponding 3 months ended 30 June 2013	Year ended 31 March 2014
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)			(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income from operations					1	SEGMENT REVENUE				
(a)	Net sales / Income from operations	2,303.82	5,395.42	6,973.21	28,150.55	1	Software division	1,075.74	5,104.47	6,593.50	26,507.60
(b)	Other operating income	189.73	311.82	371.37	883.69		Equipment division	5.03	24.62	31.20	93.91
	Total income from operations (net)	2,493.55	5,707.24	7,344.58	29,034.24		Theatrical exhibition division	631.78	538.83	348.01	1,785.22
2	Expenses						Others	185.99	191.01	171.37	758.19
(a)	(Increase)/decrease in stock in trade	0.06	0.90	(5.31)	(0.47)	Total	2,498.54	5,818.93	7,162.88	29,254.93	
(b)	Purchase of food and beverage	58.14	42.00	28.21	129.13		Less: Inter segment revenue	-	121.64	18.50	150.63
(c)	Distribution and producer's share	2,204.21	4,855.48	6,494.12	26,506.74		Net sales/ Income from operation	2,498.54	5,727.29	7,144.58	29,054.29
(d)	Other direct operation expenses	41.88	91.64	18.41	171.24	2	SEGMENT RESULTS				
(e)	Employee benefits expense	128.53	174.65	148.42	638.42		Profit/(Loss) before tax and finance costs				
(f)	Amortisation of intangible assets (including film rights)	1,555.19	32.47	5.27	146.20		from each Segment				
(g)	Depreciation of tangible assets	123.04	133.24	90.56	420.60		Software division	(2,502.87)	(169.16)	69.29	(237.86)
(h)	Other expenses	341.89	633.10	254.35	1,575.03		Equipment division	(9.59)	(4.37)	(5.75)	(37.67)
	Total expenditure	4,973.97	6,021.44	7,034.03	29,176.83		Theatrical exhibition division	(13.71)	(5.95)	8.10	14.89
3	Profit/(loss) from operations before other income, finance costs and exceptional items	(2,478.41)	(314.24)	110.55	(142.65)		Others	157.82	182.01	140.64	446.95
(i)	Other income	137.85	128.41	112.37	574.83		Total	(2,345.84)	(96.47)	212.28	396.40
4	Profit/(loss) from ordinary activities before finance costs and exceptional items	(2,337.56)	(185.83)	222.92	431.18		Less: Finance costs	199.84	197.81	132.47	618.74
5	Finance costs	199.84	197.01	132.47	618.74		Other unallocable expenditure				
6	Profit/(loss) after finance costs but before exceptional items	(2,535.39)	(382.84)	90.35	(186.58)		Net of unallocable income	(31.37)	89.36	(10.54)	(35.77)
7	Exceptional item	-	-	-	-		Total profit/(loss) before tax	(2,535.41)	(382.84)	90.35	(186.58)
8	Profit/(loss) from ordinary activities before tax	(2,535.39)	(382.84)	90.35	(186.58)	3	CAPITAL EMPLOYED				
9	Profit/(loss) from continuing operation before tax	(2,534.64)	(419.53)	32.04	(406.20)		(Segment assets - Segment liabilities)				
10	Tax expenses (including MAT credit entitlement and deferred tax)	(83.99)	(124.64)	4.66	(123.73)		Software division	(213.94)	2,577.74	2,703.27	2,577.74
11	Profit/(loss) from continuing operation after tax	(2,454.63)	(544.19)	27.38	(530.47)		Equipment division	946.39	617.47	629.93	614.67
12	Profit/(loss) from discontinuing operation before tax	(6.77)	36.69	58.31	239.82		Theatrical exhibition division	1,853.77	2,336.14	1,545.95	2,208.14
13	Tax expenses (including MAT credit entitlement and deferred tax)	30.87	78.63	11.44	89.25		Others	1,423.41	1,363.61	1,520.99	1,263.61
14	Profit/(loss) from discontinuing operation after tax	(17.94)	(40.16)	46.87	150.57		Unallocable	5,791.33	5,029.04	5,495.82	5,029.04
15	Net profit/(loss) from ordinary activities after tax	(2,472.67)	(581.04)	74.26	(380.10)						
16	Less: extraordinary items (net of tax expenses)	(15.94)	197.01	132.47	618.74						
17	Profit/(loss) from ordinary activities after tax	(2,488.61)	(778.05)	206.73	(998.84)						
18	Profit/(loss) from continuing operation after tax	(2,466.64)	(696.62)	174.29	(789.63)						
19	Profit/(loss) from discontinuing operation after tax	(21.97)	(81.43)	32.44	(109.21)						
20	Basic and diluted earning per share (EPS) (not annualised) from continuing operation	(10.78)	(1.31)	0.12	(1.25)						
21	Basic and diluted earning per share (EPS) (not annualised) from discontinuing operation	(0.12)	(0.18)	0.21	0.58						
22	Basic and diluted earning per share (EPS) (not annualised) from continuing operation	(10.90)	(1.49)	0.33	(1.67)						

Part II				
Particulars of shareholdings				
1. Public shareholding				
(a)	Number of shares	6,691,910	6,691,910	6,691,910
(b)	Percentage of shareholding	29.83%	29.83%	29.83%
2. Promoter and promoter group shareholding				
(a)	Fledge / encumbered	-	-	-
(b)	Number of shares	-	-	-
(c)	% of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-
(d)	% of shares (as a % of the total share capital of the Company)	-	-	-
(e)	Non encumbered	-	-	-
(f)	Number of shares	15,889,290	15,889,290	15,889,290
(g)	% of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%
(h)	% of shares (as a % of the total share capital of the Company)	70.17%	70.17%	70.17%

Part III		3 months ended 30 June 2014	
Particulars			
Pending at the beginning of the quarter		-	-
Received during the quarter		-	-
Disposed off during the quarter		-	-
Remaining unenclosed at the end of the quarter		-	-

NOTES

- The above financial results have been reviewed by the audit committee and approved by the Board of Directors at the meeting held on 8 August 2014.
- The High Court of India at Bombay (High Court) has per order dated 09.02.2012, had quashed the Joint Venture Agreement (JVA) between the Company and MNSDCI, and passed consequential orders. WVI's petition for special leave to appeal filed with the Supreme Court of India has also been dismissed. The Company and WVI had filed applications to review the said order with the High Court and a stay was granted on 30 July 2014. However, the High Court has ordered WVI to pay arrears of rent for the years 2008-09 to 2013-14 aggregating to Rs. 10,01,00,000 by January 2015 and pay rent of Rs. 4,50,00,000 per annum from the year financial 2014-15, pending disposal of the review petition. 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 WVI. Accordingly, the impact on the unaudited financial results is not determinable. The auditors continue to modify their report on the said matter.
- Remuneration paid to the eligible managing director (including a film director fee) for earlier financial years from 2003-06 to 2013-2014 aggregating to Rs. 12,74,74,747 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 review remuneration paid (apparent review for remuneration aggregating to Rs. 52,20,00,000 for the financial years 2005-06, 2006-07 and 2007-08) and made applications to the authorities requesting retrospective approval for the balance current 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.
- During the year ended 31 March 2013, the Board of Directors approved the formation of a subsidiary of Mukta Arts Limited - the said company was incorporated in June 2013, to conduct the business of extension and programming currently being carried out by Mukta Arts Limited. The business was discontinued 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.
- Other income for the year ended 31 March 2014 includes proceeds from maturity of Knyam policy taken from LIC in an earlier year amounting to Rs. 119 lacs.
- During the quarter ended 31 March 2014 the Company has commenced its cinema at Vidharbhawan.
- Pursuant to Schedule III to the Companies Act 2013, during the quarter management re-evaluated the useful life of fixed assets. Consequently Rs. 61.68 lakhs has been charged to opening reserves in line with the transitional provisions and Rs. 22.44 lakhs is the additional depreciation charge accounted at the quarterly results.

For Mukta Arts Limited
Rohini Patel
 Managing Director

Date : 18 August 2014
 Place : Mumbai

BSR & Co. LLP

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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 June 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. Attention is drawn to the fact that the figures for the quarter ended 31 March 2014 reported in these financial results are the balancing figures between audited figures in respect of the full financial year ended 31 March 2014 and the published year to date figures up to the end of the third quarter of the said financial year. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors in their meeting held on 8 August 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 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.*

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

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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 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 a stay was granted on 30 July 2014. However, the High Court has ordered 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, pending disposal of the review petition. 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. *Based on our review conducted as referred to above, except for the matter relating to the investment in and loans and advances recoverable from 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 matter relating to the remuneration to the managing director referred to in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement of un-audited financial results for the quarter and year to date period ended 30 June 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 Mehta
Partner
Membership No: 103145

Mumbai
8 August 2014