

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 ended 30 June 2015

(Rs in lacs, except per share data)					
S.No	Particulars	3 months ended	3 months ended	Corresponding 3	Year ended
		30 June 2015	31 March 2015	months ended 30 June 2014	31 March 2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income from operations				
	(a) Net sales / Income from operations	1,021.04	824.00	2,308.82	9,429.63
	(b) Other operating income	302.21	242.30	189.73	970.12
	Total income from operations (net)	1,323.25	1,066.30	2,498.55	10,399.75
2	Expenses				
	a) (Increase)/ decrease in stock in trade	(4.00)	10.95	0.06	(11.41)
	b) Purchase of food and beverage	78.88	36.29	56.24	242.58
	c) Distributor and producer's share*	353.40	247.44	2,304.31	3,340.08
	d) Other direct operation expenses	88.23	(56.07)	41.80	1,115.80
	e) Employee benefits expense	217.57	214.12	126.53	701.00
	f) Amortisation of intangible assets (including films rights)	44.62	1.81	1,950.10	2,903.91
	g) Depreciation of tangible assets	138.64	240.22	133.04	683.70
	h) Other expenses	523.41	782.51	361.89	2,154.93
	Total expenditure	1,440.75	1,477.27	4,973.97	11,130.59
3	Profit/ (loss) from operations before other income, finance costs and exceptional items	(117.50)	(410.97)	(2,475.42)	(730.84)
4	Other Income	148.76	176.56	137.85	729.32
5	Profit/ (loss) from ordinary activities before finance costs and exceptional items	31.26	(234.41)	(2,337.57)	(1.52)
6	Finance costs	174.02	119.80	197.84	770.89
7	Profit/ (loss) after finance costs but before exceptional items	(142.76)	(354.21)	(2,535.41)	(772.41)
8	Exceptional item	-	-	-	-
9	Profit/ (loss) from ordinary activities before tax	(142.76)	(354.21)	(2,535.41)	(772.41)
10	Profit/ (loss) from continuing operation before tax	(142.76)	(354.21)	(2,528.64)	(774.76)
11	Tax expenses (including MAT credit entitlement)	-	-	(93.99)	(93.99)
12	Profit/ (loss) from continuing operation after tax	(142.76)	(354.21)	(2,434.65)	(680.77)
13	Profit/ (loss) from discontinuing operation before tax (refer Note 4)	-	-	(6.77)	2.35
14	Tax expenses (including MAT credit entitlement)	-	-	20.67	20.67
15	Profit/ (loss) from discontinuing operation after tax	-	-	(21.44)	(18.32)
16	Net profit (loss) from ordinary activities after tax	(142.76)	(354.21)	(2,462.09)	(699.09)
17	Extraordinary items (net of tax expenses)	-	-	-	-
18	Net profit/(loss) after tax and minority interest for the period	(142.76)	(354.21)	(2,462.09)	(699.09)
19	Paid-up equity share capital (face value of Rs. 5/- each)	1,129.06	1,129.06	1,129.06	1,129.06
20	Reserves excluding revaluation reserves	-	-	-	10,039.07
21	Basic and diluted earning per share (EPS) (not annualised) from continuing operation	(0.63)	(1.57)	(10.78)	(3.01)
22	Basic and diluted earning per share (EPS) (not annualised) from discontinuing operation	-	-	(0.12)	(0.08)
	* Distributor and producer's share for current quarter ended 30 June 2015 includes prior period expense aggregating to 24.96 lacs				
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
b)	Percentage of shareholding	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
ii)	% of shares (as a % of the total shareholding of promoter and promoter group)	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%
B	Investor complaints				
	Particulars			3 months ended 30 June 2015	
	Pending at the beginning of the quarter				-
	Received during the quarter				-
	Disposed off during the quarter				-
	Remaining unresolved at the end of the quarter				-



Segment - wise Revenue, Results and Capital Employed					
S.No	Particulars	(Rs in lacs)			
		Year ended			
		3 months ended 30 June 2015	3 months ended 31 March 2015	Corresponding 3 months ended 30 June 2014	31 March 2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
1	SEGMENT REVENUE				
	Software division	2.87	277.53	1,675.74	6,698.36
	Equipment division (including other income)	10.07	7.66	5.05	30.65
	Theatrical exhibition division	1,113.84	624.28	631.77	2,958.79
	Others	196.47	159.46	185.99	714.58
	Total	1,323.25	1,068.93	2,498.55	10,402.38
	Less: Inter segment revenue	-	2.63	-	2.63
	Net sales/ Income from operation	1,323.25	1,066.30	2,498.55	10,399.75
2	SEGMENT RESULTS				
	Profit/ (loss) before tax and finance costs from each Segment				
	Software division	(194.12)	100.55	(2,502.97)	(234.67)
	Equipment division	(3.58)	9.93	(9.59)	(37.67)
	Theatrical exhibition division	48.51	(51.28)	(13.71)	(73.89)
	Others	140.40	151.18	157.43	625.68
	Total	(8.79)	210.38	(2,368.84)	279.45
	Less: Finance costs	174.02	119.80	197.84	770.89
	Other un-allocable expenditure				
	Net of unallocable income	(40.05)	444.79	(31.27)	280.97
	Total profit before tax	(142.76)	(354.21)	(2,535.41)	(772.41)
3	CAPITAL EMPLOYED				
	(Segment assets - Segment liabilities)				
	Software division	565.73	724.45	(213.96)	724.45
	Equipment division	243.07	294.66	595.39	294.66
	Theatrical exhibition division	1,495.93	1,913.28	1,858.77	1,913.28
	Others	1,854.67	1,381.44	1,425.41	1,381.44
	Unallocable	6,882.34	6,854.42	5,791.33	6,854.42



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 13th August 2015.
- 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 ("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. As per the terms of the said Order, the Company paid Rs 104,538,000 by 31 March 2015. 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 Together with another venturer, a company was incorporated as a subsidiary of Mukta Arts Limited to conduct the business of exhibition and programming being carried out by Mukta Arts Limited. The business was discontinued during the year 2014-15 and is now being carried out by the subsidiary company. The results of the said business have been disclosed as Discontinuing operations in the results.
- 5 During the quarter, the Company has commenced its cinema at Kundli.
- 6 Figures for the previous quarter/ year have been regrouped/ rearranged to conform to current quarter's presentation.

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

Parvez A. Farooqui
Executive Director
DIN:00019853



Date : 13 August 2015
Place : Mumbai

B S R & Co. LLP

Chartered Accountants

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Review Report To the Board of Directors of Mukta Arts Limited

1. We have reviewed the accompanying Statement of unaudited financial results ('the Statement') of Mukta Arts Limited ('the Company') for the quarter ended 30 June 2015, 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 2015 reported in these financial results are the balancing figures between audited figures in respect of the full financial year ended 31 March 2015 and published year to date figures up to the end of the third quarter of the said financial year. The figures up to the end of the third quarter of the previous financial year had only been reviewed and not subjected to audit. 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 August 2015. 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 unaudited 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 2 to the accompanying 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 deposit of Rs 100,038,000 by January 2015 against payment of arrears of rent for the years 2000-01 to 2013-14 and payment of Rs 4,500,000 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 application was dismissed by the Supreme Court on 22 September 2014. The amounts so paid/ being paid by the Company have been treated as Deposits to be adjusted on the settlement of the case. 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.*

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

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Review Report (Continued)

Mukta Arts Limited

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 2013-2014 (total remuneration paid aggregates 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 and for recognition of the erstwhile managing director as a 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 the Act. Pending conclusion of this matter, no adjustment has been made in these financial results.
5. Based on our review conducted as referred to above, except for the 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 WWI referred to in paragraph 3 above, the outcome and consequent adjustments to the un-audited financial results of which cannot be presently determined, nothing has come to our attention that causes us to believe that the accompanying Statement of un-audited financial results prepared in accordance with Accounting Standards specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India 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



Rajesh Mehta
Partner

Membership No: 103145

Mumbai
13 August 2015