MUKTA ARTS LIMITED

Regd. Office: Mukta House, Behind Whistling Woods Institute, Film City Complex, Goregaon (E), Mumbai-400 065

Part 1 - Statement of audited financial results for six months ended 31 March 2014

(Rs in lacs, except per share data)

S.No	Particulars	3 months ended 31 March 2014	3 months ended 31 December 2013	Corresponding 3 months ended 31 March 2013	Year ended		Consolidated year ended	
					31 March 2014	31 March 2013	31 March 2014	31 March 2013
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)
1	**Income from operations**							
	(a) Net sales / Income from operations	**5,395.42**	7,449.88	5,722.26	**28,150.55**	25,207.74	**29,086.18**	26,878.86
	(b) Other operating income	**311.82**	216.80	169.90	**883.69**	574.03	**1,733.41**	802.30
	Total income from operations (net)	**5,707.24**	7,666.68	5,892.16	**29,034.24**	25,781.77	**30,819.59**	27,681.16
2	**Expenses**							
	a) (Increase)/ decrease in stock in trade	**0.90**	2.43	(4.69)	**(0.47)**	(7.25)	**(0.47)**	(7.25)
	b) Purchase of food and beverage	**42.00**	28.92	20.82	**129.13**	38.65	**129.13**	38.65
	c) Distributor and producer's share	**4,893.48**	6,897.83	5,373.11	**26,106.74**	23,374.06	**26,290.84**	23,409.24
	d) Other direct operation expenses	**91.64**	30.62	5.76	**171.24**	6.54	**(12.87)**	22.45
	e) Employee benefits expense	**174.65**	155.48	138.97	**628.42**	448.27	**1,061.47**	819.84
	f) Amortisation of intangible assets (including films rights)	**52.47**	51.57	69.73	**146.20**	69.73	**146.20**	69.73
	g) Depreciation of tangible assets	**133.24**	104.82	100.44	**420.60**	355.53	**708.92**	699.99
	h) Other expenses	**633.10**	389.11	486.51	**1,575.03**	1,075.95	**3,059.83**	2,312.26
	Total expenditure	**6,021.48**	7,660.78	6,190.65	**29,176.89**	25,361.48	**31,383.05**	27,364.91
3	**Profit/ (loss) from operations before other income, finance costs and exceptional items**	**(314.24)**	5.90	(298.49)	**(142.65)**	420.29	**(563.46)**	316.25
4	Other Income (refer Note 6)	**128.41**	230.07	133.73	**574.83**	481.11	**462.31**	224.59
5	**Profit/ (loss) from ordinary activities before finance costs and exceptional items**	**(185.83)**	235.97	(164.76)	**432.18**	901.40	**(101.16)**	540.84
6	Finance costs	**197.01**	149.82	128.21	**618.76**	503.09	**664.44**	569.49
7	**Profit/ (loss) after finance costs but before exceptional items**	**(382.84)**	86.15	(292.97)	**(186.58)**	398.31	**(765.60)**	(28.65)
8	Exceptional item	-	-	-	-	-	-	-
9	**Profit/ (loss) from ordinary activities before tax**	**(382.84)**	86.15	(292.97)	**(186.58)**	398.31	**(765.60)**	(28.65)
10	**Profit/ (loss) from continuing operation before tax**	**(419.53)**	16.00	(237.19)	**(406.20)**	232.42	**(765.60)**	(28.65)
11	Tax expenses (including MAT credit entitlement)	**(124.64)**	5.63	(26.19)	**(123.73)**	54.22	**(31.22)**	108.27
12	**Profit/ (loss) from continuing operation after tax**	**(294.89)**	10.38	(211.00)	**(282.47)**	178.20	**(734.38)**	(136.92)
13	**Profit/ (loss) from discontinuing operation before tax (refer Note 4)**	**36.69**	70.14	(55.78)	**219.62**	165.89	-	-
14	Tax expenses (including MAT credit entitlement)	**76.85**	(11.84)	(18.10)	**89.25**	53.83	-	-
15	**Profit/ (loss) from discontinuing operation after tax**	**(40.16)**	81.97	(37.68)	**130.37**	112.06	-	-
16	**Net profit/ (loss) from ordinary activities after tax**	**(335.04)**	92.35	(248.68)	**(152.10)**	290.26	**(734.38)**	(136.92)
17	Extraordinary items (net of tax expenses)	-	-	-	-	-	-	-
18	**Net profit/ (loss) for the period**	**(335.04)**	92.35	(248.68)	**(152.10)**	290.26	**(734.38)**	(136.92)
19	Minority Interest for current year (charge)/credit	-	-	-	-	-	**(0.15)**	0.01
20	**Net profit/(loss) after tax and minority interest for the period**	**(335.04)**	92.35	(248.68)	**(152.10)**	290.26	**(734.23)**	(136.93)
21	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	**1,129.18**	1,129.18
22	Reserves excluding revaluation reserves	-	-	-	**10,789.83**	10,942.04	**4,359.34**	4,883.47
23	Basic and diluted earning per share (EPS) (not annualised) from continuing operation	**(1.31)**	0.05	(0.93)	**(1.25)**	0.79	**(3.25)**	(0.61)
24	Basic and diluted earning per share (EPS) (not annualised) from discontinuing operation	**(0.18)**	0.36	(0.17)	**0.58**	0.50	-	-

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

B	**Investor complaints**	**3 Months ended 31 March 2014**
	Particulars	
	Pending at the beginning of the quarter	-
	Received during the quarter	**3**
	Disposed off during the quarter	**3**
	Remaining unresolved at the end of the quarter	-

Segment - wise Revenue, Results and Capital Employed

S.No	Particulars	3 months ended 31 March 2014	3 months ended 31 December 2013	Corresponding 3 months ended 31 March 2013	Year ended		Consolidated year ended	
					31 March 2014	31 March 2013	31 March 2014	31 March 2013
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)
1	**SEGMENT REVENUE**							
	Software division	**5,104.47**	6,924.09	5,453.92	**26,587.60**	24,646.56	**26,599.37**	24,713.20
	Equipment division (including other income)	**24.62**	11.78	5.64	**93.91**	36.73	**93.91**	36.73
	Theatrical exhibition division	**528.83**	516.37	262.70	**1,765.22**	524.46	**1,765.22**	524.46
	Education	-	-	-	-	-	**1,788.94**	1,832.75
	Others	**191.01**	216.80	169.89	**758.19**	574.02	**883.97**	574.02
	Total	**5,848.93**	7,669.04	5,892.15	**29,204.92**	25,781.77	**31,131.41**	27,681.16
	Less: Inter segment revenue	**121.64**	2.36	-	**150.63**	-	**150.63**	-
	Net sales/ Income from operation	**5,727.29**	7,666.68	5,892.15	**29,054.29**	25,781.77	**30,980.78**	27,681.16
2	**SEGMENT RESULTS**							
	Profit/ (loss) before tax and finance costs from each Segment							
	Software division	**(269.16)**	(72.69)	20.58	**(237.86)**	810.25	**(271.74)**	774.79
	Equipment division	**(4.37)**	(14.56)	(14.70)	**(27.67)**	(45.69)	**(27.67)**	(45.68)
	Theatrical exhibition division	**(5.95)**	37.27	(7.29)	**14.95**	(6.63)	**14.95**	(6.64)
	Education	-	-	-	-	-	**(257.40)**	(62.21)
	Others	**183.01**	169.61	152.28	**646.98**	494.15	**648.07**	494.15
	Total	**(96.47)**	119.63	150.87	**396.40**	1,252.08	**106.21**	1,154.41
	Less: Finance costs	**197.01**	149.82	128.21	**618.76**	503.09	**664.44**	569.49
	Other un-allocable expenditure							
	Net of unallocable income	**89.36**	(116.34)	315.63	**(35.77)**	350.67	**207.37**	613.58
	Total profit before tax	**(382.84)**	86.15	(292.97)	**(186.58)**	398.32	**(765.60)**	(28.66)
3	**CAPITAL EMPLOYED**							
	(Segment assets - Segment liabilities)							
	Software division	**2,577.74**	1,646.03	3,011.57	**2,577.74**	3,011.57	**2,594.73**	3,440.51
	Equipment division	**612.47**	644.59	684.40	**612.47**	684.40	**312.47**	380.02
	Theatrical exhibition division	**2,336.14**	1,973.32	1,445.67	**2,336.14**	1,445.67	**2,336.14**	1,332.39
	Education	-	-	-	-	-	**1,908.83**	2,031.24
	Others	**1,363.61**	1,395.40	1,029.91	**1,363.61**	1,029.91	**1,241.42**	1,210.27
	Unallocable	**5,029.04**	6,594.69	5,918.75	**5,029.04**	5,918.75	**(3,115.18)**	(2,381.77)

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 29 May 2014.

2 In the matter of two PIL's filed in the Bombay High Court, the Bombay High Court quashed the J. V. Agreement between Mukta Arts Limited (MAL) and Maharashtra Film Stage & Cultural Development Corporation Limited (MFSCDCL) and ordered Whistling Woods International (WWI) to return the 14.5 acre vacant land immediately and balance 5.5 acre land with structure by July 2014. Court also asked WWI to pay rent along with interest but allowed the same to be set off against market price of the building to be paid by Government as per valuation to be done. After Supreme Court of India dismissed the SLP filed by MAL against the impugned order, MAL & WWI have filed review petitions in Bombay High Court, which have not yet come up for hearing. MFSCDCL had demanded Rs 83.21 crores vide letter dated 3 December 2012, which has not been accounted for in view of the pending review petition referred to above. During the year 2012-13, the PWD Engineer has given his valuation report based on the Balance Sheet of WWI as at 31 March 2011. The said valuation report specifically mentions that market price is not considered. Further, MAL has made an application to the Government of Maharashtra in February 2013 to appoint expert valuers to determine the market price which in its view is the price to be determined by reading the directions in their proper perspective. Pending final disposal of the review petition and resolution of the above, and in view of the future plans for WWI which are being evaluated, management believes that the Company's investments in WWI and amounts due therefrom are good and recoverable as management is hopeful of reliefs based on the issues involved and on merits of the case, as also of a high valuation of the building. The auditors continue to modify their report on the said matter.

3 Remuneration paid to the managing director of the Company for the year ended 31 March 2014 (including as film director) and for earlier financial years from 2005-06 to 2012-2013 is in excess of the limits prescribed under Schedule XIII to the Companies Act, 1956. The Company made applications to the Central Government seeking post-facto approval, which is awaited. During the year 2011-12, the Company had received approval for part of the excess remuneration paid. The Company had made applications to the authorities requesting reconsideration/ approval for the balance excess remuneration. 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 quarter 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 on by Mukta Arts Limited. The results of the said business currently being carried out by MAL have been disclosed as Discontinuing operations in the standalone results. Previous quarter's/ period's figures have also been recast for comparative purposes.

5 WWIL has disputed the demand from income tax authorities aggregating to Rs 54.74 lakhs for the financial years ended 31 March 2004 and 31 March 2005, for which no provision has been made. The auditors fo WWIL continue to modify their report.

6 Other income for the quarter ended 31 Dec 13 includes proceeds from maturity of Keyman policy taken from LIC in an earlier year amounting to Rs 119 lacs.

7 During the year the Company has commenced its cinemas at Mumbai, Selu, Banswara and Vishakhapatnam

8 Figures for the previous quarter/ period have been regrouped/ rearranged to conform to current quarter's/ period's presentation.

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

Parvez A. Farooqui
Executive Director

Date : 29 May 2014
Place : Mumbai