MUKTA ARTS LIMITED
an entertainment company
Regd. Office : Mukta House, Behind Whistling Woods Institute, Filmcity Complex,
Goregaon (East), Mumbai 400 065. TEL.: 91-22-3364 9400

Corporate Relations Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E), Mumbai – 400 051

13th November, 2014

Kind Attn: **Mr. Hari K – Manager**

Dear Sirs,

In pursuance to the Clause 41 of the Listing Agreement, please find enclosed herewith the Unaudited Financial Results along with segment wise results of the Company for the Quarter ended 30th September, 2014. Also is enclosed a copy of "Limited Review" Certificate from our Statutory Auditors, B S R & Co. LLP, Chartered Accountants for the said Quarter as required by the said clause. The above have been taken on record in the Meeting of the Board of Directors held today viz., 13th November, 2014.

Thanking you,

Yours Faithfully,
For and on behalf
Mukta Arts Limited

Ravi B. Poplai
Company Secretary

Encl: As above.

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

Part I - Statement of un-audited financial results for the quarter and six months ended 30 September 2014

(Rs. in lacs, except per share data)

Sr.No.	Particulars	3 months ended 30 September 2014	3 months ended 30 June 2014	Corresponding 3 months ended 30 September 2013	6 months ended 30 September 2014	Corresponding 6 months ended 30 September 2013	Year ended 31 March 2014
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income from operations						
	(a) Net sales / Income from operations	2,349.87	1,508.82	4,572.04	3,858.70	10,300.20	36,180.20
	(b) Other operating income	105.48	109.73	105.70	215.21	703.87	887.87
	Total income from operations (net)	2,364.96	1,618.55	4,677.74	4,073.91	11,004.07	37,068.24
2	Expenses						
	a) (Increase)/ decrease in stock-in-trade	(14.28)	0.86	9.18	(13.42)	2.80	(0.47)
	b) Purchase of food and beverage	31.47	36.24	22.61	107.78	30.62	109.15
	c) Distributor and producer's share	224.08	1,244.21	2,821.21	2,470.29	14,215.45	26,106.74
	d) Other direct expenses expenses	3.76	41.80	30.27	45.56	68.98	171.24
	e) Employee benefits expense	183.68	158.52	149.87	288.21	298.19	618.43
	f) Amortisation of intangible assets (excluding films rights)	105.78	1,901.10	36.89	2,006.88	43.14	146.20
	g) Depreciation of tangible assets	143.36	105.06	91.39	276.20	202.20	420.60
	h) Other expenses	918.84	361.89	298.47	980.63	552.83	1,073.05
	Total expenditure	2,596.91	4,975.87	4,460.01	7,566.13	15,496.20	29,176.89
3	Profit/ (loss) from operations before other income, finance costs and exceptional items	24.78	(3,475.41)	26.53	(2,454.43)	192.47	(142.65)
4	Other income	306.26	157.83	316.07	514.41	214.50	374.85
5	Profit/ (loss) from ordinary activities before finance costs and exceptional items	297.34	(3,597.56)	339.21	(2,738.83)	206.83	374.85
6	Finance costs	219.66	197.84	129.45	408.69	271.99	432.18
7	Profit/ (loss) after finance costs but before exceptional items	(3.32)	(3,795.39)	33.76	(3,210.71)	271.92	418.76
8	Exceptional item	-	-	-	-	118.10	(186.58)
9	Profit/(loss) from ordinary activities before tax	(3.32)	(3,553.39)	33.76	(3,210.71)	153.10	(186.58)
10	Profit/ (loss) from continuing operation before tax	(3.32)	(3,210.64)	(37.56)	(3,213.96)	(5.72)	(408.39)
11	Tax expenses (including MAT credit entitlement and deferred tax)	-	(93.99)	(6.07)	(93.99)	(4.72)	(122.71)
12	Profit/ (loss) from continuing operation after tax	(3.32)	(3,424.63)	(30.99)	(3,607.95)	(1.00)	(285.67)
13	Profit/ (loss) from discontinuing operation before tax (refer Note 4)	-	(6.77)	97.01	(6.77)	153.82	219.62
14	Tax expenses (including MAT credit entitlement and deferred tax)	-	39.67	12.88	39.67	34.24	85.25
15	Profit/ (loss) from discontinuing operation after tax	-	(37.44)	84.73	(37.44)	91.58	134.37
16	Net profit/ (loss) from ordinary activities after tax	(3.32)	(3,462.07)	53.73	(3,645.39)	90.58	(151.30)
17	Extraordinary items (net of tax expense)	-	-	-	-	-	-
18	Net profit/ (loss) for the period	(3.32)	(3,462.07)	53.73	(3,462.39)	90.58	(151.30)
19	Paid-up equity share capital (face value of Rs. 5/- each)	1,125.06	1,125.06	1,125.06	1,125.06	1,125.06	1,125.06
20	Reserve excluding revaluation reserves	-	-	-	-	-	10,756.85
21	Basic and diluted earning per share (EPS) (not annualised) from continuing operation	(0.01)	(15.79)	(0.13)	(16.60)	(0.00)	(1.28)
22	Basic and diluted earning per share (EPS) (not annualised) from discontinuing operation	-	(0.12)	0.20	(0.12)	0.41	0.68

Part II

A	Particulars of shareholding						
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	29.67%	29.67%	29.67%	29.67%	29.67%	29.67%
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	15,849,290	15,849,290	15,849,290	15,849,290	15,849,290	15,849,290
	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)	70.33%	70.33%	70.33%	70.33%	70.33%	70.33%

B	Investor complaints	3 Months ended 30 September 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

Sr.No.	Particulars	3 months ended 30 September 2014	3 months ended 30 June 2014	Corresponding 3 months ended 30 September 2013	6 months ended 30 September 2014	Corresponding 6 months ended 30 September 2013	Year ended 31 March 2014
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	SEGMENT REVENUE						
	Software division	1,344.81	1,672.74	7,964.75	3,061.69	14,599.54	26,987.60
	Equipment division	9.56	5.02	34.21	14.58	57.21	93.91
	Theatrical exhibition division	851.41	831.78	913.83	1,683.19	739.25	1,760.15
	Others	145.20	102.99	170.80	378.19	308.37	386.97
	Total	2,794.95	2,695.54	9,214.48	5,491.20	15,404.36	29,226.62
	Less: Inter segment revenue	-	-	8.24	-	24.49	(30.60)
	Net sales/ Income from operation	2,794.95	2,695.54	9,213.74	5,491.20	15,668.22	29,256.20
2	SEGMENT RESULTS						
	Profit/(Loss) before tax and finance costs from each Segment						
	Software division	32.46	(2,202.97)	74.48	(2,170.52)	102.47	(257.66)
	Equipment division	(11.88)	(9.26)	(7.81)	(21.13)	(8.75)	(27.67)
	Theatrical exhibition division	7.20	(23.71)	(39.47)	(16.51)	(14.28)	14.48
	Others	164.88	127.42	153.73	292.30	294.37	444.98
	Total	196.35	(2,108.51)	180.94	(1,772.16)	373.81	396.13
	Less: Finance costs	219.66	197.84	129.45	408.69	271.99	432.18
	Other un-allocable expenditure						
	Net of unallocable income	(19.99)	(91.07)	1.75	(82.07)	(8.79)	(28.77)
	Total profit/(loss) before tax	(3.32)	(3,220.41)	53.74	(3,230.73)	110.14	(186.58)
3	CAPITAL EMPLOYED						
	(Segment assets - Segment liabilities)						
	Software division	328.12	(512.96)	947.34	328.12	947.34	3,837.76
	Equipment division	596.24	599.39	658.94	596.24	658.94	832.67
	Theatrical exhibition division	136.60	1,866.77	2,005.86	136.60	2,005.86	2,356.16
	Others	1,389.46	1,422.41	1,294.26	1,389.46	1,294.26	1,345.41
	Unallocable	7,229.20	3,791.23	7,324.01	7,229.20	7,324.01	8,529.16

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 5.02.2013 passed by the High Court of Judicature at Bombay (High Court), Maharashtra Film Stage and Cultural Development Corporation Limited ("MFSCDC") stated not discount of Rs.201,904,210 and added NVML as assets the promoter. The Company's and NVCL Scheme Petitions were heard by High Court and a stay was granted on 28 July 2014. However, the High Court has ordered the Company/NVCL to pay arrears of rent for the years 2008-09 to 2012-13 aggregating to Rs.127,916,787 as on January 2014 and pay rent of Rs.4,500,000 per annum from the financial year 2006-07. As per the terms of the said Scheme, the Company has paid Rs.22,500,000 for 30 September 2014 and further Rs.25,000,000 in October 2014. During the quarter, the State Government of Maharashtra and MFSCDC 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 an film director) and to earlier financial years from 2005-06 to 2013-2014 aggregating to Rs.129,116,787 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.75,240,000 for the financial years 2005-06, 2006-07 and 2007-08) and made applications to the authorities in respecting reconsideration/ approval on the balance excess remuneration. Throughout communications dated 10 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 filed an appeal against the 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 adjustments has been made to 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 termination with unrelated venturer, of a company as a subsidiary of Mukta Arts Limited - the said company was incorporated on June 2013, to venture the business in exhibition and programming currently being carried out by Mukta Arts Limited. The business was discontinued during the period and investment in 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 insurance of Kerosine product values from LIC in an earlier year amounting to Rs.11,800,000.

6 Income for the quarter ended 30 September 2014 also the Company has concentrated by Gautam at Sangli and Hyderabad.

7 Finance costs for the previous includes Rs.20,000,000 relating to sale of certain rights. The Company has recognised revenue based on milestone payments received. As certain conditions precedent are to be satisfied, the auditors have modified their report in this regard. Management is confident that the said conditions will be satisfied in due course

For Mukta Arts Limited
Ramesh Sippy
Chairman and Managing Director

Date : 13 November 2014
Place : Mumbai

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.*

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