MUKTA ARTS LIMITED

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

(Rs in lacs, except per share data)

S.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	**2,189.47**	2,308.82	8,332.04	**4,498.29**	15,305.25	28,150.55
	(b) Other operating income	**205.48**	189.73	183.70	**395.21**	355.07	883.69
	Total income from operations (net)	**2,394.95**	2,498.55	8,515.74	**4,893.50**	15,660.32	29,034.24
2	**Expenses**						
	a) (Increase)/ decrease in stock in trade	**(14.28)**	0.06	9.10	**(14.22)**	3.80	(0.47)
	b) Purchase of food and beverage	**71.47**	56.24	22.41	**127.70**	50.62	129.13
	c) Distributor and producer's share	**574.08**	2,304.31	7,821.31	**2,878.39**	14,315.43	26,106.74
	d) Other direct operation expenses	**1.74**	41.80	30.57	**43.54**	48.98	171.24
	e) Employee benefits expense	**153.68**	126.53	149.87	**280.21**	298.29	628.42
	f) Amortisation of intangible assets (including films rights)	**925.78**	1,950.10	36.89	**2,875.88**	42.16	146.20
	g) Depreciation of tangible assets	**143.16**	133.04	91.99	**276.20**	182.55	420.60
	h) Other expenses	**518.54**	361.89	298.47	**880.43**	552.82	1,575.03
	Total expenditure	**2,374.17**	4,973.97	8,460.61	**7,348.13**	15,494.65	29,176.89
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	(142.65)
4	Other Income	**186.56**	137.85	104.07	**324.41**	216.35	574.83
5	**Profit/ (loss) from ordinary activities before finance costs and exceptional items**	**207.34**	(2,337.56)	159.21	**(2,130.22)**	382.02	432.18
6	Finance costs	**210.66**	197.84	139.45	**408.49**	271.92	618.76
7	**Profit/ (loss) after finance costs but before exceptional items**	**(3.32)**	(2,535.39)	19.76	**(2,538.71)**	110.10	(186.58)
8	Exceptional item	**-**	-	-	**-**	-	-
9	**Profit/(loss) from ordinary activities before tax**	**(3.32)**	(2,535.39)	19.76	**(2,538.71)**	110.10	(186.58)
10	**Profit/ (loss) from continuing operation before tax**	**(3.32)**	(2,528.64)	(37.76)	**(2,531.94)**	(5.72)	(406.20)
11	Tax expenses (including MAT credit entitlement and deferred tax)	**-**	(93.99)	(9.37)	**(93.99)**	(4.72)	(123.73)
12	**Profit/ (loss) from continuing operation after tax**	**(3.32)**	(2,434.63)	(28.39)	**(2,437.95)**	(1.00)	(282.47)
13	**Profit/ (loss) from discontinuing operation before tax (refer Note 4)**	**-**	(6.77)	57.51	**(6.77)**	115.82	219.62
14	Tax expenses (including MAT credit entitlement and deferred tax)	**-**	20.67	12.80	**20.67**	24.24	89.25
15	**Profit/ (loss) from discontinuing operation after tax**	**-**	(27.44)	44.71	**(27.44)**	91.58	130.37
16	**Net profit/ (loss) from ordinary activities after tax**	**(3.32)**	(2,462.07)	16.32	**(2,465.39)**	90.58	(152.10)
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	(152.10)
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	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)	(1.25)
22	Basic and diluted earning per share (EPS) (not annualised) from discontinuing operation	**-**	(0.12)	0.20	**(0.12)**	0.41	0.58
	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
	b) Percentage of shareholding	**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
	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)	**70.37%**	70.37%	70.37%	**70.37%**	70.37%	70.37%

Segment - wise Revenue, Results and Capital Employed

S.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	**1,388.85**	1,675.74	7,966.75	**3,064.59**	14,559.04	26,587.60
	Equipment division	**9.50**	5.03	26.31	**14.53**	57.51	93.91
	Theatrical exhibition division	**811.41**	631.78	352.02	**1,443.19**	720.03	1,765.22
	Others	**185.20**	185.99	179.00	**371.19**	350.37	758.19
	Total	**2,394.95**	2,498.54	8,524.08	**4,893.50**	15,686.95	29,204.92
	Less: Inter segment revenue	**-**	-	8.34	**-**	26.63	150.63
	Net sales/ Income from operation	**2,394.95**	2,498.54	8,515.74	**4,893.50**	15,660.32	29,054.29
2	**SEGMENT RESULTS**						
	Profit/(Loss) before tax and finance costs from each Segment						
	Software division	**32.65**	(2,502.97)	34.68	**(2,470.32)**	103.97	(237.86)
	Equipment division	**(11.58)**	(9.59)	(3.01)	**(21.17)**	(8.75)	(27.67)
	Theatrical exhibition division	**7.20**	(13.71)	(24.47)	**(6.51)**	(16.36)	14.95
	Others	**168.08**	157.42	153.75	**325.50**	294.37	646.98
	Total	**196.35**	(2,368.84)	160.96	**(2,172.50)**	373.22	396.40
	Less: Finance costs	**210.66**	197.84	139.45	**408.49**	271.92	618.76
	Other un-allocable expenditure Net of unallocable income	**(11.00)**	(31.27)	1.75	**(42.27)**	(8.79)	(35.77)
	Total profit/(loss) before tax	**(3.31)**	(2,535.41)	19.76	**(2,538.71)**	110.10	(186.58)
3	**CAPITAL EMPLOYED**						
	(Segment assets - Segment liabilities)						
	Software division	**128.12**	(213.96)	967.26	**128.12**	967.26	2,577.74
	Equipment division	**596.24**	595.39	658.94	**596.24**	658.94	612.47
	Theatrical exhibition division	**136.65**	1,858.77	2,005.08	**136.65**	2,005.08	2,336.14
	Others	**1,309.46**	1,425.41	1,396.38	**1,309.46**	1,396.38	1,363.61
	Unallocable	**7,239.20**	5,791.33	7,134.01	**7,239.20**	7,134.01	5,029.04

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 ('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 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 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 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
Place : Mumbai

Parvez A. Farooqui
Executive Director