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

12th February, 2015

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 31st December, 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., 12th February, 2015.

Thanking you,

Yours Faithfully,
For and on behalf
Mukta Arts Limited

Ravi B. Poplai
Company Secretary

Encl: As above.

MUKTA ARTS LIMITED

CIN L92110MH1982PLC028350

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 nine months ended 31 December 2014

(Rs in lacs, except per share data)

S.No	Particulars	3 months ended 31 December 2014	3 months ended 30 September 2014	Corresponding 3 months ended 31 December 2013	9 months ended 31 December 2014	Corresponding 9 months ended 31 December 2013	Year ended 31 March 2014
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income from operations						
	(a) Net sales / Income from operations	4,250.97	2,189.47	7,449.88	8,749.26	22,755.13	28,150.55
	(b) Other operating income	188.99	205.48	216.80	584.20	571.87	883.69
	Total income from operations (net)	4,439.96	2,394.95	7,666.68	9,333.46	23,327.00	29,034.24
2	Expenses						
	a) (Increase)/ decrease in stock in trade	(8.09)	(14.28)	2.43	(22.37)	(1.37)	(0.47)
	b) Purchase of food and beverage	78.53	71.47	28.92	206.29	87.13	129.13
	c) Distributor and producer's share	1,323.43	574.08	6,897.83	4,201.52	21,213.26	26,106.74
	d) Other direct operation expenses	19.16	1.74	30.62	62.70	79.59	171.24
	e) Employee benefits expense	206.67	153.68	155.48	486.88	453.77	628.42
	f) Amortisation of intangible assets (including films rights)	26.22	925.78	51.57	2,902.10	93.73	146.20
	g) Depreciation of tangible assets	167.28	143.16	104.82	443.49	287.27	420.60
	h) Other expenses	491.99	518.54	389.11	1,372.42	941.93	1,575.03
	Total expenditure	2,305.19	2,374.18	7,660.78	9,653.33	23,155.41	29,176.89
3	Profit/ (loss) from operations before other income, finance costs and exceptional items	2,134.77	20.78	5.90	(319.87)	171.59	(142.65)
4	Other Income	228.35	186.56	230.07	552.75	446.42	574.83
5	Profit/ (loss) from ordinary activities before finance costs and exceptional items	2,363.12	207.34	235.97	232.88	618.01	432.18
6	Finance costs	242.60	210.66	149.82	651.10	421.74	618.76
7	Profit/ (loss) after finance costs but before exceptional items	2,120.52	(3.32)	86.15	(418.22)	196.27	(186.58)
8	Exceptional item	-	-	-	-	-	-
9	Profit/(loss) from ordinary activities before tax	2,120.52	(3.32)	86.15	(418.22)	196.27	(186.58)
10	Profit/ (loss) from continuing operation before tax	2,120.52	(3.32)	16.00	(411.45)	13.32	(406.20)
11	Tax expenses (including MAT credit entitlement and deferred tax)	-	-	5.63	(94.00)	0.91	(123.73)
12	Profit/ (loss) from continuing operation after tax	2,120.52	(3.32)	10.38	(317.45)	12.40	(282.47)
13	Profit/ (loss) from discontinuing operation before tax (refer Note 4)	-	-	70.14	(6.77)	182.93	219.62
14	Tax expenses (including MAT credit entitlement and deferred tax)	-	-	(11.84)	20.67	12.40	89.25
15	Profit/ (loss) from discontinuing operation after tax	-	-	81.97	(27.44)	170.53	130.37
16	Net profit/ (loss) from ordinary activities after tax	2,120.52	(3.32)	92.35	(344.89)	182.93	(152.10)
17	Extraordinary items (net of tax expenses)	-	-	-	-	-	-
18	Net profit/ (loss) for the period	2,120.52	(3.32)	92.35	(344.89)	182.93	(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	9.39	(0.01)	0.05	(1.41)	0.05	(1.25)
22	Basic and diluted earning per share (EPS) (not annualised) from discontinuing operation	-	-	0.36	(0.12)	0.76	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%

B	Investor complaints	3 Months ended 31 December 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	-

Segment - wise Revenue, Results and Capital Employed

S.No	Particulars	3 months ended 31 December 2014	3 months ended 30 September 2014	Corresponding 3 months ended 31 December 2013	9 months ended 31 December 2014	Corresponding 9 months ended 31 December 2013	Year ended 31 March 2014
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	SEGMENT REVENUE						
	Software division	3,356.24	1,388.85	6,924.09	6,420.83	21,483.13	26,587.60
	Equipment division	8.45	9.50	11.78	22.95	69.29	93.91
	Theatrical exhibition divisions	891.32	811.41	516.37	2,334.51	1,236.40	1,760.22
	Others (Rent)	183.95	183.20	216.80	555.14	567.17	758.19
	Total	4,439.96	2,394.95	7,669.04	9,333.46	23,355.99	29,204.92
	Less: Inter segment revenue	-	-	2.36	-	28.99	150.63
	Net sales/ Income from operation	4,439.96	2,394.95	7,666.68	9,333.46	23,327.00	29,054.29
2	SEGMENT RESULTS						
	Profit/(Loss) before tax and finance costs from each Segment						
	Software division	2,135.10	32.65	(72.69)	(335.22)	31.50	(237.86)
	Equipment division	(26.44)	(11.58)	(14.56)	(47.60)	(23.30)	(27.67)
	Theatrical exhibition division	(16.10)	7.20	37.27	(22.61)	20.90	14.95
	Others (Rent)	148.95	168.08	169.61	474.45	463.97	646.98
	Total	2,241.54	196.35	119.63	69.05	492.87	396.40
	Less: Finance costs	242.60	210.66	149.82	651.10	421.74	618.76
	Other un-allocable expenditure						
	Net of unallocable income	(121.57)	(11.00)	(116.34)	(163.83)	(125.13)	(35.77)
	Total profit/(loss) before tax	2,120.51	(3.31)	86.15	(418.22)	196.27	(186.58)
3	CAPITAL EMPLOYED						
	(Segment assets - Segment liabilities)						
	Software division	1,424.33	128.12	1,646.03	1,424.33	1,646.03	2,577.74
	Equipment division	554.26	596.24	644.59	554.26	644.59	612.47
	Theatrical exhibition division	1,917.66	136.65	1,973.32	1,917.66	1,973.32	2,336.14
	Others (Rent)	1,308.34	1,309.46	1,395.40	1,308.34	1,395.40	1,363.61
	Unallocable	6,329.51	7,239.20	6,594.69	6,329.51	6,594.69	5,029.04

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 12 February 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 has ordered the Company/WWI to pay arrears of rent for the years 2000-01 to 2013-14 aggregating to Rs 180,058,000 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 86,538,000 by 31 December 2014 and further Rs 18,000,000 in January 2015. 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 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 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 31 December 2014 the Company has commenced its cinema at Bhopal.

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 continue to modify their report in this regard. Management is confident that the said conditions will be fulfilled in due course.

8 During the quarter ended 31 December 2014, the Company fulfilled its obligation to the satisfaction of the assignee relating to the sale/ second sale in earlier years of satellite rights for a future telecast period to the existing assignee through a new agreement. The Company views it as an agreement to grant extension of rights for certain movies while also granting fresh rights for other movies. Accordingly, the Company has recognised revenue of Rs 215,000,000 for the entire period. The auditors have modified their report in this regard.

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

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

Parvez A. Farooqui
Executive Director

Date : 12 February 2015
Place : Mumbai

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 31 December 2014 and year to date results for the period 1 April 2014 to 31 December 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 12 February 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 Engagements ('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 and for recognition of the erstwhile managing director as a professionally qualified person under the Companies Act, 1956. 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 orders in respect of the above. 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 to deposit 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. 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 8 to the accompanying Statement of un-audited financial results, the Company in earlier years had entered into an agreement for sale/ second sale of satellite rights for a future telecast period to the existing assignee through a new agreement. During the quarter ended 31 December 2014, having regard to the completion of Company's obligation to the satisfaction of the assignee, the Company has recognised revenue for the entire period in respect of movies for which the rights are already being exploited by the assignee. In our view, revenue recognition should be postponed till the date effective which the right to telecast is available to assignee under the second agreement, being two separate, distinct agreements. Accordingly, the Company has recognized excess revenue of Rs 213,000,000 with corresponding equal impact on the profit after tax for the quarter ended 31 December 2014 and loss after tax for the nine months ended 31 December 2014.*

6. *As explained in Note 7 to the accompanying Statement of un-audited financial results, during the quarter ended 30 September 2014, the Company had 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 ended 30 September 2014 and nine months ended 31 December 2014 is lower by Rs 35,000,000.*

Review Report *(Continued)*

Mukta Arts Limited

7. 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, 5 and 6 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 31 December 2014 and year to date results for the period 1 April 2014 to 31 December 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 read with Rule 7 of the Companies (Accounts) Rules, 2014, 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
12 February 2015