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

8th August, 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 June, 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 subject clause. The above have been taken on record in the Meeting of the Board of Directors held today viz., 8th August, 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 unaudited financial results for the quarter ended 30 June 2014

(Rs in lacs, except per share data)

S.No	Particulars	3 months ended 30 June 2014	3 months ended 31 March 2014	Corresponding 3 months ended 30 June 2013	Year ended 31 March 2014
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income from operations				
	(a) Net sales / Income from operations	2,308.52	5,395.42	6,973.21	28,150.55
	(b) Other operating income	189.73	311.82	171.37	883.69
	Total income from operations (net)	2,498.55	5,707.24	7,144.58	29,034.24
2	Expenses				
	a) (Increase)/ decrease in stock in trade	0.06	0.90	(3.31)	(0.47)
	b) Purchase of food and beverage	56.24	42.00	28.21	129.13
	c) Distributor and producer's share	2,304.31	4,893.48	6,494.12	26,106.74
	d) Other direct operation expenses	41.80	91.64	18.41	171.24
	e) Employee benefits expense	126.53	174.65	148.42	628.42
	f) Amortisation of intangible assets (including films rights)	1,950.10	52.47	5.27	146.20
	g) Depreciation of tangible assets	133.04	133.24	90.56	420.60
	h) Other expenses	361.89	633.10	254.35	1,575.03
	Total expenditure	4,973.97	6,021.48	7,034.03	29,176.89
3	Profit/ (loss) from operations before other income, finance costs and exceptional items	(2,475.41)	(314.24)	110.55	(142.65)
4	Other Income	137.85	128.41	112.27	574.83
5	Profit/ (loss) from ordinary activities before finance costs and exceptional items	(2,337.56)	(185.83)	222.82	432.18
6	Finance costs	197.84	197.01	132.47	618.76
7	Profit/ (loss) after finance costs but before exceptional items	(2,535.39)	(382.84)	90.35	(186.58)
8	Exceptional item	-	-	-	-
9	Profit/(loss) from ordinary activities before tax	(2,535.39)	(382.84)	90.35	(186.58)
10	Profit/ (loss) from continuing operation before tax	(2,528.64)	(419.53)	32.04	(406.20)
11	Tax expenses (including MAT credit entitlement and deferred tax)	(92.99)	(124.64)	4.66	(123.73)
12	Profit/ (loss) from continuing operation after tax	(2,434.63)	(294.89)	27.38	(282.47)
13	Profit/ (loss) from discontinuing operation before tax (refer Note 4)	(6.77)	36.69	58.31	219.62
14	Tax expenses (including MAT credit entitlement and deferred tax)	20.67	76.83	11.44	89.25
15	Profit/ (loss) from discontinuing operation after tax	(27.44)	(40.16)	46.87	130.37
16	Net profit/ (loss) from ordinary activities after tax	(2,462.07)	(335.04)	74.26	(152.10)
17	Extraordinary items (net of tax expenses)	-	-	-	-
18	Net profit/ (loss) for the period	(2,462.07)	(335.04)	74.26	(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
20	Reserves excluding revaluation reserves	-	-	-	10,789.83
21	Basic and diluted earning per share (EPS) (not annualised) from continuing operation	(10.78)	(1.31)	0.12	(1.25)
22	Basic and diluted earning per share (EPS) (not annualised) from discontinuing operation	(0.12)	(0.18)	0.21	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
	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	3 Months ended 30 June 2014
	Particulars	
	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	3 months ended 30 June 2014	3 months ended 31 March 2014	Corresponding 3 months ended 30 June 2013	Year ended 31 March 2014
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	SEGMENT REVENUE				
	Software division	1,675.74	5,104.47	6,592.50	26,587.60
	Equipment division	5.63	24.62	31.20	93.91
	Theatrical exhibition division	631.78	528.83	368.01	1,765.22
	Others	185.99	191.01	171.37	758.19
	Total	2,498.54	5,848.93	7,162.88	29,204.92
	Less: Inter segment revenue	-	121.64	18.30	150.63
	Net sales/ Income from operation	2,498.54	5,727.29	7,144.58	29,054.29
2	SEGMENT RESULTS				
	Profit/(Loss) before tax and finance costs from each Segment				
	Software division	(2,502.97)	(269.16)	69.29	(237.86)
	Equipment division	(9.59)	(4.37)	(5.75)	(27.67)
	Theatrical exhibition division	(13.71)	(5.95)	8.10	14.95
	Others	157.42	183.01	140.64	646.98
	Total	(2,368.84)	(96.47)	212.28	396.40
	Less: Finance costs	197.84	197.01	132.47	618.76
	Other un-allocable expenditure net of unallocable income	(31.27)	89.36	(10.54)	(35.77)
	Total profit/(loss) before tax	(2,535.41)	(382.84)	90.35	(186.58)
3	CAPITAL EMPLOYED				
	(Segment assets - Segment liabilities)				
	Software division	(213.96)	2,577.74	2,703.27	2,577.74
	Equipment division	595.39	612.47	679.93	612.47
	Theatrical exhibition division	1,858.77	2,336.14	1,545.35	2,336.14
	Others	1,425.41	1,363.61	1,520.99	1,363.61
	Unallocable	5,791.33	5,029.04	5,695.82	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 8 August 2014.

2 The High Court of Judicature at Bombay (High Court)as per order dated 09.02.2012 had quashed the Joint Venture Agreement ("JVA") between the Company and MHSCDCL 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 a stay was granted on 30 July 2014. However, the High Court has ordered WWI to pay arrears of rent for the years 2000-01 to 2013-14 aggregating to Rs 100,034,000 by January 2015 and pay rent of Rs 4,500,000 per annum from the year financial 2014-15, pending disposal of the review petition. Having regard to the circumstances explained above and pending final outcome of the matter under litigation, the Company has not made any adjustment in the carrying value of investments in and amounts due from WWI. Accordingly, the impact on the un-audited financial results is not determinable. 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 125,741,747 is in excess of the limits prescribed under Schedule XIII to the Companies Act, 1956. During the year 2013-12, 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 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 119 lacs.

6 During the quarter ended 31 March 2014 the Company has commenced its cinemas at Vishakhapatnam.

7 Pursuant to Schedule II to the Companies Act 2013, during the quarter management re-evaluated the useful life of fixed assets. Consequently Rs 51.65 lakhs has been charged to opening reserves in line with the transitional provisions and Rs 22.44 lakhs is the additional depreciation charge accounted in the quarterly results

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

Rahul Puri
Managing Director

Date : 8 August 2014
Place : Mumbai

B S R & Co. LLP
Chartered Accountants

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Apollo Mills Compound
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India

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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 June 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. Attention is drawn to the fact that the figures for the quarter ended 31 March 2014 reported in these financial results are the balancing figures between audited figures in respect of the full financial year ended 31 March 2014 and the published year to date figures up to the end of the third quarter of the said financial year. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors in their meeting held on on 8 August 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 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.*

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 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 a stay was granted on 30 July 2014. However, the High Court has ordered 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, pending disposal of the review petition. 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. Based on our review conducted as referred to above, *except for the matter relating to the investment in and loans and advances recoverable from 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 matter relating to the remuneration to the managing director referred to in paragraph 3 above,* nothing has come to our attention that causes us to believe that the accompanying Statement of un-audited financial results for the quarter and year to date period ended 30 June 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 Mehta
Partner
Membership No: 103145

Mumbai
8 August 2014