MUKTA ARTS LIMITED
an entertainment company
Regd. Office : Mukta House, Behind Whistling Woods Institute, Filmcity Complex,
Goregaon (East), Mumbai 400 065. TEL.: 91-22-3091 6250 / 6251.

Fax No. 26598348/2659 8237 / 38 /66418124 /25/ 26

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

12th November, 2010

Kind Attn: **Corporate Relations Department**

Dear Sirs,

In pursuance to the clause 41 of the Listing Agreement, please find enclosed herewith the Un-Audited Financial Results for the 2nd Quarter ended 30th September, 2010 along with segment wise results of the Company 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 November, 2010.

Thanking you,

Yours Faithfully,

For and on behalf of
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

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH SEPTEMBER 2010

(Rs in Lacs except per share data)

S.No	Particulars	Quarter ended		Six months ended		Year ended
		30 September 2010	30 September 2009	30 September 2010	30 September 2009	31 March 2010
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**(a) Net Sales / Income from Operations**	7,369.98	1,119.54	10,703.82	1,850.79	8,888.31
	(b) Other operating Income	170.95	7.50	281.51	7.50	86.60
	(c) Total Operating Income	7,540.93	1,127.04	10,985.33	1,858.29	8,974.91
2	**Expenditure**					
	a) Cost of Distribution & Exhibition (refer Note 3)	6,889.04	1,099.00	9,860.38	1,527.26	7,898.73
	b) Employees Cost	97.40	95.55	193.46	185.61	388.89
	c) Amortisation of Intangible (Films rights) (refer Note 3)	724.25	72.60	724.25	1,070.53	2,306.10
	d) Depreciation	74.03	46.18	116.83	86.92	186.53
	e) Other Expenditure	572.68	150.59	707.49	274.39	692.95
	f) Total Expenditure	8,357.40	1,463.92	11,602.41	3,144.71	11,473.20
3	**Profit from Operations before Other Income, Interest and Exceptional Items (1-2)**	(816.47)	(336.88)	(617.08)	(1,286.42)	(2,498.31)
4	Other Income	107.95	73.26	191.73	143.34	446.85
5	**Profit before Interest and Exceptional Items (3+4)**	(708.52)	(263.62)	(425.35)	(1,143.08)	(2,051.46)
6	Interest	154.73	84.77	292.87	199.28	370.46
7	**Profit after Interest but before Exceptional Items (5-6)**	(863.25)	(348.39)	(718.22)	(1,342.36)	(2,421.92)
8	Exceptional Items	-	-	-	-	-
9	**Profit/(Loss) from Ordinary Activities Before Tax**	(863.25)	(348.39)	(718.22)	(1,342.36)	(2,421.92)
10	Tax Expenses (including Deferred Tax) (refer Note 5)	16.63	(0.35)	17.09	1.09	2.58
11	**Net Profit/(Loss) from Ordinary Activities After Tax**	(879.88)	(348.04)	(735.31)	(1,343.45)	(2,424.50)
12	Extraordinary Items (net of tax expenses)	-	-	-	-	-
13	**Net Profit/(Loss) for the Period**	(879.88)	(348.04)	(735.31)	(1,343.45)	(2,424.50)
14	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
15	Reserves excluding Revaluation Reserves as per Balance Sheet of Previous Accounting Year	-	-	-	-	9,105.24
16	Earning Per Share (EPS)					
	Basic and diluted (in rupees)	-	-	-	-	(10.74)
17	Public Shareholding					
	a) Number of Shares	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%
18	Promoter and promoter group shareholding					
	a) Pledge / Encumbered					
	i) Number of Shares	-	-	-	-	-
	ii) % of Shareholding (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-
	iii) % of Shareholding (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
	ii) % of Shareholding (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%
	iii) % of Shareholding (as a % of the total share capital of the Company)	70.37%	70.37%	70.37%	70.37%	70.37%

Segment - wise Revenue, Results and Capital Employed

(Rs in Lacs except per share data)

S.No	Particulars	Quarter ended		Six months ended		Year ended
		30 September 2010	30 September 2009	30 September 2010	30 September 2009	31 March 2010
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	SEGMENT REVENUE					
	Software Division	7,362.61	1,114.71	10,691.41	1,839.03	8,863.26
	Equipment Division	7.37	4.83	12.41	11.76	25.04
	Others	170.95	7.50	281.51	7.50	86.60
	Total	7,540.93	1,127.04	10,985.33	1,858.29	8,974.90
	Less: Inter Segment Revenue	1.81	1.13	3.54	2.16	35.63
	Net Sales/Income From Operation	7,539.12	1,125.91	10,981.79	1,856.13	8,939.27
2	SEGMENT RESULTS					
	Profit/(Loss) before Tax and Interest from each Segment					
	Software Division	(558.41)	(193.24)	(338.17)	(1,017.20)	(1,824.50)
	Equipment Division	(17.26)	(24.56)	(37.21)	(47.02)	(93.24)
	Others	152.70	7.50	258.88	7.50	86.60
	Total	(422.97)	(210.30)	(116.50)	(1,056.72)	(1,830.94)
	Less: Interest	154.73	84.77	292.87	199.28	370.46
	Other unallocable expenditure					
	Net of unallocable income	(285.55)	(53.32)	(308.85)	(86.36)	(220.52)
	Total Profit/(Loss) Before Tax	(863.25)	(348.39)	(718.22)	(1,342.36)	(2,421.92)
3	CAPITAL EMPLOYED					
	(Segment Assets - Segment Liabilities)					
	Software Division	2,896.29	3,393.25	2,896.29	3,393.25	2,851.55
	Equipment Division	706.32	486.19	706.32	486.19	731.17
	Others	1,838.34	1,098.21	1,838.34	1,098.21	1,115.89
	Unallocable	4,058.19	6,338.88	4,058.19	6,338.88	5,535.95

NOTES:

1. The financial results of the Company for the quarter and six months ended 30 September 2010 have been reviewed by the audit committee and approved by the Board of Directors at the meeting held on 12 November 2010. These have been subjected to limited review by the Statutory auditors of the Company, except for the statement of assets and liabilities as at 30 September 2009. The above financial results pertain to Mukta Arts Limited as a standalone entity
2. Information on investor complaints for the quarter (Nos): Opening balance -0, Now - 0, Disposal -0, Closing balance – 0.
3. Movie rights and films under production which were hitherto classified as Inventories have been classified as Intangibles and correspondingly Cost of production charged off has been classified as Amortisation of Intangibles (Film rights).
4. The managerial remuneration paid to the whole time director for the period 1 April 2010 to 30 September 2010 is in excess of the limits prescribed under Section 198 of the Act. The Company has made an application to the Central Government seeking post-fact approval, which is awaited. Approvals for earlier years are also awaited. The auditors have modified their review report on this account.
5. Tax expense includes charge of Rs 112.11 Lacs pertaining to earlier years.
6. During the quarter film "Hello Darling" was released.
7. Figures for the previous quarter/ period have been regrouped/ rearranged to conform to current quarter's presentation.

For and on behalf of the Board of Directors

Subhash Ghai
Chairman & Managing Director

Date : 12 November 2010
Place : Mumbai

MUKTA ARTS LIMITED

UNAUDITED STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH SEPTEMBER 2010 (STAND-ALONE)

(Rs. in Lacs)

S.No		Particulars	Six months ended		Year ended
			30 September 2010	30 September 2009	31 March 2010
			Unaudited	Unaudited	Audited
(A)		SOURCES OF FUNDS			
1)		Shareholders' Funds			
	a)	Share Capital	1,129.18	1,129.18	1,129.18
	b)	Reserve and Surplus	8,369.96	10,187.36	9,105.28
2)		Loan funds			
	a)	Secured	5,456.68	3,117.08	3,861.86
	b)	Unsecured	-	-	200.00
3)		Deferred tax liability (Net)	-	91.36	95.02
4)		TOTAL	14,955.82	14,524.98	14,391.34
(B)		APPLICATION OF FUNDS			
1)		Fixed assets (including intangible assets) (Net) (refer Note 3)	4,244.70	4,705.73	3,959.08
2)		Investments	3,933.33	3,717.15	3,970.66
3)		Current assets, loans and advances			
	a)	Inventories (refer Note 3)	-	-	-
	b)	Sundry debtors	4,117.15	1,297.75	2,128.53
	c)	Cash and bank balances	474.51	78.83	418.90
	d)	Loans and advances	9,010.37	8,541.65	9,068.98
		Total	13,602.03	9,918.23	11,616.41
4)		Less : Current liabilities and provisions			
	a)	Current liabilities	5,315.98	2,508.61	3,837.91
	b)	Provisions	1,508.26	1,333.17	1,316.88
			6,824.24	3,841.78	5,154.79
		Net current assets	6,777.79	6,076.45	6,461.62
5)		Profit and Loss Account	-	-	-
6)		Misc. Expenditure not written off	-	25.65	-
7)		TOTAL	14,955.82	14,524.98	14,391.36