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

Fax No. 2659 8237 / 38

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

1st November, 2012

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 for the Quarter ended 30th September, 2012 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., 1st November, 2012.

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 Wheatling Woods Institute, Film City Complex, Goregaon (E), Mumbai-400 065

## Part I - Statement of standalone unaudited financial results for the quarter and six months ended 30 September 2012

(Rs in lacs, except per share data)

| S.No | Particulars | 3 months ended 30 September 2012 | Preceding 3 months ended 30 June 2012 | Corresponding 3 months ended 30 September 2011 | Six months ended | | Year ended |
|---|---|---|---|---|---|---|---|
| | | | | | 30 September 2012 | 30 September 2011 | 31 March 2012 |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| 1 | Income from operations | | | | | | |
| | (a) Net sales / Income from operations | 7,493.69 | 4,898.26 | 5,676.06 | 12,391.95 | 9,944.37 | 19,537.70 |
| | (b) Other operating income | 325.28 | 162.99 | 157.96 | 284.27 | 298.10 | 643.97 |
| | Total income from operations (net) | 7,818.97 | 5,061.25 | 5,834.02 | 12,675.22 | 10,242.47 | 20,181.67 |
| 2 | Expenses | | | | | | |
| | a) (Increase)/ decrease in stock-in trade | (5.47) | 1.11 | (4.48) | (9.84) | (4.48) | (4.48) |
| | b) Purchase of food and beverage | 3.54 | - | 11.40 | 3.54 | 11.40 | 25.03 |
| | c) Distributor and producer's share | 7,292.52 | 4,631.52 | 5,256.38 | 11,924.05 | 8,854.85 | 17,852.66 |
| | d) Other direct operation expenses | 8.13 | 0.63 | 228.25 | 0.76 | 324.56 | 344.37 |
| | e) Employee benefits expense | 96.74 | 96.27 | 110.63 | 196.94 | 202.23 | 394.84 |
| | f) Amortisation of intangible assets (including films rights) | - | - | 30.69 | - | 1,188.83 | 1,252.71 |
| | g) Depreciation of tangible assets | 79.47 | 77.86 | 88.56 | 157.33 | 158.24 | 329.06 |
| | h) Other expenses | 271.83 | 139.23 | 210.32 | 361.06 | 473.47 | 895.35 |
| | i) Total expenditure | 7,396.19 | 4,946.54 | 5,879.76 | 12,533.13 | 11,160.48 | 20,244.54 |
| 3 | Profit/ (loss) from operations before other income, finance costs and exceptional items (1-2) | 19.38 | 122.71 | (45.72) | 142.09 | (918.01) | (62.87) |
| 4 | Other Income (refer Note 6) | 145.05 | 97.42 | 143.23 | 242.47 | 3,303.26 | 3,731.37 |
| 5 | Profit/ (loss) from ordinary activities before finance costs and exceptional items (3+4) | 164.43 | 220.33 | 97.50 | 384.76 | 2,385.35 | 3,668.70 |
| 6 | Finance costs ( refer Note 5) | 106.42 | 139.91 | 118.16 | 246.33 | 239.37 | 504.45 |
| 7 | Profit/ (loss) after finance costs but before exceptional items (5-6) | 58.01 | 80.42 | (20.66) | 140.13 | 2,145.78 | 3,164.30 |
| 8 | Exceptional item | - | - | - | - | - | - |
| 9 | Profit/(loss) from ordinary activities before tax (7-8) | 58.01 | 80.42 | (20.66) | 140.13 | 2,145.78 | 3,164.30 |
| 10 | Tax expenses (including deferred tax and MAT credit entitlement) | 13.09 | 21.08 | (17.84) | 34.47 | 645.29 | 607.08 |
| 11 | Net profit/(loss) from ordinary activities after tax (9-10) | 44.92 | 59.34 | (2.79) | 105.66 | 1,500.49 | 2,557.22 |
| 12 | Extraordinary items (net of tax expenses) | - | - | - | - | - | - |
| 13 | Net profit/(loss) for the period (11-12) | 44.92 | 59.34 | (2.79) | 105.66 | 1,500.49 | 2,557.22 |
| 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 | 1,129.06 |
| 15 | Reserves excluding revaluation reserves | - | - | - | - | - | 10,765.75 |
| 16 | Earning per share (EPS) (not annualised) from ordinary activities | | | | | | |
| | Basic and diluted (in rupees) | 0.20 | 0.26 | (0.01) | 0.47 | 8.62 | 11.32 |

| | Particulars | | | | | | |
|---|---|---|---|---|---|---|---|
| | 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 | |
|---|---|---|
| | Particulars | 3 Months ended 30 September 2012 |
| | 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

(Rs in lacs)

| S.No | Particulars | 3 months ended 30 September 2012 | Preceding 3 months ended 30 June 2012 | Corresponding 3 months ended 30 September 2011 | Six months ended | | Year ended |
|---|---|---|---|---|---|---|---|
| | | | | | 30 September 2012 | 30 September 2011 | 31 March 2012 |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| 1 | SEGMENT REVENUE | | | | | | |
| | Software division | 7,465.21 | 4,898.34 | 5,526.89 | 12,363.55 | 9,813.47 | 9,250.89 |
| | Equipment division | 13.84 | 11.92 | 13.10 | 25.76 | 27.85 | 63.81 |
| | Theatrical exhibition division | 53.45 | - | 169.67 | 53.45 | 185.07 | 241.23 |
| | Others | 121.27 | 162.99 | 157.96 | 284.26 | 298.10 | 625.72 |
| | Total | 7,653.97 | 5,061.25 | 5,834.02 | 12,675.22 | 10,242.47 | 10,181.67 |
| | Less: Inter segment revenue | - | - | - | - | - | - |
| | Net sales/ Income from operation | 7,653.97 | 5,061.25 | 5,834.02 | 12,675.22 | 10,242.47 | 2,181.67 |
| 2 | SEGMENT RESULTS | | | | | | |
| | Profit/(Loss) before tax and finance costs from each Segment | | | | | | |
| | Software division | 166.91 | 151.92 | (46.93) | 297.83 | (870.36) | 129.89 |
| | Equipment division | (7.45) | (7.43) | (7.53) | (14.88) | (17.17) | (32.07) |
| | Theatrical exhibition division | (4.31) | (9.29) | (5.07) | (13.60) | (9.07) | (7.42) |
| | Others | 100.27 | 142.39 | 139.93 | 242.67 | 301.72 | 549.83 |
| | Total | 254.52 | 277.59 | 79.40 | 512.02 | (603.02) | 611.34 |
| | Less: Finance costs | 106.42 | 139.91 | 118.16 | 246.33 | 239.37 | 504.45 |
| | Other un-allocable expenditure | | | | | | |
| | Net of unallocable income | 79.09 | 57.17 | (79.13) | 137.26 | (3,220.37) | 3,057.36 |
| | Total profit/ (loss) before tax | 58.01 | 80.42 | (20.65) | 140.13 | 2,145.78 | 3,164.30 |
| 3 | CAPITAL EMPLOYED | | | | | | |
| | (Segment assets - Segment liabilities) | | | | | | |
| | Software division | 2,463.40 | 2,460.92 | 2,151.74 | 2,463.40 | 2,151.74 | 1,863.75 |
| | Equipment division | 438.40 | 432.31 | 672.25 | 438.40 | 672.25 | 454.24 |
| | Theatrical exhibition division | 1,181.81 | 959.91 | 764.25 | 1,181.81 | 764.25 | 1,098.36 |
| | Others | 1,315.53 | 1,262.75 | 1,027.35 | 1,315.53 | 1,027.35 | 1,191.42 |
| | Unallocable | 4,254.31 | 6,477.25 | 6,660.71 | 4,254.31 | 6,660.71 | 5,104.62 |

### NOTES:

1 The above unaudited financial results have been reviewed by the audit committee and approved by the Board of Directors at the meeting held on 1 November 2012. Therefore have not subjected to limited review by the Statutory auditors of the Company. The above financial results pertain to Mukta Arts Limited on a standalone entity.

2 During the quarter the Company commenced operations at its animal theatre at Ahmedabad.

3 In the matter of two PIL's filed in the Bombay High Court, the Bombay High Court quashed the J. V. Agreement between Mukta Arts Limited (MAL) and Maharashtra Film Stage & Cultural Development Corporation Limited (MFSCDCL) and ordered Wheeling Woods (WWL) to return the 14.3 acre vacant land immediately and balance 5.5 acre last with structure in July 2014. Court also asked WWL to pay rent from October 2005 till April 2012 along with interest amounting to Rs 79.95 crores but allowed the same to be set off against market price of the building to be paid by Government as per valuators to be done. After Supreme Court of India dismissed the SLP filed by MAL against the impugned order, MAL & WWL have filed review petitions in Bombay High Court. Pending final disposal of the review petition and valuation of the building, and in view of the future plans for WWI which are being evaluated, management believes that the Company's investments in WWI and amounts due therefrom are good and recoverable as management (despite) of reliefs based on the issues involved and on merit of the case, we also of a high valuation of the building. The auditors continue to modify their report on the said matter.

4 The remuneration paid to the managing director of the Company for the previous year and for earlier financial years 2005-06, 2006-07, 2007-08, 2008-09, 2009-2010 and 2010-11 is in excess of the limits prescribed under Section 198 of the Companies Act, 1956. During the previous year 2011-12, the Company has received approval for part of the excess remuneration paid for the financial year 2005-06, 2006-07and 2007-08. The Company has made an application to authorities requesting reconsideration/ approval for the balance excess remuneration. Approval for application to the Central Government seeking post facto approval for earlier years is awaited; application for the previous year is proposed also made. Pending final communication from the authorities in this regard, no adjustment has been made in the accompanying financial results. The auditors continue to modify their report on the said matter.

5 The Hon'ble High Court of Punjab and Haryana vide Order dated 11 September 2012 has quashed the land purchase agreements between the Company and Gram Panchayat of Village Badhna (Panchayat) and directed that payments made by the Company of Rs 396.19 lakhs be refunded together with specified interest. This has been given effect to in these results. Consequently, Other Income includes interest accrued/ reversed Rs 45.90 lakhs. Other Current Assets includes Rs 350.77 lakhs recoverable from the Panchayat and Finance Cost is net of reversal of interest accrued earlier Rs 14.14 lakhs. Further, the Company has filed an appeal for the recovery of the amount spent on the project, whichhas not yet come up for hearing. - this cost has been capitalised under Fixed assets (Capital work in progress).

6 Other Income for the year ended 31 March 2012 includes proceeds from the maturity of Varyaan policy taken from LIC in an earlier year amounting to Rs. 327,000,000.

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

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

Subhash Ghai
Chairman and Managing Director

Date : 1 November 2012

# MUKTA ARTS LIMITED

Standalone statement of assets and liabilities

(Rs in lacs)

| Sr. No. | Particulars | Standalone | |
|---|---|---|---|
| | | As at 30 September 2012 (Unaudited) | As at 31 March 2012 (Audited) |
| A | **EQUITY AND LIABILITIES** | | |
| 1 | **Shareholders' funds** | | |
| (a) | Share capital | 1,129.18 | 1,129.18 |
| (b) | Reserves and surplus | 10,889.30 | 10,783.73 |
| | **Sub-total shareholders' fund** | 12,018.48 | 11,912.91 |
| 2 | **Non-current liabilities** | | |
| (a) | Long - term borrowings | 1,345.91 | 2,066.92 |
| (b) | Deferred tax liabilities (net) | 68.97 | 62.79 |
| (c) | Other long-term liabilities | 416.75 | 700.90 |
| (d) | Long-term provisions | 61.48 | 57.09 |
| | **Sub-total - non-current liabilities** | 1,893.11 | 2,887.70 |
| 3 | **Current liabilities** | | |
| (a) | Short term borrowings | 1,697.57 | 1,490.53 |
| (b) | Trade payables | 4,672.29 | 2,352.71 |
| (c) | Other current liabilities | 1,479.67 | 1,339.16 |
| (d) | Short-term provisions | 445.91 | 448.86 |
| | **Sub-total - current liabilities** | 8,295.44 | 5,631.26 |
| | **TOTAL EQUITY AND LIABILITIES** | 22,207.03 | 20,431.87 |
| B | **ASSETS** | | |
| 1 | **Non - current assets** | | |
| (a) | Fixed assets | 5,543.95 | 6,096.34 |
| (b) | Non - current investments | 3,909.92 | 3,909.92 |
| (c) | Long - term loans and advances | 5,340.57 | 5,479.64 |
| (d) | Other non - current assets | 70.03 | 111.68 |
| | **Sub-total - non-current assets** | 14,864.47 | 15,597.58 |
| 2 | **Current assets** | | |
| (a) | Current investments | - | 133.82 |
| (b) | Inventories | 5.04 | 4.48 |
| (c) | Trade receivables | 3,367.68 | 2,286.80 |
| (d) | Cash and bank balances | 339.50 | 271.72 |
| (e) | Short term - loans and advnces | 3,297.57 | 2,137.47 |
| (f) | Other current assets | 332.77 | - |
| | **Sub-total - current assets** | 7,342.56 | 4,834.29 |
| | **TOTAL ASSETS** | 22,207.03 | 20,431.87 |

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

**Fax No. 2659 8237 / 38**

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

1st November, 2012

Kind Attn: **Mr. Hari K – Manager**

Dear Sirs,

In pursuance to the Clause 41 of the Listing Agreement, please find enclosed herewith copy of "Limited Review" Certificate for the Quarter ended 30th September, 2012 from our Statutory Auditors, B S R & Co Chartered Accountants.

Kindly take the above certificate on records.

Thanking you,

Yours Faithfully,

For and on behalf of
**Mukta Arts Limited**

Ravi B. Poplai
**Company Secretary**
Encl: As above.

B S R & Co.
(Registered)
Chartered Accountants

Lodha Excelus
1st Floor, Apollo Mills Compound
N. M. Joshi Marg
Mahalakshmi
Mumbai - 400 011
India

Telephone +91(22) 3989 6000
Fax +91(22) 3983 6000

**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 2012 and the year to date results for the period from 1 April 2012 to 30 September 2012, 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 on 1 November 2012. 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 4 to the accompanying Statement of un-audited financial results, the remuneration paid to the Managing Director of the Company for the previous year and earlier financial years 2005-06, 2006-07, 2007-08, 2008-09, 2009-10 and 2010-11 and 2011-12 was in excess of the limits prescribed under Section 198 of the Companies Act, 1956. Application made to the Central Government seeking reconsideration/ post-facto approval for balance excess remuneration for earlier years is awaited. Application for the previous year 2011-12 seeking post facto approval for excess remuneration is proposed to be made.*

4. *As explained in Note 3 to the accompanying Statement of un-audited financial results, the High Court of Judicature at Bombay ('High Court') has quashed the Joint Venture Agreement ('JVA') between the Company and Maharashtra Film, Stage and Cultural Development Corporation Limited ('MFSCDCL') relating to Whistling Wood International ('WWI') and passed consequential orders. WWI's petition for special leave to appeal filed with the Supreme Court of India has been dismissed. However, the Company and WWI have filed applications to review the said order with the High Court, which have not yet come up for hearing. Management is also evaluating future plans for WWI. 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.*

**Review Report *(Continued)***

## Mukta Arts Limited

5. Based on our review conducted as referred to above, *except for the matter referred to in paragraph 4 above, the outcome and consequent adjustments to the un-audited financial results of which cannot be presently determined, and subject to the matter 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 ended 30 September 2012 and the year to date results for the period 1 April 2012 to 30 September 2012 prepared in accordance with the accounting standards notified pursuant to the Companies (Accounting Standards) Rules, 2006 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.**
*Chartered Accountants*
Firm's Registration No: 101248W

**Bhavesh Dhupelia**
*Partner*
Membership No: 042070

Mumbai
1 November 2012