MUKTA ARTS LIMITED

Regd. Office: Mukta House, Behind Whistling Woods Institute, Film City Complex, Goregaon (E), Mumbai-400 065

Part 1 - Statement of unaudited financial results for six months ended 30 September 2013

(Rs in lacs, except per share data)

S.No	Particulars	3 months ended 30 September 2013	3 months ended 30 June 2013	Corresponding 3 months ended 30 Sept 2012	6 months ended 30 Sept 2013	Corresponding 6 months ended 30 Sept 2012	Year ended 31 March 2013
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	**Income from operations**						
	(a) Net sales / Income from operations	**8,332.04**	6,973.21	7,492.69	**15,305.25**	12,390.95	25,207.74
	(b) Other operating income	**183.70**	171.37	121.28	**355.07**	284.27	574.03
	Total income from operations (net)	**8,515.74**	7,144.58	7,613.97	**15,660.32**	12,675.22	25,781.77
2	**Expenses**						
	a) (Increase)/ decrease in stock in trade	**9.10**	(5.31)	(1.67)	**3.80**	(0.56)	(7.25)
	b) Purchase of food and beverage	**22.41**	28.21	3.56	**50.62**	3.56	38.65
	c) Distributor and producer's share	**7,821.31**	6,494.12	7,202.55	**14,315.43**	11,834.08	23,374.06
	d) Other direct operation expenses	**30.57**	18.41	0.11	**48.98**	0.74	6.54
	e) Employee benefits expense	**149.87**	148.42	98.74	**298.29**	196.94	448.27
	f) Amortisation of intangible assets (including films rights)	**36.89**	5.27	-	**42.16**	-	69.73
	g) Depreciation of tangible assets	**91.99**	90.56	79.47	**182.55**	157.33	355.53
	h) Other expenses	**298.47**	254.35	211.83	**552.82**	341.04	1,075.95
	Total expenditure	**8,460.61**	7,034.03	7,594.59	**15,494.65**	12,533.13	25,361.48
3	**Profit from operations before other income, finance costs and exceptional items**	**55.13**	110.55	19.38	**165.67**	142.09	420.29
4	Other Income	**104.07**	112.27	145.05	**216.35**	242.67	481.11
5	**Profit from ordinary activities before finance costs and exceptional items**	**159.21**	222.82	164.43	**382.02**	384.76	901.40
6	Finance costs (refer Note 5)	**139.45**	132.47	104.62	**271.92**	244.53	503.09
7	**Profit after finance costs but before exceptional items**	**19.76**	90.35	59.81	**110.10**	140.23	398.31
8	Exceptional item	**-**	-	-	**-**	-	-
9	**Profit from ordinary activities before tax**	**19.76**	90.35	59.81	**110.10**	140.23	398.31
10	**Profit/ (loss) from continuing operation before tax**	**(37.76)**	32.04	(32.75)	**(5.72)**	(4.80)	232.43
11	Tax expenses (including MAT credit entitlement)	**(9.37)**	4.66	(8.51)	**(4.72)**	(1.19)	54.22
12	**Profit/ (loss) from continuing operation after tax**	**(28.39)**	27.38	(24.24)	**(1.00)**	(3.61)	178.21
13	**Profit from discontinuing operation before tax (refer Note 4)**	**57.51**	58.31	92.56	**115.82**	145.03	165.89
14	Tax expenses (including MAT credit entitlement)	**12.80**	11.44	22.10	**24.24**	35.86	53.83
15	**Profit from discontinuing operation after tax**	**44.71**	46.87	70.46	**91.58**	109.17	112.06
16	**Net profit from ordinary activities after tax**	**16.32**	74.26	46.22	**90.58**	105.56	290.26
17	Extraordinary items (net of tax expenses)	**-**	-	-	**-**	-	-
18	**Net profit for the period**	**16.32**	74.26	46.22	**90.58**	105.56	290.26
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	-	-	-	**-**	-	10,942.04
21	Basic and diluted earning per share (EPS) (not annualised) from continuing operation	**(0.13)**	0.12	(0.11)	**(0.00)**	(0.02)	0.79
22	Basic and diluted earning per share (EPS) (not annualised) from discontinuing operation	**0.20**	0.21	0.31	**0.41**	0.48	0.50

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 30 September 2013**
	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 September 2013	3 months ended 30 June 2013	Corresponding 3 months ended 30 Sept 2012	6 months ended 30 Sept 2013	Corresponding 6 months ended 30 Sept 2012	Year ended 31 March 2013
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	**SEGMENT REVENUE**						
	Software division	**7,966.75**	6,592.30	7,465.21	**14,559.04**	12,351.55	24,646.56
	Equipment division	**26.31**	31.20	12.04	**57.51**	23.96	36.73
	Theatrical exhibition division	**352.02**	368.01	15.45	**720.03**	15.45	524.46
	Others	**179.00**	171.37	121.27	**350.37**	284.26	574.02
	Total	**8,524.08**	7,162.88	7,613.97	**15,686.95**	12,675.22	25,781.77
	Less: Inter segment revenue	**8.34**	18.30	-	**26.63**	-	-
	Net sales/ Income from operation	**8,515.74**	7,144.58	7,613.97	**15,660.32**	12,675.22	25,781.77
2	**SEGMENT RESULTS**						
	Profit/ (loss) before tax and finance costs from each Segment						
	Software division	**34.68**	69.29	146.01	**103.97**	297.93	810.25
	Equipment division	**(3.01)**	(5.75)	(7.65)	**(8.75)**	(15.08)	(45.69)
	Theatrical exhibition division	**(24.47)**	8.10	(4.21)	**(16.36)**	(13.50)	(6.63)
	Others	**153.75**	140.64	100.37	**294.37**	242.67	494.15
	Total	**160.96**	212.28	234.52	**373.22**	512.02	1,252.08
	Less: Finance costs	**139.45**	132.47	104.62	**271.92**	244.53	503.09
	Other un-allocable expenditure						
	Net of unallocable income	**1.75**	(10.54)	70.09	**(8.79)**	127.26	350.68
	Total profit before tax	**19.76**	90.35	59.81	**110.10**	140.23	398.31
3	**CAPITAL EMPLOYED**						
	(Segment assets - Segment liabilities)						
	Software division	**967.26**	2,703.27	2,643.40	**967.26**	2,643.40	3,011.57
	Equipment division	**658.94**	679.93	620.40	**658.94**	620.40	684.40
	Theatrical exhibition division	**2,005.08**	1,545.35	1,182.85	**2,005.08**	1,182.85	1,445.67
	Others	**1,396.38**	1,520.99	1,315.53	**1,396.38**	1,315.53	1,029.91
	Unallocable	**7,134.01**	5,695.82	6,256.31	**7,134.01**	6,256.31	5,899.55

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 13 November 2013.

2 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 Whistling Woods International (WWI) to return the 14.5 acre vacant land immediately and balance 5.5 acre land with structure by July 2014. Court also asked WWI to pay rent along with interest but allowed the same to be set off against market price of the building to be paid by Government as per valuation to be done. After Supreme Court of India dismissed the SLP filed by MAL against the impugned order, MAL & WWI have filed review petitions in Bombay High Court, which have not yet come up for hearing. MFSCDCL had demanded Rs 83.21 crores vide letter dated 3 December 2012, which has not been accounted for in view of the pending review petition referred to above. During the year 2012-13, the PWD Engineer has given his valuation report based on the Balance Sheet of WWI as at 31 March 2011. The said valuation report specifically mentions that market price is not considered. Further, MAL has made an application to the Government of Maharashtra in February 2013 to appoint expert valuers to determine the market price which in its view is the price to be determined by reading the directions in their proper perspective. Pending final disposal of the review petition and resolution of the above, 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 is hopeful of reliefs based on the issues involved and on merits of the case, as also of a high valuation of the building. The auditors continue to modify their report on the said matter.

3 Remuneration paid to the managing director of the Company for the year ended 31 March 2013 (including as film director) and for earlier financial years from 2005-06 to 2011-2012 is in excess of the limits prescribed under Schedule XIII to the Companies Act, 1956. The Company made applications to the Central Government seeking post-facto approval, which is awaited. During the year 2011-12, the Company had received approval for part of the excess remuneration paid. The Company had made applications to the authorities requesting reconsideration/ approval for the balance excess remuneration. 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 quarter 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 on by Mukta Arts Limited. The results of the said business currently being carried out by MAL have been disclosed as Discontinuing operations. Previous quarter's/period's figures have also been recast for comparative purposes.

5 The Hon'ble High Court of Punjab and Haryana vide Order dated 11 September 2012 has quashed the land purchase agreement between the Company and Gram Panchayat of Village Badhsa (Panchayat) and directed that payments made by the Company of Rs 298.19 lakhs be refunded together with specified interest. This had been given effect to in these results. Consequently, Other Income for six month ended September 2012 included interest accrued/ reversed Rs 45.90 lakhs, Other Current Assets included Rs 332.77 lakhs recoverable from the Panchayat and Finance Cost net of reversal of interest accrued earlier was Rs 14.14 lakhs.

6 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

Parvez A. Farooqui
Executive Director

Date : 13 November 2013
Place : Mumbai