MUKTA ARTS LIMITED

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

Part 1 - Unaudited financial results for the quarter ended 30 June 2012

Segment - wise Revenue, Results and Capital Employed

				(Rs in lacs, e	xcept per share data)	,					(Rs in lacs)
Sr .No	Particulars	3 months ended 30	Preceeding 3	Corresponding 3	Year ended		Particulars	3 months ended	Preceeding 3	Corresponding 3	Year ended
		June 2012 (Unaudited)	months ended 31 March 2012	months ended 30 June 2011				30 June 2012 (Unaudited)	months ended 31 March 2012	months ended 30 June 2011	
		(Chauditeu)	(Unaudited)	(Unaudited)	31 March	Sr.□No	o O	(Chaudheu)	(Unaudited)	(Unaudited)	31 March
			, ,	, ,	2012				, ,	, ,	2012
	<u> </u>				(Audited)						(Audited)
1	Income from operations	4,898.26	4,222.46	4,268.30	19,537.70		SEGMENT REVENUE				
	(a) Net sales / Income from operations				19,537.70 643.97	1	Software division	4 005 24	4.450.00	4 252 55	19,250.89
	(b) Other operating income Total income from operations (net)	162.99 5,061.25	165.58 4,388.04	140.14 4,408.44	20,181.67		Equipment division	4,886.34 11.92		4,253.57 14.73	63.81
2	Expenses	5,001.25	4,366.04	4,405.44	20,181.67		Theatrical exhibition division	11.92	39.22	14.73	241.25
-	a) (Increase)/decrease in inventories of food and beverages	1.11	(4.48)	_	(4.48)		Others	162.99		140.14	625.72
	b) Purchase of food and beverages	-	6.84	_	20.03		Total	5,061.25		4,408.44	20,181.67
	c) Distributor and producer's share	4,631.53	3,258.51	3,600.47	17,032.66		Less: Inter Segment Revenue	-	-	-	
	d) Other direct operation expenses	0.63	10.52	96.01	344.37		Net Sales/Income from operation	5,061.25	4,388.04	4,408.44	20,181.67
	e) Employee benefits expense	98.20	90.53	91.89	394.84						•
	f) Amortisation of intangible assets (including film rights)	-	16.70	1,158.34	1,232.71						
	g) Amortisation of tangible assets	77.86	92.48	70.69	329.06		SEGMENT RESULTS				
	h) Other expenses	129.21	258.29	262.41	895.35	2	Profit/(Loss) before tax and finance costs				
1	Total expenditure	4,938.54	3,729.39	5,279.81	20,244.54		from each segment				
3	Profit/ (loss) from operations before other income, finance costs						Software division	154.00			101.00
	and exceptional items (1-2)	122.71	658.65	(871.37)	(62.87))	Equipment division	(7.43)			(32.07)
4	Other income (refer note 5)	97.62	131.57	3,360.11	3,731.57		Theatrical exhibition division	(9.29)			(7.42)
5	Profit/ (loss) from ordinary activities before finance costs and exceptional items (3+4)	220.33	790.22	2,488.74	3,668.70		Others	145.41		122.04	549.83
6	Finance costs	139.91	142.67	122.32	504.40		Total	282.69	884.35	(711.58)	611.34
7	Profit/ (loss) after finance costs but before exceptional items (5-6)	80.42	647.55	2,366.42	3,164.30		I Pi	120.01	142.67	122.22	504.40
8	Exceptional item Profit/(loss) from ordinary activities before tax (7-8)	80.42	647.55	2,366.42	3.164.30		Less: Finance costs Other un-allocable expenditure	139.91	142.67	122.32	504.40
	Tax expenses (including deferred tax, net of MAT credit utilised)	21.08	115.24	463.13	607.08		Net of unallocable income	62.36	94.13	(3,200.32)	(3,057.36)
11	Net profit/(loss) from ordinary activities after tax (9-10)	59.34	532.31	1,903.29	2,557.22		Total profit/(loss) before tax	80.42		2,366.42	3,164.30
12	Extraordinary items (net of tax expenses)	37.54	552.51	1,505.25	2,007.22		Total pronty (loss) before tax	00.12	047.55	2,500.42	3,104.30
13	Net profit/(loss) for the period (11-12)	59.34	532.31	1,903.29	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		CAPITAL EMPLOYED				
15	Reserves excluding revaluation reserves	-	-	-	10,783.73		3 (Segment Assets - Segment Liabilities)				
16	Earning per share (EPS) (not annualised) from ordinary activities						Software division	3,805.29	3,863.75	2,514.41	3,863.75
	Basic and diluted (in rupees)	0.26	2.36	8.43	11.32		Equipment division	632.31	654.24	691.81	654.24
							Theatrical exhibition division	1,144.39	1,098.56	-	1,098.56
							Others	1,262.75	1,191.62	1,103.82	1,191.62
							Unallocable	5,127.51	5,104.62	7,211.01	5,104.62
	Part II										
	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	-	-	-	-						
1	n) % or snares (as a % or the total snareholding or 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%						
1	iii) % of Shares (as a % of the total share capital of										
	the Company)	70.37%	70.37%	70.37%	70.37%						
В	Investor complaints					1					
	Particulars										
	Pending at the beginning of the quarter	0									
	Received during the quarter	1									
	Disposed off during the quarter	1									
	Remaining unresolved at the end of the quarter	0									
						1					

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 8 August 2012. These have been subjected to limited review by the Statutory auditors of the Company. The above financial results pertain to Mukta Arts Limited as a standalone entity. The figures for the quarter ended 31 March 2012 and the published year to date unaudited financial results upto the end of the third quarter of the financial year ended 31 March 2012.
- 2 In the matter of two PIL's filed in the Bombay High Court, the Bombay High Court quashed the J. V. Agreement between Mukh Arts Limited (MAL) and Maharashtra Film Stage & Cultural Development Corporation Limited (MFSCDCL) and ordered with Whistling (Wood (WWIL) to return the 14.5 acre vacant land immediately and balance 5.5 acre land with structure in July 2014. Court also asked WWIL to pay rent from October 2000 till April 2012 along with interest amounting to 85.795 crores 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 & WWIL have filed review petitions in 80 metals of the review petitions 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 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 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, 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 years 2005-06, 2006-07 and 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 of the previous year is proposed to be made. Pending final communication from the authorities in this regard, no adjustment has been made in the accompanying finantial results. The auditors continue to modify their report on the said matter.
- 4 During the quarter ended 30 June 2011 the films "Love Express", "Nouka Dubi", "Kashmakash" and "Cycle Kick" were released.
- Other income for the quarter ended 30 June 2011 and year ended 31 March 2012 includes proceeds from the maturity of Keyman policy taken from LIC in an earlier year amounting to Rs. 327,600,000.
- 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

Date : 8 August 2012 Place : Mumbai Subhash Ghai Chairman and Managing Director

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Chartered Accountants

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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 2012 and the year to date results for the period from 1 April 2012 to 30 June 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 8 August 2012. Our responsibility is to issue a report on these financial results based on our review. Attention is drawn to the fact that the figures for the quarter ended 31 March 2012 as reported in these un-audited financial results are the balancing figures between the audited figures for the year ended 31 March 2012 and the published year to date un-audited figures up to the end of the third quarter of financial year ended 31 March 2012.
- 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, the remuneration paid to the Managing Director of the Company for earlier years 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 year 2011-12 seeking post facto approval is proposed to be made.
- 4. As explained in Note 2 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 Woods 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 unaudited financial results is not determinable.

Review Report (Continued)

Mukta Arts Limited

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 June 2012 and the year to date results for the period 1 April 2012 to 30 June 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 8 August 2012