JYOTI STRUCTURES LIMITED

Regd. Office: "Valecha Chambers", 6th Floor,
New Link Road, Oshiwara, Andheri (West), Mumbai - 400 053.
Corporate Identity Number: L45200MH1974PLC017494
Tel : 4091 5000 Fax : 40915014/15
e-mail : investor@jsl.in Website : www.jsl.in

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2016

(₹ In Lacs)

Sr. No.	Particulars	Standalone					Consolidated	
		Quarter Ended			Year Ended		Year Ended	
		31-03-2016 (Unaudited)	31-12-2015 (Unaudited)	31-03-2015 (Unaudited)	31-03-2016 (Audited)	31-03-2015 (Audited)	31-03-2016 (Audited)	31-03-2015 (Audited)
	PART I							
1)	**Income from operations**							
	a) Net sales/income from operations (net of excise duty)	**74,002**	75,844	87,970	**2,49,243**	2,78,173	2,94,689	3,11,136
	b) Other Operating Income	**8**	102	228	**255**	535	39	160
	Total income from operations (Net)	**74,010**	75,946	88,198	**2,49,498**	2,78,708	2,94,728	3,11,296
2)	**Expenses**							
	a) Cost of Materials Consumed	**48,454**	59,178	57,648	**1,75,710**	1,74,903	1,97,052	1,94,907
	b) Purchases of Stock In trade	**-**	-	-	**-**	-	-	-
	c) Erection and sub-contracting Expenses	**10,365**	9,100	13,709	**35,375**	46,933	43,406	49,945
	d) Change in inventories of finished goods, work-in-progress and stock-in-trade	**3,493**	(2,668)	(380)	**2,817**	12,962	4,818	8,324
	e) Employees Benefits Expense	**3,034**	2,417	2,426	**10,522**	9,520	19,670	18,321
	f) Depreciation and Amortisation Expense	**738**	773	888	**3,084**	3,440	5,416	5,279
	g) Other Expenses	**5,608**	6,623	11,847	**22,886**	27,568	32,490	36,886
	Total expenses	**71,692**	75,423	86,138	**2,50,194**	2,75,326	3,02,852	3,13,662
3)	**Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)**	**2,318**	523	2,060	**(696)**	3,382	(8,124)	(2,366)
4)	Other Income	**2,229**	459	730	**6,451**	6,641	5,459	5,437
5)	**Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)**	**4,547**	982	2,790	**5,755**	10,023	(2,665)	3,071
6)	Finance Cost	**9,780**	14,955	11,878	**55,878**	36,990	62,230	42,561
7)	**Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)**	**(5,233)**	(13,973)	(9,088)	**(50,123)**	(26,967)	(64,895)	(39,490)
8)	Exceptional Items	**-**	-	-	**-**	-	-	-
9)	**Profit / (Loss) from ordinary activities before tax (7 + 8)**	**(5,233)**	(13,973)	(9,088)	**(50,123)**	(26,967)	(64,895)	(39,490)
10)	Tax expense	**(2)**	52	7	**54**	32	5,538	85
11)	**Net Profit / (Loss) from ordinary activities after tax (9 - 10)**	**(5,231)**	(14,025)	(9,095)	**(50,177)**	(26,999)	(70,433)	(39,575)
12)	Extraordinary Item (net of tax expense)	**-**	-	-	**-**	-	-	-
13)	**Net Profit / (Loss) for the period (11 + 12)**	**(5,231)**	(14,025)	(9,095)	**(50,177)**	(26,999)	(70,433)	(39,575)
14)	Paid-up equity share capital (Face value ₹. 2/- each)	**2,191**	2,191	2,191	**2,191**	2,191	2,191	2,191
15)	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				**7,399**	57,757	(29,866)	36,424
16)	**Earning per share before and after Extraordinary items (not annualised)**							
	- Basic ₹	**(4.78)**	(12.81)	(9.53)	**(45.84)**	(28.29)	(64.33)	(41.45)
	- Diluted ₹	**(4.78)**	(12.81)	(9.53)	**(45.84)**	(28.29)	(64.33)	(41.45)

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(₹ In Lacs)

Statement of Assets and Liabilities		Standalone		Consolidated	
Particulars		31-03-2016 (Audited)	31-03-2015 (Audited)	31-03-2016 (Audited)	31-03-2015 (Audited)
A	**EQUITY AND LIABILITIES**				
1	**Shareholders' Funds**				
	(a) Share Capital	4,691	4,691	4,691	4,691
	(b) Reserves and Surplus	7,429	57,790	(29,836)	36,457
	(c) Money received against share warrants	-	-		
	Sub-total - Shareholders' funds	12,120	62,481	(25,145)	41,148
2	**Share application money pending allotment**	-	1	-	1
3	**Minority interest**	-	-	18,084	18,081
4	**Non-current liabilities**				
	(a) Long-term borrowings	65,483	1,30,138	84,537	1,42,810
	(b) Deferred tax liabilities (Net)	13	13	16	13
	(c) Other long term liabilities	13,291	19,544	13,019	20,147
	(d) Long-term provisions	1,208	937	1,482	1,141
	Sub-total - Non-current liabilities	79,995	1,50,632	99,054	1,64,111
5	**Current liabilities**				
	(a) Short-term borrowings	2,97,145	87,620	3,04,339	92,786
	(b) Trade payables	44,841	1,28,924	51,577	1,33,677
	(c) Other current liabilities	1,62,409	81,581	1,88,759	1,06,351
	(d) Short-term provisions	1,390	1,783	1,396	1,793
	Sub-total - Current liabilities	5,05,785	2,99,908	5,46,071	3,34,607
	TOTAL - EQUITY AND LIABILITIES	5,97,900	5,13,022	6,38,064	5,57,948
B	**ASSETS**				
1	**Non-current assets**				
	(a) Fixed assets	13,441	16,052	45,370	43,828
	(b) Non-current investments	8,655	8,655	525	525
	(c) Deferred tax assets (Net)	-	-	-	5,480
	(d) Long-term loans and advances	618	662	618	662
	(e) Other non-current assets	38,385	31,775	38,386	13,161
	Sub-total - Non-current assets	61,099	57,144	84,899	63,656
2	**Current assets**				
	(a) Inventories	23,251	28,929	34,230	44,966
	(b) Trade receivables	4,19,746	3,30,240	4,37,546	3,58,525
	(c) Cash and Bank Balances	3,651	7,008	7,142	14,412
	(d) Short-term loans and advances	83,189	76,779	67,284	63,466
	(e) Other current assets	6,964	12,922	6,963	12,923
	Sub-total - Current assets	5,36,801	4,55,878	5,53,165	4,94,292
	TOTAL - ASSETS	5,97,900	5,13,022	6,38,064	5,57,948

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Notes to Audited Financial Results for Quarter and Year Ended 31st March 2016

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 30th May, 2016.

2. The Company is in the business of execution of projects related to power transmission and as such there are no reportable primary business segments.

3. The figures for the quarter ended 31st March 2016 are the balancing figures between the audited figures in respect of full financial year and the published year to date figures upto the third quarter of the current financial year.

4. Consequent to dispute with Lauren Engineers & Constructors Inc., JV partner, the financial statements of the JV Company for the last three years have not been adopted. In terms of JV Agreement, the Company has initiated arbitration proceeding against JV Partner, inter alia, to recover following amounts:

Sr no.	Particulars	Rs. In Lacs
1	Debtors	7,045.80
2	BG Encashment	5,507.00
3	Receivables for reimbursement of expenses	2,534.03
	Total	15,086.83

In addition to this, the Company has claimed that the JV partner to purchase Company's investment of Rs. 500 lacs in capital of the JV Company.

5. MP Madhya Kshetra Vidut Vitaran Company Ltd. has terminated part of the contract and wrongly encashed the performance guarantees amounting to Rs. 1,823.01 Lacs in July 2015, as the execution of contract was delayed due to reasons beyond the control of the Company. The Company has been advised to initiate dispute resolution in terms of the contract.

6. Interest amounting to Rs. 3929.79 Lacs claimed by lenders, in excess of the restructuring scheme has not been provided.

7. The Company has invested an amount of USD 12,989,999 equivalent to Rs. 6,000.65 Lacs in Jyoti International Inc, a wholly owned subsidiary company. As on 31st March, 2016, the Company has given loans and advances amounting to Rs. 7,647.53 Lacs (P.Y. Rs. 6,712.78 Lacs) to Jyoti International Inc. and Rs. 5,541.71 Lacs (P.Y. Rs. 3,148.58) to Jyoti Americas LLC, a wholly owned subsidiary of Jyoti International Inc. These

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subsidiaries company have been incurring losses continuously and the accumulated loss as on 31st March 2016 is USD 72,494,316 (P.Y. USD 42,066,950). The Company has not made any provision for diminution in the value of the investment and amount outstanding, as the management believe that these accumulated losses are temporary in nature and that based on the business opportunities available the management is confident of turning around the business of that company in near future.

8. The Company has invested an amount of Rs. 419/- in the equity share capital of Jyoti Structures Africa (Pty) limited (JS Africa), a subsidiary company. As on 31st March, 2016, the Company has advanced loan of Rs. 2,819.71 Lacs (P.Y. Rs. 3,581.91 Lacs) to JS Africa and the outstanding credit to that company is Rs. 3,026.60 Lacs (P.Y. Rs. 3,277.65 Lacs) against advances and receivables. Though the net worth of the subsidiary has been eroded, the Company has not provided for diminution in value of investment of Rs.419/- and no provision is made against outstanding loans. Considering the business outlook of the subsidiary Company, the management is of the opinion that these accumulated losses are temporary in nature and will be recovered in the near future.

9. In terms of appointment, the Company has paid remuneration amounting to Rs. 192.67 Lacs to Mr. K. R. Thakur, Whole-time Director for the year. Considering that the Company has incurred loss, the remuneration paid to Mr. Thakur is in excess of the provisions of Section 197 read with Part II of Schedule V of Companies Act, 2013 to the extent of Rs. 61.07 Lacs. The Company has made application to Central Government for enhancement of payment of remuneration to Mr. K. R. Thakur and the same is awaited.

   Central Government approval for waiver of excess managerial remuneration amounting to Rs. 43.04 Lacs paid during the financial year 2014-15 is also awaited.

10. Inadequate working capital has put considerable financial pressure on the Company and in particular, on the cash flow delaying commissioning of most of the projects executed by the Company. The Company has made provision of Rs. 1,300 Lacs for estimated losses in few projects, on completion of these contracts. With the support of lenders and customers the Company has been managing to execute the projects and the management is reasonably confident that the situation will improve with implementation of restructuring scheme.

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11. The accumulated losses for the year ended 31st March, 2016 have resulted in Company's erosion of more than 50% of its peak net worth during the immediately preceding four financial years. Considering the financial stress, on 11th August, 2015, the lenders invoked the Strategic Debt Restructuring (SDR) under the extant RBI guidelines. Now, the lenders have decided to implement the restructuring outside SDR framework and the same is being effected.

12. The Company has not provided for liability of USD 34,700,000 arising due to variable return and accretion of USD 11,453,076 for the year ended March 31, 2016 accrued to preferred stock holder of Jyoti Americas LLC, a subsidiary company, as the Company intends to settle the liability by issue of equity capital in terms of the arrangement with the investor.

13. As on 31st March, 2016, Jyoti Structures Africa (Pty) Ltd. and Jyoti International Inc., subsidiary companies, have losses amounting to Rs. 706.94 Lacs and Rs. 19,910.36 Lacs respectively. Considering the business outlook of these subsidiaries, the management is of the opinion that these accumulated losses are temporary in nature and will be recovered in the near future.

14. Tax Expense includes provision for Current Tax and Deferred Tax as applicable.

15. Cost of material consumed includes Bought-out materials purchased for supplies to customers under the contracts.

16. The Company does not have any exceptional or extra-ordinary item to report for the above periods.

17. Previous year figures have been re-arranged, re-grouped, re-calculated and re-classified, wherever necessary.

Jyoti Structures Limited

K. R. Thakur
Whole-time Director
DIN: 00001270

Mumbai
30th May, 2016

R. M. Ajgaonkar & Associates

CHARTERED ACCOUNTANTS

7B, 3rd Floor, Sambhava chambers,
P.M. Road, fort, Mumbai-400001.

Tel : 022-6561 3878

Independent Auditors' Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

The Board of Directors,
Jyoti Structures Limited.

We have audited the quarterly financial results of Jyoti Structures Limited ('the Company') for the quarter ended 31st March, 2016 and the year to date results for the period from 1st April, 2015 to 31st March, 2016, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These quarterly standalone financial results are the derived figures between the audited figures in respect of the year ended 31st March, 2016 and the published year to date figures upto 31st December, 2015, being the date of the end of the third quarter of the current financial year, which were subject to limited review. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, as applicable and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

BASIS FOR QUALIFIED OPINION

a) We draw attention to note no. 4 of Audited financial result for the Quarter and year ended 31st March 2016, the trade receivables of the Company include amount of Rs. 7,045.80 Lacs outstanding from a Joint Venture (JV) company, namely Lauren Jyoti Private Limited (LJPL). Further an amount of Rs. 5,507.00 Lacs was paid by the Company on account of bank guarantee encashed by a customer of LJPL, which is considered receivable from the said JV. The other outstanding from LJPL are Rs. 2,534.03 Lacs including interest on the outstanding amounts for the current year amounting to Rs. 1,356.38 Lacs. As informed to us, the financial statements of the JV are not available since the last three financial years. Considering the fact that the financial statements of the JV are not available and it is not regular in re-payment of the above outstanding, we are not able to comment on the recovery of the debt and impact of the same on the financial statements of the Company for the year.

b) We draw attention to note no. 4 of Audited financial result for the Quarter and year ended 31st March 2016, The Company has invested Rs. 500 Lacs in 50 Lacs equity shares of LJPL. The financial statements of the company for the last three financial years are not made available to us. As per the last audited financial statements made available for the year ended on 31st March, 2013, the net worth of that company

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is fully eroded. The Company has not made any provision for the diminution in the value of this investment. Due to this non-provision, the loss of the Company for the year is understated by Rs. 500 Lacs and reserves of the Company are overstated by the same amount.

c) We draw attention to note no. 5 of Audited financial result for the Quarter and year ended 31st March 2016, during the year, bank guarantees given by the Company for performance amounting to Rs. 1,823.01 Lacs were encashed by a customer of the Company. The said amount has not been charged to the Statement of Profit and Loss of the Company though it has been the practice of the Company to charge such amounts in earlier years. We are informed that the Company will be initiating arbitration in respect of encashment of these guarantees and it is hopeful of recovering this money from the customer. We are unable to comment on the recoverability of this amount.

d) As mentioned in note no. 6 of Audited financial result for the Quarter and year ended 31st March 2016, the Company has during the year not provided a part of the interest on the outstanding loans as claimed by certain banks amounting to Rs. 3,929.79 Lacs, since the management is of the opinion that the banks have charged excessive interest and the excess interest will be waived by the banks. We are unable to comment on the impact of the same on the financial statements.

EMPHASIS OF MATTER

a) We draw attention to note no. 7 of Audited financial result for the Quarter and year ended 31st March 2016 regarding investment of Rs. 6,000.65 Lacs in the equity shares of its wholly owned subsidiary company, namely Jyoti International Inc (JII). As on 31st March, 2016, the Company has also advanced loan of Rs. 7,647.53 Lacs to JII. Due to the losses incurred, the net worth of that company is fully eroded on that date. However, no provision for diminution in the value of the said investment or no provision for other outstanding amounts is made as the management is optimistic of turning around the business of that company.

b) We draw attention to note no. 7 of Audited financial result for the Quarter and year ended 31st March 2016, the Company has also advanced loan of Rs. 802.43 Lacs to its step down subsidiary Jyoti Americas LLC and the other outstanding from it are Rs. 4,739.27 Lacs. Due to the losses incurred, the net worth of that company is fully eroded as on 31st march, 2016. However, no provision for the loan or the other outstanding amounts is made as the management is optimistic of turning around the business of that company.

c) We draw attention to note no. 8 of Audited financial result for the Quarter and year ended 31st March 2016. The Company has made investment of Rs. 419/- in the equity shares of its subsidiary company, namely Jyoti Structures Africa (Pty) limited (JSAPL). As on 31st March, 2016, the Company has also advanced loan of Rs. 2,819.71 Lacs to JSAPL and the outstanding credit to that company is Rs. 3,026.60 Lacs. Due to the losses incurred, the net worth of that company is fully eroded on that date. However, no provision for diminution in the value of the said investment or no provision for other outstanding amounts is made as the management is optimistic of turning around the business of that company.

d) We draw attention to note no. 9 of Audited financial result for the Quarter and year ended 31st March 2016 stating that the Company has paid managerial remuneration which is in excess of the provisions of the section 197 of the Companies Act, 2013 read with Part II of Schedule V by Rs. 61.07 Lacs for the current year and Rs. 43.04 Lacs for the previous year for which the permission of the Central Government is to be obtained.

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FRN
117247W
Chartered Accountants

e) As mentioned in note no. 10 of Audited financial result for the Quarter and year ended 31st March 2016, the Company is facing financial crunch due to inadequate liquidity, which has resulted into delays in implementing contracted projects during the year. Such delay can result into future liability for the Company. The Company has made a provision of Rs. 1,300 Lacs for any such liability which in the view of the Company would be adequate. The matter being technical in nature, we are not able to comment on the same.

f) As mentioned in note no. 11 of Audited financial result for the Quarter and year ended 31st March 2016, the Company has incurred substantial losses from its operations for the last few years which have eroded its net worth substantially. This raises doubt about its ability to continue as a going concern. However, the management is of the opinion that on approval of Master Restructuring Agreement by the banks, the company will be able to return to profitability over the next few years. Hence, the financial statements have been prepared assuming that the company and its subsidiaries will continue as a going concern. No adjustments are, hence, made in the financial statement that might result from the outcome of this uncertainty.

In our opinion and to the best of our information and according to the explanations given to us, and based on the audit reports received from branch auditors for Bangladesh, Bhutan, Dubai, Egypt, Georgia, Kuwait, Kenya, Rwanda, South Africa, Tajikistan, Tanzania, Tunisia and Uganda; these quarterly financial results as well as the year to date results:

(i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and

(ii) except for the matters described in Basis for Qualified Opinion paragraph above, give a true and fair view of the net loss and other financial information for the quarter ended 31st March, 2016 as well as the year to date results for the period from 01st April, 2015 to 31st March, 2016.

For **R.M. AJGAONKAR & ASSOCIATES**
Chartered Accountants
Firm's Registration Number: 117247W

KOMAL SEVAK
Partner
Membership Number: 143685

Place: Mumbai
Date: 30th May, 2016

Jyoti Structures Limited

Annexure - 1

Statement on Impact of Audit Qualifications on Annual Audited Financial Results for the Financial Year ended March 31, 2016

(Rs. in Lacs)

Sno	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1	Turnover / Total income	2,55,949.00	2,55,949.00
2	Total Expenditure	3,06,126.00	3,06,626.00
3	Net Profit/(Loss)	(50,177.00)	(50,677.00)
4	Earnings Per Share	(45.84)	(46.30)
5	Total Assets	5,97,900.00	5,97,900.00
6	Total Liabilities	5,85,780.00	5,86,280.00
7	Net Worth	12,120.00	11,620.00

Audit Qualification

(Rs. in Lacs)

Sno	Details of Audit Qualification	Type of Qualification	Frequency of Qualification	For Audit qualification(s) where impact is quantified by the Auditor, Management Views	For Audit qualification(s) where impact is not quantified by the Auditor		
					Managements estimation on impact of audit qualificatioon	If management is unable to estimate the impact, reasons for the same	Auditors Comments
a)	As on 31st March, 2016, the trade receivables of the Company include amount of Rs. 7,045.80 Lacs outstanding from a Joint Venture (JV) company, namely Lauren Jyoti Private Limited (LJPL). Further an amount of Rs. 5,507.00 Lacs was paid by the Company on account of bank guarantee encashed by a customer of LJPL, which is considered receivable from the said JV. The other outstanding from LJPL are Rs. 2,534.03 Lacs including interest on the outstanding amounts for the current year amounting to Rs. 1,356.38 Lacs. As informed to us, the financial statements of the JV are not available since the last three financial years. Considering the fact that the financial statements of the JV are not available and it is not regular in re-payment of the above outstanding, we are not able to comment on the recovery of the debt and impact of the same on the financial statements of the Company for the year.	Disclaimer	Since 2012-13	Consequent to dispute with Lauren Engineers & Constructors Inc., JV partner, the financial statements for the last three years have not been adopted. In terms of JV Agreement, the Company has initiated arbitration proceeding against JV Partner, inter alia, to recover following amounts; 1 Debtors 7,045.80 2 BG Encashment 5,507.00 3 Receivables for reimbursement of Expenses 2,534.03 Total 15,086.82	NIL	-	NIL
b)	The Company has invested Rs. 500 Lacs in 50 Lacs equity shares of LJPL. The financial statements of that company for the last three financial years are not made available to us. As per the last audited financial statements made available for the year ended on 31st March, 2013, the net worth of that company is fully eroded. The Company has not made any provision for the diminution in the value of this investment. Due to this non-provision, the loss of the Company for the year is understated by Rs. 500 Lacs and reserves of the Company are overstated by the same amount.	Qualified	Since 2013-14	In terms of JV Agreement, the Company has initiated arbitration proceeding against JV Partner and the Company has claimed that the JV partner to purchase Company's investment of Rs 500 lacs in capital of the JV company.	500		NIL

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R. M. Aigaonkar & Associates Chartered Accountants 7B, 3rd Floor, Sambhava Chambers, P.M. Road, Fort, Mumbai-400 001. FRN 117247W

Sno	Details of Audit Qualification	Type of Qualification	Frequency of Qualification	For Audit qualification(s) where impact is quantified by the Auditor, Management Views	Managements estimation on impact of audit qualificatioon	If management is unable to estimate the impact, reasons for the same	Auditors Comments
c)	During the year, bank guarantees given by the Company for performance amounting to Rs. 1,823.01 Lacs were encashed by a customer of the Company. The said amount has not been charged to the Statement of Profit and Loss of the Company though it has been the practice of the Company to charge such amounts in earlier years. We are informed that the Company will be initiating arbitration in respect of encashment of these guarantees and it is hopeful of recovering this money from the customer. We are unable to comment on the recoverability of this amount.	Disclaimer	First Time	MP Madhya Kshetra Vidut Vitaran Company Ltd. has terminated part of the contract and encashed the performance guarantees amounting to Rs. 1,823.01 Lacs in July 2015, as the execution of contract was delayed due to reasons beyond the control of the Company. The Company has been advised to initiate dispute resolution in terms of the contract. The Company is hopeful of recovering this money from the customer. Hence, no provision for the same is made in the financial statements.	NIL	-	NIL
d)	The Company has during the year not provided a part of the interest on the outstanding loans as claimed by certain banks amounting to Rs. 3,929.79 Lacs, since the management is of the opinion that the banks have charged excessive interest and the excess interest will be waived by the banks. We are unable to comment on the impact of the same on the financial statements.	Disclaimer	First Time	Interest amounting to Rs. 3929.79 Lacs claimed by lenders, in excess of the restructuring scheme has not been provided.	NIL	-	NIL

For Jyoti Structures Limited

K. R. Thakur
Whole-time Director
DIN: 00001270

Place : Mumbai
Date : 30 May 2016

S. D. Kshirsagar
Audit Committee Chairman
DIN: 00001266

For R. M. Ajgaonkar & Associates
Chartered Accountants
Firm's Registration Number: 11724W

R. M. Ajgaonkar & Associates
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Chartered Accountants

Komal Sevak
Partener
Membership No. 143685

R. M. Ajgaonkar & Associates

CHARTERED ACCOUNTANTS

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Tel : 022-6561 3878

Independent Auditors' Report On Quarterly Consolidated Financial Results and Consolidated Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To

The Board of Directors,
Jyoti Structures Limited.

We have audited the consolidated financial results of Jyoti Structures Limited (hereinafter referred to as 'the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its joint venture company for the year from 1st April, 2015 to 31st March, 2016, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These consolidated financial results have been prepared from consolidated financial statements, which are the responsibility of the management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of such consolidated financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, mandated under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of three subsidiaries (and their step down subsidiaries) included in the consolidated year to date results, whose consolidated financial statements reflect total assets of Rs.50,474.02 Lacs as at 31st March, 2016; as well as the total revenue of Rs.31,920.39 Lacs for the year ended on 31st March, 2016. We also did not audit the financial statements of a joint venture company and its subsidiary, whose proportionate share in the consolidated financial statements reflects total assets of Rs.25,305.76 Lacs as at 31st March, 2016 and total revenue of Rs. 29,308.75 Lacs for the year ended on 31st March, 2016. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion on the quarterly financial results and the year to date results, to the extent they have been derived from such financial statements, is based solely on the report of such other auditors.

BASIS FOR QUALIFIED OPINION

a) Due to non-availability of financial statements of the joint venture company (JV) namely Lauren Jyoti Private Limited (LJPL) as on 31st March 2016, the Group has not consolidated the financial statements of the said JV with its financial statements. In this connection, we draw attention of the members to note no. 4 of Audited financial results for Quarter and Year ended 31st March 2016, regarding exposure to LJPL on account of equity shares investment of Rs. 500 Lacs, receivables of Rs. 7,045.80 Lacs, other outstanding of Rs. 2,534.03 Lacs including interest on the outstanding amounts for the current year amounting to Rs. 1,356.38 Lacs and on account of guarantee encashed of Rs. 5,507 Lacs; which is included in these Financial Statements. The profits / losses of the said company have not been included in the Consolidated Financial Statements.

b) We draw attention of the members to note no. 5 of Audited financial results for Quarter and Year ended 31st March 2016, regarding bank guarantees given by the Holding Company for performance amounting to Rs. 1,823.01 Lacs were encashed by a customer of the company. The said amount has not been charged to the Statement of Profit and Loss of the company though it has been the practice of the company to charge such amounts in earlier years. We are informed that the company will be initiating arbitration in respect of encashment of these guarantees and it is hopeful of recovering this money from the customer. We are unable to comment on the recoverability of this amount.

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informed that the company will be initiating arbitration in respect of encashment of these guarantees and it is hopeful of recovering this money from the customer. We are unable to comment on the recoverability of this amount.

c) As mentioned in note no. 6 of Audited financial results for Quarter and Year ended 31st March 2016, the Holding Company has during the year not provided a part of the interest on the outstanding loans as claimed by certain banks amounting to Rs. 3,929.79 Lacs, since the management is of the opinion that the banks have charged excessive interest and the excess interest will be waived by the banks. We are unable to comment on the impact of the same on the financial statements.

QUALIFIED OPINION

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture company as at 31st March, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

EMPHASIS OF MATTER

a) We draw attention to note no. 9 of Audited financial results for Quarter and Year ended 31st March 2016, to the Consolidated Financial Statements stating that the Holding Company has paid managerial remuneration in excess of the provisions of the section 197 of the Companies Act, 2013 read with Part II of Schedule V by Rs. 61.07 Lacs for the current year and Rs. 43.04 Lacs for the previous year for which the permission of the Central Government is to be obtained.

b) We draw attention to note no. 10 of Audited financial results for Quarter and Year ended 31st March 2016, the Group is facing financial crunch due to inadequate liquidity, which has resulted into delays in implementing contracted projects during the year. Such delay can result into future liability for the Group. The Group has made a provision of Rs. 1,300 Lacs for any such liability. The matter being technical in nature, we are not able to comment on the same.

c) We draw attention to note no. 11 of Audited financial results for Quarter and Year ended 31st March 2016, the Group has incurred substantial losses from its operations for the last few years which have eroded its net worth substantially. This raises doubt about its ability to continue as a going concern. However, the management is of the opinion that, subject to approval of Master Restructuring Agreement by the banks, the Group will be able to return to profitability over the next few years. Hence, the financial statements have been prepared assuming that the Group will continue as a going concern. No adjustments are made in the financial statement that might result from the outcome of this uncertainty.

In respect of subsidiaries

The auditors of subsidiary companies have in their report mentioned the following:

d) In case of a subsidiary company as mentioned in note no. 12 of Audited financial results for Quarter and Year ended 31st March 2016, the company has a contingent liability of US $3,47,00,000 (Rs. 22,963.56 Lacs) for the preferred stock variable return as of 31st March, 2016. As allowed under the preferred stock agreement, the company and the Holding Company plan to settle the variable return due on 28th August, 2016 through the issuance of common stock of the Holding Company. Accordingly, the said company has not recorded an obligation of US $3,47,00,000 (Rs. 22,963.56 Lacs) related to the preferred stock variable return as on 31st March, 2016.

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Chartered Accountants

e) We draw attention to note no. 13 of Audited financial results for Quarter and Year ended 31st March 2016, a subsidiary company had losses of Rs. 706.94 Lacs (P. Y. loss Rs. 1,237.05 Lacs). However, based on the expected orders and the business outlook of the subsidiary company, the management is of the opinion that these losses are temporary in nature and will be recovered in the next couple of years. The shareholders have confirmed that the company will be able to continue as a going concern both to meet its liabilities as and when due and to carry on its business operations.

f) We draw attention to note no. 13 of Audited financial results for Quarter and Year ended 31st March 2016, In case of one subsidiary company, the financial statements have been prepared assuming that the company and subsidiaries will continue as going concern. The company has suffered recurring losses from operations and has a net capital deficiency that raises substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors referred above, the consolidated year to date results:

(i) Include the financial results and year to date of the following entities:

- Jyoti Structures Africa (Pty) Ltd
- Jyoti Structures FZE along with its subsidiaries namely Jyoti Structures Namibia (Pty) Ltd, Jyoti Structures Nigeria Ltd and Jyoti Structures Kenya Ltd
- Jyoti International Inc along with its subsidiaries namely Jyoti Americas LLC and Jyoti Structures Canada Ltd
- Jyoti Energy Ltd
- Jyoti Corporate Services Ltd
- Gulf Jyoti International LLC along with its subsidiary namely GJIL Tunisie SARL

(ii) have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and

(iii) except for the matters described in Basis for Qualified Opinion paragraph above, give a true and fair view of the consolidated net loss and other financial information for the period from 1st April, 2015 to 31st March, 2016.

For **R.M. AJGAONKAR & ASSOCIATES**
Chartered Accountants
Firm's Registration Number: 117247W

R. M. Ajgaonkar & Associates
7B, 3rd Floor, Sambhava Chambers, P.M. Road, Fort, Mumbai-400 001. FRN 117247W
Chartered Accountants

KOMAL SEVAK
Partner
Membership Number: 143685

Place: Mumbai
Date: 30th May, 2016

Jyoti Structures Limited

Annexure - 2

Statement on Impact of Audit Qualifications on Consolidated Annual Audited Financial Results for the Financial Year ended March 31, 2016

Rs. in Lacs

Sno	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1	Turnover / Total income	3,00,187.00	3,00,187.00
2	Total Expenditure	(3,70,620.00)	(3,71,120.00)
3	Net Profit/(Loss)	(70,433.00)	(70,933.00)
4	Earnings Per Share	(64.33)	(64.79)
5	Total Assets	6,38,064.00	6,38,064.00
6	Total Liabilities	6,63,209.00	(6,63,709.00)
7	Net Worth	(25,145.00)	(25,645.00)

Audit Qualification

Rs. in Lacs

Sno	Details of Audit Qualification	Type of Qualification	Frequency of Qualification	For Audit qualification(s) where impact is quantified by the Auditor, Management Views	For Audit qualification(s) where impact is not quantified by the Auditor		
					Managements estimation on impact of audit qualificatioon	If management is unable to estimate the impact, reasons for the same	Auditors Comments
a)	Due to non-availability of financial statements of the joint venture company (JV) namely Lauren Jyoti Private Limited (LJPL) as on 31st March 2016, the Group has not consolidated the financial statements of the said JV with its financial statements.	Disclaimer	Since 2012-13	Consequent to dispute with Lauren Engineers & Constructors Inc., JV partner, the financial statements for the last three years have not been adopted. In terms of JV Agreement, the Company has initiated arbitration proceeding against JV Partner, inter alia, to recover following amounts 1 Debtors 7,045.80 2 BG Encashment 5,507.00 3 Receivables for reimbursement of expenses 2,534.03 Total 15,086.82 In terms of JV Agreement, the Company has initiated arbitration proceeding against JV Partner and the Company has claimed that the JV partner to purchase Company's investment of Rs 500 lacs in capital of the JV company.	500	-	NIL
	Exposure to LJPL on account of equity shares investment of Rs. 500 Lacs, receivables of Rs. 7,045.80 Lacs, other outstanding of Rs. 2,534.03 Lacs including interest on the outstanding amounts for the current year amounting to Rs. 1,356.38 Lacs and on account of guarantee encashed of Rs. 5,507 Lacs; which is included in these Financial Statements. The profits / losses of the said company have not been included in the Consolidated Financial Statements.	Disclaimer	Since 2013-14				

JYOTI STRUCTURES LTD MUMBAI

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Chartered Accountants

Sno	Details of Audit Qualification	Type of Qualification	Frequency of Qualification	For Audit qualification(s) where impact is quantified by the Auditor, Management Views	For Audit qualification(s) where impact is not quantified by the Auditor		
					Managements estimation on impact of audit qualificatioon	If management is unable to estimate the impact, reasons for the same	Auditors Comments
b)	Bank guarantees given by the Holding Company for performance amounting to Rs. 1,823.01 Lacs were encashed by a customer of the company. The said amount has not been charged to the Statement of Profit and Loss of the company though it has been the practice of the company to charge such amounts in earlier years. We are informed that the company will be initiating arbitration in respect of encashment of these guarantees and it is hopeful of recovering this money from the customer. We are unable to comment on the recoverability of this amount.	Disclaimer	First Time	MP Madhya Kshetra Vidut Vitaran Company Ltd. has terminated part of the contract and encashed the performance guarantees amounting to Rs. 1,823.01 Lacs in July 2015, as the execution of contract was delayed due to reasons beyond the control of the Company. The Company has been advised to initiate dispute resolution in terms of the contract. The Company is hopeful of recovering this money from the customer. Hence, no provision for the same is made in the financial statements.	NIL	-	NIL
c)	The Holding Company has during the year not provided a part of the interest on the outstanding loans as claimed by certain banks amounting to Rs. 3,929.79 Lacs, since the management is of the opinion that the banks have charged excessive interest and the excess interest will be waived by the banks. We are unable to comment on the impact of the same on the financial statements.	Disclaimer	First Time	Interest amounting to Rs. 3929.79 Lacs claimed by lenders, in excess of the restructuring scheme has not been provided.	NIL	-	NIL

For Jyoti Structures Limited

K. R. Thakur
Whole-time Director
DIN: 00001270

S. D. Kshirsagar
Audit Committee Chairman
DIN: 00001266

Place : Mumbai
Date : 30 May 2016

For R. M. Ajgaonkar & Associates
Chartered Accountants
Firm's Registration Number: 11724W

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Komal Sevak
Partener
Membership No. 143685