

JAIN STUDIOS LTD.

(AN ISO 9001:2008 CERTIFIED COMPANY)

CIN No. : L92199DL1991PLC042611

23/07/2016

The Manager, Capital Market (Listing)
National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor,
Plot No: C/1, G Block,
Bandra Karla Complex
Bandra (E), Mumbai – 400 051
Company Code: JAIN STUDIO

The Corporate Relationship Dept.
BSE Limited
1st Floor, New Trading Ring,
Rotunda Building, P.J. Towers,
Dalal Street, Mumbai – 400 001

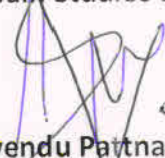
Company Code: 532033

Sub: Disclosure of the Impact of Audit Qualifications for the financial year ended 31st March 2016 under Regulation 33/52 of SEBI (LODR), (Amendment) Regulations, 2016

Dear Sir/Madam,

Pursuant to Notification No. SEBI/LAD-NRO/GN/2016-17/001 dated May 25, 2016 and Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016 issued by the Securities and Exchange Board of India (SEBI) please find enclosed herewith the statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016 (Annexure I enclosed) under Regulation 33/52 of SEBI (LODR), (Amendment) Regulations, 2016 for your information and record.

Thanking You
Yours faithfully
For Jain Studios Limited



Satyendu Pattnaik
(Company Secretary)

Encl. a/a

ANNEXURE - I

(Rupees. In 000)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016*[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]*

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	103,408.59	103,408.59
	2	Total Expenditure	114,909.55	234,695.55
	3	Net Profit/(Loss)	(8,531.50)	(16,258.50)
	4	Earnings Per Share	(0.30)	(0.57)
	5	Total Assets	741,253.83	741,253.83
	6	Total Liabilities	365,085.20	372,812.20
	7	Net Worth	376,168.63	368,441.63
	8	Any other financial item(s) (as felt appropriate by the management)		

II. **Audit Qualification (each audit qualification separately):**a. **Details of Audit Qualification:**

- 1 No provision has been made for the custom duty saved during earlier years as per EPCG Scheme amounting to Rs. 351.48 Lacs (against which sum of Rs. 274.21 lacs are laying deposited with the Customs department) interest thereon and penalties which may be levied.
- 2 Stressed Assets Stabilization Fund (SASF) has denied the further extension and revoked the OTS and subsequent modifications thereof including reversal of dues and restoration of the original liability as per the terms of loan agreement and adjustment of payment received by SASF from the company towards dues. The same has not been effected in the accounts book.

b. **Type of Audit Qualification :**

Qualified Opinion

c. **Frequency of qualification:**

Note No. 2.11 of notes to the financial statements appeared during the F.Y. 2013-14 and Note No. 2.27(B) of notes to the financial statements appeared since 2009. Note No. 2.3 of notes to the financial statements, in respect of One Time Settlement (OTS) with Stressed Assets Stabilization Fund (SASF) appeared during the Financial year 2014-15.

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**

- 1 With regard to Note No. 2.11 and 2.27(B) of notes to financial statements, in respect of custom duty saved as per EPCG scheme relevant applications to DGFT has already been filed for extension of validity period of license(s), condonation of block-wise fulfillment of Export Obligations (EO) and fixation of EO amount as 8 times of duty saved amount as per the decision of EPCG Committee. Follow up is going on with the DGFT and after getting the relevant permissions, redemption application(s) shall be filed against the EPCG license(s).
- 2 Not Quantified. With regard to Note No. 2.3 of notes to the financial statements, in respect of One Time Settlement (OTS) with Stressed Assets Stabilization Fund (SASF) appeared during the Financial year 2014-15, Auditors has expressed its inability to quantify.



Signature

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification:

Not Applicable

(ii) If management is unable to estimate the impact, reasons for the same:

With regard to Note No. 2.3 of notes to the financial statements, in respect of One Time Settlement (OTS) with Stressed Assets Stabilization Fund (SASF) appeared during the Financial year 2014-15, Management is of the view that as per the condition of said OTS, Company has paid agreed OTS amount of Rs. 11.00 crore in cash to SASF without any outstanding and issued and allotted 50,00,000 equity shares of Rs. 10/- each fully paid up at par of the Company amounting to Rs. 5.00 crore. Management is of the view that it has no impact on the Company's accounts and financial statements and hence can't be quantified.

(iii) Auditors' Comments on (i) or (ii) above:

Taking into consideration the Management's view as stated above in point e. (ii) we expressed our inability to quantify the impact.

III. Signatories:

- Dr. J.K. Jain, Managing Director

- Sh. Sunil Kumar Malhotra, CFO

- Sh. Vishnu Bhagwan
Audit Committee Chairman

- Sh. N.P. Bansal,
Partner, Giri & Bansal,
(Auditor of the company)

Place: New Delhi
Date: 23.07.2016



Dr. J.K. Jain
Sunil Kumar Malhotra
Vishnu Bhagwan
N.P. Bansal (NIRONJAN PAOL BANSAL),
FCA 80319