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**GIRI & BANSAL**  
Chartered Accountants

To  
The Board of Directors  
Jain Studios Limited  
Scindia Villa, Sarojini Nagar,  
New Delhi – 110 023.

**Subject: Limited Review Report for the Quarter / Nine Months ended 31<sup>st</sup> December 2013**

1. We have reviewed the accompanying statement of unaudited financial results of JAIN STUDIOS LIMITED for the quarter/ nine months ended 31<sup>st</sup> December 2013 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 audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors/ Committee of Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
- 2 We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, engagements to Review Financial Statements 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 financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
- 3  
(I) Attention is invited to:
  - a) In respect of Transfer of Provident Fund amount payable of Rs. 11.74 Lacs {upto 31.03.2013: Rs. 11.51 lacs) to Social Security Fund A/c (pertaining to the period upto May 2005), based on management perception; and in respect of non payment of certain statutory dues and/or non-filing of certain statutory returns/ forms w.r.t. Tax Deducted at Source, Service Tax and accounting of penalty, interest, etc., thereon (amount unascertainable) and our inability to comment thereon;
  - b) In respect of recognition and carry over of deferred tax assts (net) amounting to Rs. 792.65 lacs, based on management perception in respect of availability of sufficient taxable income in coming years against which such assets can be realized; in respect of MAT credit entitlement amounting to Rs 26.45 Lacs recognised and carried over based on management perception and our inability to comment thereon. Further,

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For JAIN STUDIOS LTD

provision for taxation including deferred tax has not been made as stated in the foot note no. 3 to accompanying financial results (impact unascertained).

c) In respect of One Time Settlement (OTS) with SASF/IDBI, the SASF vide its letter No. SASF C-2 (JSL)/No/954 dated 6.4.2013 has agreed for:

i. extension for further 1 year for buy back of equity at par with return of 10% p.a. on or before March 31, 2014.

*Thus the company has undertaken to pay SASF an amount of Rs.500 Lac alongwith a return thereon @10% p.a. towards buy back of the shares by March 31, 2014.*

ii. release of underlying security on payment of entire cash portion subject to furnishing Bank Guarantee equivalent to buy back obligation in lieu of security released.

iii. the pledged shares will be released only after buy back of security/guarantee amount is received from bank.

(II) In respect of Internal Control system which needs to be further strengthened to be made the same commensurate with the size of the company and nature of its business.

4 Based on our review conducted as above and subject to our comments in para 3 above and read with foot note nos. 4, 5 and 6 to accompanying unaudited financial results, nothing has come to our notice that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement, except non disclosure / publication of audit qualifications (as per the year ended 31<sup>st</sup> March, 2013), including the manner in which it is to be disclosed or that it contains any material misstatement.

For GIRI & BANSAL  
Chartered Accountants



(N. P. BANSAL)  
Partner

M. No. 80319

Place: New Delhi  
Dated: 13.02.2014

