



## Independent Auditors' Report

To the Members of  
**Reliance MediaWorks Financial Services Private Limited**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

1. We have audited the accompanying financial statements of **Reliance MediaWorks Financial Services Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred as "the financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its loss including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

3. We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) as specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

#### **Going Concern**

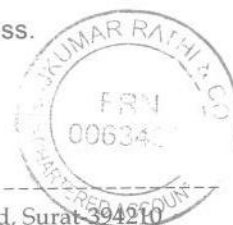
4. We draw attention to Note 31 in the financial statements regarding accumulated loss exceeding the Net Worth of the Company and the Company has prepared the financial statements on a going concern basis for the reasons stated therein.  
Our opinion is not modified in this respect;

#### **Management's Responsibility for the Financial Statements**

5. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of financial position, financial performance, changes in equity and cash flows of the Company in accordance with Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.





### Auditor's Responsibilities for the Audit of the Financial Statements

6. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Other Information

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Director's report and shareholders information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is material misstatement therein; we are required to report that fact. We have nothing to report in this regard.





**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
  - e) On the basis of the written representations received from the Directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a Director in terms of Section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
To the best of our information and according to the explanations given to us, the Company has not paid any managerial remuneration to directors during the year.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) There were no pending litigations which would impact financial position of the Company.
    - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
    - (iii) There were no amounts which were required to be transferred to the Investor Education and protection fund by the Company during the year ended March 31, 2020.

For **Rajkumar Rathi & Co.**  
Chartered Accountants  
Regn.No.006342C

  
**Saurabh Jain**  
Partner  
Membership No.405013



Place: Mumbai  
Date: July 31, 2020  
UDIN: 20405013AAAAEF5500



**ANNEXURE A TO THE AUDITORS' REPORT**

Referred to in our Report of even date on Accounts of **Reliance MediaWorks Financial Services Private Limited** for year ended March 31, 2020

- i) The Company has no fixed assets therefore paragraph 3(i) of the Order is not applicable .
- ii) As explained to us, inventories have been physically verified during the year by the management and in our opinion the frequency of verification is reasonable. There are no discrepancies noticed on physical verification of the inventories compared with book records.
- iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore paragraph 3(iii) of the Order is not applicable.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v) According to information and explanations given to us, the Company has not accepted any deposits from the public.
- vi) According to the information and explanations given to us, no cost records have been prescribed by the Central Government of India under section 148(1) of the Act.
- vii) (a) Based on our examination of the books and records, the Company has generally been regular in depositing with appropriate authority undisputed statutory dues including Provident Fund, Income-Tax, Duty of Customs, Goods and Service Tax, Cess and other Statutory Dues, wherever applicable, during the year. Further no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Value Added Tax, Duty of Customs, Service Tax, Cess and other statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.  
  
(b) As per the information and explanations given to us, there are no disputed statutory dues pending to be deposited with the respective authorities by the Company.
- viii) The Company has not defaulted in repayment of dues to debenture holders as the same is not due during the year. The Company has not borrowed any money from banks or financial institution.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) The Company has not paid any managerial remuneration. Hence paragraph 3(xi) of the Order is not applicable.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.





RAJKUMAR RATHI & CO.  
CHARTERED ACCOUNTANTS

704 Building No.31, Neptune CHS, Evershine Millennium Paradise, Thakur village, Kandiwali (East), Mumbai - 400101

- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Rajkumar Rathi & Co.**  
Chartered Accountants  
Regn.No.006342C

*Saurabh*

**Saurabh Jain**  
Partner  
Membership No.405013



Place: Mumbai  
Date: July 31, 2020





**ANNEXURE B TO THE AUDITORS' REPORT**

Report on the Internal Financial Controls under Section 143(3)(i) of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting ('Financial Controls') of **Reliance MediaWorks Financial Services Private Limited** ("the Company") in conjunction with our audit of the Company for the year ended March 31, 2020.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's Financial Controls based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Financial Controls are established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of Financial Controls includes obtaining an understanding of Financial Controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's Financial Controls is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's Financial Controls includes those policies and procedures that (1) pertain to maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of Financial Controls, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Financial Controls to future periods are subject to the risk that the Financial Controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate Financial Controls system and such Financial Controls are operating effectively as at March 31, 2020, based on the Financial Controls criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI.

For **Rajkumar Rathi & Co.**  
Chartered Accountants  
Regn.No.006342C

  
**Saurabh Jain**  
Partner  
Membership No.405013  
Place: Mumbai  
Date: July 31, 2020



**RELIANCE MEDIAWORKS FINANCIAL SERVICES PRIVATE LIMITED**  
**STANDALONE FINANCIAL STATEMENT**  
**F.Y. 2019-2020**

Reliance MediaWorks Financial Services Private Limited

Balance Sheet as at March 31, 2020

(in ₹)

	Note	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Investments	3	9,97,16,07,957	9,97,16,07,957
(b) Other non current assets	4	12,38,111	11,92,081
<b>Total non-current assets</b>		<b>9,97,28,46,068</b>	<b>9,97,28,00,038</b>
<b>Current assets</b>			
(a) Financial assets			
(i) Trade receivables	5	59,000	-
(ii) Cash and cash equivalents	6	88,58,359	41,00,99,554
(iii) Loans	7	5,73,62,220	11,63,64,689
(iv) Other financial assets	8	1,48,89,915	2,22,19,623
(b) Other current assets	4	5,02,82,882	5,00,54,240
<b>Total current assets</b>		<b>13,14,52,376</b>	<b>59,87,38,106</b>
<b>Total Assets</b>		<b>10,10,42,98,444</b>	<b>10,57,15,38,144</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	9	1,05,01,00,000	1,05,01,00,000
(b) Other Equity	10	(1,84,99,85,708)	(1,04,74,95,440)
<b>Total Equity</b>		<b>(79,98,85,708)</b>	<b>26,04,560</b>
<b>Liabilities</b>			
<b>Non current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	11	8,12,64,15,590	8,46,74,15,590
<b>Total Non-current liabilities</b>		<b>8,12,64,15,590</b>	<b>8,46,74,15,590</b>
<b>Current Liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	12	13,00,07,043	13,86,83,357
(ii) Other financial liabilities	13	2,64,77,61,519	1,96,28,24,387
(b) Other current liabilities	14	-	10,250
<b>Total Current liabilities</b>		<b>2,77,77,68,562</b>	<b>2,10,15,17,994</b>
<b>Total Equity and Liabilities</b>		<b>10,10,42,98,444</b>	<b>10,57,15,38,144</b>

The accompanying notes form an integral part of the financial statements 1 to 32

As per our Report of even date  
For Rajkumar Rathi & Co.  
Chartered Accountants  
Firm Regn.No.: 006342C

*Saurabh*  
**Saurabh Jain**  
Partner  
Membership No.: 405013

Place: Mumbai  
Date : July 31, 2020



For and on behalf of the Board

*Basant Varma*  
**Basant Varma**  
Director  
DIN: 08305670

Place: Mumbai  
Date : July 31, 2020

*M.S. Savla*  
**Mangala Savla**  
Director  
DIN: 08261024



**Reliance MediaWorks Financial Services Private Limited**

**Statement of Profit and Loss for the year ended March 31, 2020**

(in ₹)

Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
<b>Income</b>			
Revenue from operations	15	50,000	95,67,000
Other income	16	5,83,257	67,22,536
<b>Total Income</b>		<b>6,33,257</b>	<b>1,62,89,536</b>
<b>Expenses</b>			
Purchase of stock in trade		-	95,76,000
Finance costs	17	74,38,18,524	60,63,210
Other expenses	18	5,93,05,001	9,48,370
<b>Total Expenses</b>		<b>80,31,23,525</b>	<b>1,65,87,580</b>
<b>Profit / (Loss) before tax</b>		<b>(80,24,90,268)</b>	<b>(2,98,044)</b>
Less: Tax expenses		-	-
<b>Profit / (Loss) for the year</b>		<b>(80,24,90,268)</b>	<b>(2,98,044)</b>
<b>Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the year</b>		<b>(80,24,90,268)</b>	<b>(2,98,044)</b>
Earnings per equity share of face value Rs. 10 each fully paid-up - Basic and Diluted	19	(7.64)	(0.00)

The accompanying notes form an integral part of the financial statements

1 to 32

As per our Report of even date

**For Rajkumar Rathi & Co.**

Chartered Accountants

Firm Regn.No.: 006342C

For and on behalf of the Board

**Saurabh Jain**

Partner

Membership No.: 405013

Place: Mumbai

Date : July 31, 2020



**Basant Varma**

Director

DIN: 08305670

Place: Mumbai

Date : July 31, 2020

**Mangala Savla**

Director

DIN: 08261024

## Statement of changes in equity for the year ended March 31, 2020

A. Equity Share Capital (in ₹)	
Particulars	Amount
Balance as at April 01, 2018	1,05,01,00,000
Changes in during the year	
<b>Balance as at March 31, 2019</b>	<b>1,05,01,00,000</b>
Changes in during the year	-
<b>Balance as at March 31, 2020</b>	<b>1,05,01,00,000</b>
B. Other Equity (in ₹)	
Particulars	Amount
<b>Reserve and surplus</b>	
<b>Retained earnings</b>	
Balance as at April 01, 2018	(1,04,71,97,397)
Profit / (Loss) for the year	(2,98,044)
<b>Balance as at March 31, 2019</b>	<b>(1,04,74,95,440)</b>
Profit / (Loss) for the year	(80,24,90,268)
<b>Balance as at March 31, 2020</b>	<b>(1,84,99,85,708)</b>

As per our Report of even date

For Rajkumar Rathi & Co.  
Chartered Accountants  
Firm Regn.No.: 006342C

*Saurabh Jain*  
**Saurabh Jain**  
Partner  
Membership No.: 405013

Place: Mumbai  
Date : July 31, 2020



For and on behalf of the Board

*Basant Varma*  
**Basant Varma**  
Director  
DIN: 08305670

Place: Mumbai  
Date : July 31, 2020

*M.S. Savla*  
**Mangala Savla**  
Director  
DIN: 08261024

Reliance MediaWorks Financial Services Private Limited

Cash Flow Statement for the year ended March 31, 2020

(in ₹)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>A Cash flow from Operating activities:-</b>		
Profit/ (Loss) before Tax	(80,24,90,268)	(2,98,044)
Adjustment for :		
Interest Income	(5,83,257)	(67,22,536)
Finance costs	74,38,18,524	60,63,210
<b>Operating profits before working capital changes</b>	<b>(5,92,55,001)</b>	<b>(9,57,370)</b>
Adjustment for;		
(Increase) / Decrease in Financial Assets & other Assets	(2,87,642)	(1,90,261)
Increase / (Decrease) in Financial Liabilities & other Liabilities	(86,86,564)	(4,21,72,903)
<b>Cash generated / (used) from operation</b>	<b>(6,82,29,207)</b>	<b>(4,33,20,534)</b>
Taxes paid (net of refunds)	(46,029)	(24,138)
<b>Net cash flow used in Operating activities ( A )</b>	<b>(6,82,75,236)</b>	<b>(4,33,44,672)</b>
<b>B Cash flow from Investing activities:-</b>		
FD Maturity proceeds	-	80,00,000
Inter corporate loan given	5,90,02,469	(20,00,000)
Interest income	79,12,965	32,62,393
<b>Net cash flow used in Investing activities ( B )</b>	<b>6,69,15,434</b>	<b>92,62,393</b>
<b>C Cash flow from Financing activities</b>		
Inter corporate deposit received / (repaid)	-	52,05,00,000
Repayment for Non Convertible Debentures issued	(34,10,00,000)	(11,80,00,000)
Finance cost	(5,88,81,392)	87,58,038
<b>Net cash flow from Financing activities ( C )</b>	<b>(39,98,81,392)</b>	<b>41,12,58,038</b>
Net increase/(decrease) in cash and cash equivalent - ( A + B + C )	<b>(40,12,41,195)</b>	<b>37,71,75,759</b>
Cash and cash equivalents as at beginning of the year	41,00,99,554	3,29,23,795
Cash and cash equivalents as at end of the year (Refer note below)	<b>88,58,359</b>	<b>41,00,99,554</b>
<b>Note :</b>		
Cash and cash equivalents at year end comprises:		
- In Current Account	79,39,751	92,99,554
- Balance with Bank held as Security against Borrowings	9,18,608	40,08,00,000
	<b>88,58,359</b>	<b>41,00,99,554</b>

The above Statement of cash flow should be read in conjunction with accompanying notes 1 to 32

As per our Report of even date

For and on behalf of the Board

For Rajkumar Rathi & Co.  
Chartered Accountants  
Firm Regn.No.: 006342C

Saurabh Jain  
Partner  
Membership No.: 405013

Place: Mumbai  
Date : July 31, 2020



Basant Varma  
Director  
DIN: 08305670

Place: Mumbai  
Date : July 31, 2020

Mangala Savla  
Director  
DIN: 08261024

## 1. Corporate Information

Reliance MediaWorks Financial Services Private Limited ('RMFSPL' or 'the Company') was incorporated on March 10, 2017 as a private limited company under the provisions of the Companies Act, 2013 ("the Act"). The Company is engaged in to carry on the business of an investment company and trading in bullion, including gold, silver and other precious metals.

The registered office of the company is situated at Communication Centre, Film City Complex, Goregaon (East), Mumbai - 400 064.

## 2. Basis of Preparation and Significant Accounting Policies

### 2.1 Basis of Preparation and Presentation

#### a) Compliance with Ind AS

The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended, prescribed under section 133 of the Act.

#### b) Historical cost convention

These financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which are measured at fair value (refer accounting policy regarding financial instruments).

Company's financial statements are presented in Indian Rupees which is also its functional currency.

### 2.2 Significant Accounting Policies

#### a) Current versus non-current classification

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria's set out in the Schedule III to the Companies Act, 2013. Based on the nature of business activities and its realisation in cash or cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of the classification of assets and liabilities into current and non-current.

#### b) Fair Value Measurement

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### c) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The following specific recognition criteria must also be met before revenue is recognized:

- i) Income from trading of gold is recognised when significant risk and reward of ownership of goods have passed to the buyer which coincides with delivery and are recorded net of trade discounts, rebates and Value added tax.
- ii) Interest income is recognized using the effective interest method for financial assets and for others it is recognized on a time proportion basis considering the amount outstanding and the rate applicable. Interest income is included under the head "Other Income" in the statement of profit and loss.



**d) Finance Cost**

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Borrowing Cost related to the investments made are allocated and added to the cost of Investments.

All other borrowing costs are charged to the statement of profit and loss for the period for which they are incurred.

**e) Income Taxes**

**i) Current Income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**ii) Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**f) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

The Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent Assets are not recognised but disclosed in the financial Statements when economic inflow is probable.

**g) Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares, provided the number of shares to be issued is material.

**h) Statement of Cash Flows**

Cash flows are reported using the indirect method, where by profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**i) Cash and Cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.





**j) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Initial Recognition**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.

**Subsequent measurement****(i) Financial assets carried at amortized cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(ii) Financial assets at Fair value through other comprehensive income (FVTOCI)**

A financial asset is subsequently measured at the FVTOCI if it is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(iii) Financial assets carried at fair value through profit and loss (FVTPL)**

A financial asset which is not classified in any of the above categories are subsequently fair valued through statement of profit and loss.

**(iv) Investments in subsidiaries**

Investments in subsidiaries are carried at cost.

**(v) Financial Liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**Derecognition of financial instruments**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

**Impairment of Financial Assets**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at life time ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the statement of profit or loss.

**2.3 Key Accounting Estimates and Judgements**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

**a) Recoverability of trade receivable**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the period of overdues, the amount and timing of anticipated future payments and the probability of default.

**b) Provisions**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of resources resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.



**Reliance MediaWorks Financial Services Private Limited**

Notes forming part of the financial statements for the year ended March 31, 2020

**Note 3 : Investments**

Particulars	Face Value	March 31, 2020		March 31, 2019	
		Numbers	Amount	Numbers	Amount
Investments carried at Cost, fully paid up					
(A) Equity Investments in Subsidiary Companies (Unquoted)					
Reliance MediaWorks Theatres Limited	10	50,000	5,00,000	50,000	5,00,000
Big Synergy Media Limited	100	5,100	13,53,00,000	5,100	13,53,00,000
Total (A)			13,58,00,000		13,58,00,000
(B) Investment in Associate Company (Quoted)*					
Prime Focus Limited	1	10,49,39,361	9,80,29,07,957	10,49,39,361	9,80,29,07,957
Total (B)			9,80,29,07,957		9,80,29,07,957
(C) Investment in Joint Vetur (Unquoted)					
Divya Shakti Marketing Private Limited	10	1,00,000	3,29,00,000	1,00,000	3,29,00,000
Total (C)			3,29,00,000		3,29,00,000
<b>Total (A+B+C)</b>			<b>9,97,16,07,957</b>		<b>9,97,16,07,957</b>

The carrying value and market value of quoted investments are as below:

Particulars	Market Value	Book Value	Market Value	Book Value
Associate:				
Aggregate carrying value of quoted investments	2,66,54,59,769	9,80,29,07,957	6,96,27,26,602	9,80,29,07,957

\* Interest expense to the extent of Rs. Nil (Previous year Rs. 92,42,87,322) directly attributable to the acquisition cost of equity share of Prime Focus Limited, hence added in the cost of investment during the year [Refer Note No. 28].

**Note 4 : Other Non Current & Current Assets**

Particulars	March 31, 2020		March 31, 2019	
	Current	Non Current	Current	Non Current
(Unsecured, Considered Good)				
Advance income tax & tax deducted at sources	-	12,38,111	-	11,67,081
Balances with government authorities	5,02,82,882	-	5,00,54,240	25,000
	<b>5,02,82,882</b>	<b>12,38,111</b>	<b>5,00,54,240</b>	<b>11,92,081</b>

**Note 5 : Trade receivables**

Particulars	March 31, 2020	March 31, 2019
Unsecured Considered good	59,000	-
	<b>59,000</b>	<b>-</b>

**Note 6 : Cash and Cash Equivalents**

Particulars	March 31, 2020	March 31, 2019
Balances with Banks		
In Current Accounts	79,39,751	92,99,554
Balance with Bank held as security against Borrowings	9,18,608	40,08,00,000
	<b>88,58,359</b>	<b>41,00,99,554</b>

**Note 7 : Loans (Current)**

Particulars	March 31, 2020	March 31, 2019
(Unsecured, considered good)		
Inter Corporate Loan given to		
Related Parties - (Refer Note No. 24)	6,37,35,800	6,37,35,800
Less: Provision against ICD Given	63,73,580	-
	5,73,62,220	6,37,35,800
Others	-	5,26,28,889
	<b>5,73,62,220</b>	<b>11,63,64,689</b>

**Note 8 : Other Financial Assets**

Particulars	March 31, 2020	March 31, 2019
(Unsecured, considered good)		
Interest Accrued but not due on Inter corporate deposits	2,19,46,209	2,22,19,623
	2,19,46,209	2,22,19,623
Less: Provision against interest receivable	70,56,294	-
	<b>1,48,89,915</b>	<b>2,22,19,623</b>



# Reliance MediaWorks Financial Services Private Limited

Notes forming part of the financial statements for the year ended March 31, 2020

## Note 9 : Equity Share Capital

Particulars	March 31, 2020		March 31, 2019	
	Number	Amount	Number	Amount
Authorised Equity Shares of ₹ 10/- each	11,00,00,000	1,10,00,00,000	11,00,00,000	1,10,00,00,000
Issued, Subscribed & paid up Equity Shares of ₹ 10/- each, fully paid up	10,50,10,000	1,05,01,00,000	10,50,10,000	1,05,01,00,000
	10,50,10,000	1,05,01,00,000	10,50,10,000	1,05,01,00,000

### (a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year

Particulars	March 31, 2020		March 31, 2019	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	10,50,10,000	1,05,00,00,000	10,50,10,000	1,05,00,00,000
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	10,50,10,000	1,05,00,00,000	10,50,10,000	1,05,00,00,000

### (b) Equity Shares held by the shareholders holding more than 5% shares in the Company / Holding Company

Particulars	March 31, 2020		March 31, 2019	
	Number of shares	% of Holding	Number of shares	% of Holding
Reliance MediaWorks Limited and its nominees	10,50,10,000	100	10,50,10,000	100

### (c) Rights, preference and restrictions attached to the equity shares

The Company has equity shares having par value of ₹ 10 per share. Each equity holder entitle to one vote per share. The dividend proposed by the Board of the Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## Note 10 : Other Equity

Particulars	March 31, 2020		March 31, 2019	
Retained Earnings				
Opening Balance	(1,04,74,95,440)		(1,04,71,97,397)	
Profit / (Loss) for the Year	(80,24,90,268)		(2,98,044)	
Balance at the year end	(1,84,99,85,708)		(1,04,74,95,440)	

## Note 11 : Borrowings

Particulars	March 31, 2020		March 31, 2019	
Debentures				
Non-Convertible Debentures (Secured)	5,78,35,15,590		6,12,45,15,590	
Inter-Corporate Deposits				
Related Parties - Unsecured (Refer Note 24)	1,81,23,00,000		1,81,23,00,000	
Others (Unsecured)	53,06,00,000		53,06,00,000	
	8,12,64,15,590		8,46,74,15,590	

### Non-Convertible Debentures (Secured)

1. The Redeemable Non-Convertible Debentures of Rs. 604,10,00,000 (held by M/s Credit Suisse Finance (India) Private Limited, interest @10% cumulative rate payable on exercise of put option by the holder) are secured by:

- Pledge of all shares of Prime Focus Limited with a carrying value of Rs. 10,81,41,26,481 (March 31, 2019: Rs. 9,80,57,08,646);
- Pledge over equity shares of the company held by Reliance Mediaworks Limited;
- Hypothecation on the Account Assets of the Company and alongwith corporate guarantee by promoter. The same are repayable by March 28, 2023 or as and when put option exercised by the NCD holder
- Pledge over shares of Reliance General Insurance Company Limited (RGICL) by the guarantor;

2) Credit Rating of the Company downgraded from AA++(S0) to CARE C; Negative on March 27, 2020.

As per the covenant of the Debenture, if the rating of the Company downgraded by two notches or more grades below the rating of the Debenture of AA++, is a credit rating event of default, wherein debenture holder has the right to exercise mandatory redemption.

3) The Company has pledged its entire equity holding (10,49,39,361) in Prime Focus Limited (PFL) in favour of IDBI Trusteeship Services Limited (Trustee) against dues of third party guaranteed by the company. The trustee on November 28, 2019 invoked the pledge and currently holds the (7,32,99,666) number shares of PFL in their custody. Till date of finalisation, the company has not surrendered its right on the share lying with the trustee. Therefore the company continue to be the owner of the shares

### Inter-Corporate Deposit from others (Unsecured)

Unsecured loan from others is repayable after the tenure of 3years and carries an interest rate of 11.25% p.a.



**Reliance MediaWorks Financial Services Private Limited**

Notes forming part of the financial statements for the year ended March 31, 2020

**Note 12 : Trade Payables**

(in ₹)		
Particulars	March 31, 2020	March 31, 2019
Total outstanding due to micro and small enterprises (refer note below)	-	-
Total outstanding due to creditors other than micro and small enterprises	13,00,07,043	13,86,83,357
	<b>13,00,07,043</b>	<b>13,86,83,357</b>

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at the balance sheet date. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

(in ₹)		
Particulars	March 31, 2020	March 31, 2019
(i) Principal amount and interest due thereon remaining	-	-
-Principal	-	-
-Interest	-	-
(ii) Interest paid by the company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the suppliers beyond the appointed day during the year.	-	-
(iii) Interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(iv) Interest accrued and remaining unpaid.	-	-
(v) Further interest remaining due and payable even in the succeeding period until such date when the interest dues as above are actually paid to the small enterprise.	-	-

**Note 13 : Other Financial Liabilities**

(in ₹)		
Particulars	March 31, 2020	March 31, 2019
Current maturities of long-term debt	4,29,00,000	4,29,00,000
Interest accrued but not due on borrowing	2,60,48,61,519	1,91,99,24,387
	<b>2,64,77,61,519</b>	<b>1,96,28,24,387</b>

**Note 14 : Other Current Liabilities**

(in ₹)		
Particulars	March 31, 2020	March 31, 2019
*Statutory dues	-	10,250
	-	<b>10,250</b>

\*Statutory dues includes

Gst payable		10,250
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**Note 15 : Revenue from Operations**

(in ₹)		
Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Sales of goods	-	95,67,000
Consultancy services	50,000	-
	<b>50,000</b>	<b>95,67,000</b>

**Note 16 : Other Income**

(in ₹)		
Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest income on:		
Fixed deposits with bank	5,83,257	3,70,267
Loan to related parties	-	35,51,580
Loan to others	-	28,00,689
	<b>5,83,257</b>	<b>67,22,536</b>

**Note 17 : Finance Costs**

(in ₹)		
Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest on term loans and debentures	74,38,18,524	-
Interest on other loans	-	60,63,210
	<b>74,38,18,524</b>	<b>60,63,210</b>



Reliance MediaWorks Financial Services Private Limited

Notes forming part of the financial statements for the year ended March 31, 2020

Note 18 : Other expenses

Particulars	(in ₹)	
	Year Ended March 31, 2020	Year Ended March 31, 2019
Advertisement expenses	64,800	-
Legal and professional fees	14,32,475	7,85,450
Rates and taxes	3,500	1,16,500
Payment to auditors (Refer Note below)	12,500	12,500
Bad Debts written-off	4,43,17,134	-
Provision for doubtful debts	1,34,29,874	-
Miscellaneous expenses	44,718	33,920
	<b>5,93,05,001</b>	<b>9,48,370</b>
Payment to Auditors		
Statutory audit fees	12,500	12,500
Other fees	-	-
<b>Total</b>	<b>12,500</b>	<b>12,500</b>





# Reliance MediaWorks Financial Services Private Limited

Notes forming part of the financial statements for the year ended March 31, 2020

## Note 19 : Earning per share (EPS)

The following reflects the income and share data used in the basic and diluted EPS computations:

(in ₹)		
Particulars	March 31, 2020	March 31, 2019
Profit/ (Loss) for Basic & Diluted earning per share (a)	(80,24,90,268)	(2,98,044)
Weighted average number of equity shares (b)	10,50,10,000	10,50,10,000
Face value per share (₹)	10	10
Basic/Diluted earning per share (₹) (a/b)	(7.64)	(0.00)

## Note 20 : Fair values

Fair value measurement include the significant financial instruments stated at amortised cost in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

## Fair value measurements

The carrying value and fair value of financial instruments by categories as of March 31, 2020 are as follows :

(in ₹)					
Particulars	At amortised costs	At fair value through profit and loss	at fair value through OCI	Total carrying value	Total fair value
<b>Financial assets</b>					
Trade receivables	59,000	-	-	59,000	59,000
Cash and cash equivalents	88,58,359	-	-	88,58,359	88,58,359
Bank Balance other than cash and cash equivalents above	-	-	-	-	-
Loans	5,73,62,220	-	-	5,73,62,220	5,73,62,220
Other financial assets	1,48,89,915	-	-	1,48,89,915	1,48,89,915
	<b>8,11,69,494</b>	-	-	<b>8,11,69,494</b>	<b>8,11,69,494</b>
<b>Financial liabilities</b>					
Borrowings	8,12,64,15,590	-	-	8,12,64,15,590	8,12,64,15,590
Trade payables	13,00,07,043	-	-	13,00,07,043	13,00,07,043
Other financial liabilities	2,64,77,61,519	-	-	2,64,77,61,519	2,64,77,61,519
	<b>10,90,41,84,152</b>	-	-	<b>10,90,41,84,152</b>	<b>10,90,41,84,152</b>

The carrying value and fair value of financial instruments by categories as of March 31, 2019 are as follows :

(in ₹)					
Particulars	At amortised costs	At fair value through profit and loss	at fair value through OCI	Total carrying value	Total fair value
<b>Financial assets</b>					
Cash and cash equivalents	41,00,99,554	-	-	41,00,99,554	41,00,99,554
Loans	11,63,64,689	-	-	11,63,64,689	11,63,64,689
Other financial assets	2,22,19,623	-	-	2,22,19,623	2,22,19,623
	<b>54,86,83,866</b>	-	-	<b>54,86,83,866</b>	<b>54,86,83,866</b>
<b>Financial liabilities</b>					
Borrowings	8,46,74,15,590	-	-	8,46,74,15,590	8,46,74,15,590
Trade payables	13,86,83,357	-	-	13,86,83,357	13,86,83,357
Other financial liabilities	1,96,28,24,387	-	-	1,96,28,24,387	1,96,28,24,387
	<b>10,56,89,23,334</b>	-	-	<b>10,56,89,23,334</b>	<b>10,56,89,23,334</b>



# **Reliance MediaWorks Financial Services Private Limited**

Notes forming part of the financial statements for the year ended March 31, 2020

## **Note 21 - Fair value Hierarchy**

### **Accounting classification and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities if the carrying amount is a reasonable approximation of fair value.

#### **(a) Assets and liabilities measured at fair value - recurring fair value measurements at March 31, 2020**

(in ₹)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Investments	-	-	-	-

#### **(b) Assets and liabilities for which fair value are disclosed at March 31, 2020**

(in ₹)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Trade receivables	-	-	59,000	59,000
Cash and Cash Equivalents	-	-	88,58,359	88,58,359
Loans	-	-	5,73,62,220	5,73,62,220
Other Financial Assets	-	-	1,48,89,915	1,48,89,915
<b>Financial liabilities</b>				
Borrowings	-	-	8,12,64,15,590	8,12,64,15,590
Trade Payables	-	-	13,00,07,043	13,00,07,043
Other Financial Liabilities	-	-	2,64,77,61,519	2,64,77,61,519

#### **(a) Assets and liabilities measured at fair value - recurring fair value measurements at March 31, 2019**

(in ₹)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Investments	-	-	-	-

#### **(b) Assets and liabilities for which fair value are disclosed at March 31, 2019**

(in ₹)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Cash and Cash Equivalents	-	-	41,00,99,554	41,00,99,554
Bank Balance Other Than Cash and Cash Equivalents above	-	-	-	-
Loans	-	-	11,63,64,689	11,63,64,689
Other Financial Assets	-	-	2,22,19,623	2,22,19,623
<b>Financial liabilities</b>				
Borrowings	-	-	8,46,74,15,590	8,46,74,15,590
Trade Payables	-	-	13,86,83,357	13,86,83,357
Other Financial Liabilities	-	-	1,96,28,24,387	1,96,28,24,387

Level - 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities

Level - 2 : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level - 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs)

#### **Transfers between levels**

There have been no transfers between levels during the reporting periods.



## Reliance MediaWorks Financial Services Private Limited

Notes forming part of the financial statements for the year ended March 31, 2020

### Note 22 : Financial Risk Management

The Company's risk management is carried out by a treasury department (company treasury) under policies approved by Board of Directors. Treasury team identifies, evaluates and hedges financial risk in close co-operation with the company's operating units. The Management of the Company provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk and credit risk, use of derivative financial instrument and non-derivative financial instrument, and investments of excess liquidity.

#### (i) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Company does not have any significant exposure to credit risk.

#### (ii) Cash and Cash Equivalents & Other Financial Assets

The Company held cash and cash equivalents & other financial assets with credit worthy banks aggregating to ₹ 88,58,359 and ₹ 41,00,99,554 as at March 31, 2020 and March 31, 2019 respectively. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

#### (iii) Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The Company is not exposed to any significant currency risk and equity price risk.

#### (iv) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to any interest rate risk.

#### Liquidity Risk - Table

The table below analyses the Company's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	(Amount in ₹)		
As at March 31, 2020	Less than 1 year	More than 1 year	Total
Borrowings	-	8,12,64,15,590	8,12,64,15,590
Trade payables	22,500	12,99,84,543	13,00,07,043
Other financial liabilities	1,01,69,46,776	1,63,08,14,743	2,64,77,61,519
<b>Total Non-Derivatives</b>	<b>1,01,69,69,276</b>	<b>9,88,72,14,876</b>	<b>10,90,41,84,152</b>
As at March 31, 2019	Less than 1 year	More than 1 year	Total
Borrowings	53,06,00,000	7,93,68,15,590	8,46,74,15,590
Trade payables	86,690	13,85,96,667	13,86,83,357
Other financial liabilities	90,44,00,350	1,05,84,24,037	1,96,28,24,387
<b>Total Non-Derivatives</b>	<b>1,43,50,87,040</b>	<b>9,13,38,36,294</b>	<b>10,56,89,23,334</b>

### Note 23: Capital Risk Management

The Company considers the following components of its Balance Sheet to be managed capital:

Total equity – share capital and retained earnings,

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the company is based on management's judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company's aim to translate profitable growth to superior cash generation through efficient capital management.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditor, and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.



Reliance MediaWorks Financial Services Private Limited

Notes forming part of the financial statements for the year ended March 31, 2020

Note 24: Related Party Disclosure

As per Ind AS-24 "Related Party Disclosure" the Company's related parties and transactions with them in the ordinary course of business are disclosed below :

(A) Parties in Control

Major Investor  
Reliance Alpha Services Private Limited  
Indian Agri Services Private Limited

Holding Company  
Reliance MediaWorks Limited

Other related parties with whom transactions have taken place during the year

(B) Subsidiaries

Big Synergy Media Limited  
Reliance MediaWorks Theatres Limited

(C) Joint Venture

Divya Shakti Marketing Private Limited

(D) Associate

Prime Focus Limited

(D) Key Management Person

Satish kadakia - Directors  
Mangala Savla - Directors (w.e.f. September 30, 2019)  
Basant Varma - Directors (w.e.f. August 30, 2019)

A. Transactions undertaken during the year end March 31, 2020 with Related Parties:

(Amount in ₹)

Particulars	UHC / Major Investor	Holding Company	Subsidiaries	Associates	Joint Venture
Interest income					
Reliance MediaWorks Theatres Limited	-	-	(35,51,580)	-	-
Reimbursement of payments made by the Company on our behalf					
Reliance MediaWorks Limited	-	12,54,750 (2,80,24,517)	-	-	-
Inter Corporate Loan Given					
Divya Shakti Marketing Private Limited	-	-	-	-	(20,00,000)

B. Balances as at March 31, 2020:

Particulars	UHC / Major Investor	Holding Company	Subsidiaries	Associates	Joint Venture
Inter Corporate Loan Given					
Reliance MediaWorks Theatres Limited	-	-	3,55,15,800 (3,55,15,800)	-	-
Divya Shakti Marketing Private Limited	-	-	-	-	2,82,20,000 (2,82,20,000)
Inter Corporate Loan Taken					
Reliance Alpha Services Private Limited	1,81,23,00,000 (1,81,23,00,000)	-	-	-	-
Provision against ICD Given					
Reliance MediaWorks Theatres Limited	-	-	35,51,580	-	-
Divya Shakti Marketing Private Limited	-	-	-	-	28,22,000
Bad Debts					
Divya Shakti Marketing Private Limited	-	-	-	-	2,73,413
Interest receivable					
Reliance MediaWorks Theatres Limited	-	-	70,56,294 (70,56,294)	-	-
Big Synergy Media Limited	-	-	1,48,89,915 (1,48,89,915)	-	-
Provision against Interest Receivable					
Reliance MediaWorks Theatres Limited	-	-	70,56,294	-	-
Inter Corporate Creditors					
Prime Focus Limited	-	-	-	61,16,696 (61,16,696)	-
Investment					
Divya Shakti Marketing Private Limited	-	-	-	-	3,29,00,000 (3,29,00,000)
Big Synergy Media Limited	-	-	13,53,00,000 (13,53,00,000)	-	-
Reliance MediaWorks Theatres Limited	-	-	5,00,000 (5,00,000)	-	-

Note: Previous year figures given in the bracket ( ).



Notes forming part of the financial statements for the year ended March 31, 2020

**Note 25: Contingent Liabilities**

The Company has not provided Interest expenses accrued on Intercompany Deposits of Rs. 27,31,28,252 (P.Y. Nil)

**Note 26: Disclosure under Section 186 (4) of the Companies Act, 2013**

The Company has given following unsecured Intercompany loans during the year

Name of the Company	Rate of Interest	Loan Outstanding (Amount in ₹)
Divya Shakti Marketing Private Limited	10.00%	2,82,20,000

**Note 27 : Deferred Tax**

In accordance with Indian Accounting Standard (Ind AS) 12 "Income Taxes notified in the Companies (Indian Accounting Standards) Rules 2015 as amended, notified by the Central Government, the deferred tax need to be determined. However, in the opinion of Management, as there is no virtual and reasonable certainty supported by convincing evidence that enough future taxable income will be available against which deferred tax assets can be realized, hence deferred tax assets as at March 31, 2020 have not been recognized.

**Note 28:**

Investments in 10,49,39,361 Equity shares of Rs. 10/- each of Prime Focus Limited amounting to Rs. 8,87,86,20,635 has been made by the Company by utilising the proceeds from Secured Non Convertible Debentures of Rs. 604.10 Crores and ICDs from related parties. During the F.Y. 2018-19, the interest cost related to such borrowings were added in the cost of investment by the Company as this finance cost is directly attributable to acquisition of such investments.

**Note 29:**

"COVID -19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian Financial Markets and a significant decrease in the economic activities. On 24 March 2020 the Indian Government had announced a strict 21 day lockdown which has been further extended by 19 days across the country to contain the spread of virus. Covid 19 presented us an operational challenges and required recalibrating the management methodology for sales, collections, operations, etc. The Company believes that it has taken into account all the possible impact of known events arising out of COVID 19 pandemic in the preparation of financial results. However the impact assessment of COVID 19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes to future economic conditions."

**Note 30 :** The company has no reportable segment as required as per INDAS 108 "Operating Segment", notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended.

**Note 31 :** The Company's net worth has eroded, however, having regard to financial support from its promoters and further restructuring exercise being implemented the financial statements have been prepared on the basis that the Company is a going concern and that no adjustments are required to the carrying value of assets and liabilities.

**Note 32 :** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our Report of even date

**For Rajkumar Rath & Co.**

Chartered Accountants

Firm Regn.No.: 006342C

**Saurabh Jain**

Partner

Membership No.: 405013

Place: Mumbai

Date : July 31, 2020



For and on behalf of the Board of Directors

*Basant Varma*

**Basant Varma**

Director

DIN: 08305670

Place: Mumbai

Date : July 31, 2020

*M.S. Savla*

**Mangala Savla**

Director

DIN: 08261024