

FINANCIAL STATEMENT

2016-2017

**RELIANCE MEDIAWORKS FINANCIAL
SERVICES PRIVATE LIMITED**

Independent Auditors' Report

To the Members of
Reliance MediaWorks Financial Services Private Limited

Report on the Financial Statements

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, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the period then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and the matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017; its Loss and its Cash Flows for the period ended on that date.

For Mahendra & Co.
Chartered Accountants
Regn.No.509293C

Sd/-

Swati Garg
Partner
Membership No. 424192

Place: Mumbai
Date: September 07, 2017

Emphasis of Matter

We draw attention to Note 22 in the financial statements regarding loss exceeding Net Worth of the Company and the financial statements being prepared on going concern basis. Our opinion is not modified in this respect.

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 paragraph 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 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 applicable accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the Directors and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2017 from being appointed as Director in terms of section 164(2) of the Act;
 - f. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - g. 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 are no ongoing litigations as at the reporting date that would have a material impact on its financial position;
 - ii) Based upon the assessment made by the Company, there are no long-term contracts resulting in 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.
 - iv) The Company did not have any cash on hand during the year hence disclosure requirement regarding specified bank notes pursuant to MCA notification G.S.R. 308(E) dated March 30, 2017 is not applicable.

For Mahendra & Co.
Chartered Accountants
Regn.No.509293C

sd/-

Swati Garg
Partner
Membership No. 424192

Place: Mumbai
Date: September 07, 2017

ANNEXURE A TO THE AUDITORS' REPORT

Referred to in our Report of even date on Accounts of **Reliance MediaWorks Financial Services Private Limited** for the period ended March 31, 2017

- i) The Company has no fixed assets hence clause 3(i) of the Order is not applicable.
- ii) According to the information and explanations given to us, the inventory of the Company has been physically verified by the management and in our opinion, the frequency of verification is reasonable and no material discrepancies were noticed between the physical stocks and book records.
- iii) 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 pursuant to section 189 of the Act. Hence the reporting requirements under sub-clause (a), (b), (c) of paragraph 3(iii) of the Order are not applicable.
- iv) According to the information and explanations given to us, the Company has complied with section 185 and 186 of the Act, in respect of loans and investments made.
- v) According to the information and explanations given to us, the Company has not accepted any deposits from the public.
- vi) As informed to us, no Cost Records have been prescribed by Central Government 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, sales tax, value added tax, duty of customs, service tax, cess and other material 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 material statutory dues were outstanding as at March 31, 2017 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 raised any funds from financial institutions or banks or by issue of debentures during the year, hence, question of repayment of dues to them does not arise.
- ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Hence, 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 accounting standards.
- xiv) According to the information and explanations given 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.
- xv) According to the information and explanations given to us, 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 Mahendra & Co.
Chartered Accountants
Regn.No.509293C

Sd/-

Swati Garg
Partner
Membership No. 424192

Place: Mumbai
Date: September 07, 2017.

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 period ended March 31, 2017.

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, 2017, 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 Mahendra & Co.
Chartered Accountants
Regn.No.509293C

Sd/-

Swati Garg
Partner
Membership No. 424192

Place: Mumbai
Date: September 07, 2017

Reliance MediaWorks Financial Services Private Limited

Balance Sheet

As at March 31, 2017

Particulars	Note	(Amount in Rupees) As at March 31, 2017
EQUITY AND LIABILITIES		
Shareholders' funds		
(a) Share capital	1	100,000
(b) Reserves and surplus	2	(5,678,638)
Non-current liabilities		
(a) Long term borrowings	3	9,047,400,000
Current liabilities		
(a) Trade payables	4	
- Micro, small and medium Enterprises	21	856,204
- Others		289,439,146
(b) Other current liabilities	5	5,577,164
Total		9,337,693,876
ASSETS		
Non-current assets		
(a) Non-current investments	6	9,047,320,635
(b) Long-term loans and advances	7	980
Current assets		
(a) Cash and bank balance	8	165,233,825
(b) Short-term loans and advances	9	124,830,144
(c) Other current assets	10	308,292
Total		9,337,693,876

Significant Accounting Policies

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The accompanying notes are an integral part of the financial statements.

As per our Report of even date

For Mahendra & Co.

Chartered Accountants

Firm Regn.No.: 509293C

For and on behalf of Board

Sd/-

Swati Garg

Partner

Membership No.: 424192

Place : Mumbai

Date: September 7, 2017

Sd/-

Neelam Samant

Director

DIN:07064226

Place : Mumbai

Date: September 7, 2017

Sd/-

Satish Kadakia

Director

DIN:07004001

Reliance MediaWorks Financial Services Private Limited

Statement of Profit and Loss

For the period from March 10, 2017 to March 31, 2017

	Note	(Amount in Rupees) For the period from March 10, 2017 to March 31, 2017
I. Revenue from operations	11	14,346,250
II. Other income	12	9,796
Total Revenue		14,356,046
III. Expenses		
Direct Operation expenses	13	14,391,250
Finance Cost	14	5,577,164
Other expenses	15	66,270
Total Expenses		20,034,684
IV. Profit / (Loss) before tax		(5,678,638)
V. Tax Expenses		
Current tax		-
Profit / (Loss) for the year		(5,678,638)
Earnings per equity share	20	
(Nominal value of share Rs.10/-)		
- Basic		(567.86)
- Diluted		(567.86)

Significant Accounting Policies

16

The accompanying notes are an integral part of the financial statements.

As per our Report of even date

For Mahendra & Co.
Chartered Accountants
Firm Regn.No.: 509293C

For and on behalf of Board

Sd/-

Sd/-

Sd/-

Swati Garg
Partner
Membership No.: 424192
Place : Mumbai
Date: September 7, 2017

Neelam Samant
Director
DIN:07064226
Place : Mumbai
Date: September 7, 2017

Satish Kadakia
Director
DIN:07004001

Reliance MediaWorks Financial Services Private Limited

Cash flow statement

For the period from March 10, 2017 to March 31, 2017

(Amount in Rupees)
For the period from
March 10, 2017 to March
31, 2017

A. Cash flow from operating activities

Net profit / (loss) before tax	(5,678,637)
Adjustment for:	
Interest income	(9,796)
Interest on loan from Holding Company	5,577,164
Operating profit / (loss) before working capital changes	(111,269)
Adjustment for:	
(Decrease) / Increase in trade receivable / other current Assets	(275,329,621)
(Decrease) / Increase in trade payable / other current liabilities	290,295,350
Cash from / (used in) operating activities	14,854,460
Taxes paid (net of refunds)	-
Net cash from / (used in) operating activities (A)	14,854,460

B. Cash flow from investing activities

Issue of Shares	100,000
Purchase of shares	(9,047,320,635)
Net cash from / (used in) investing activities (B)	(9,047,220,635)

C. Cash flow from financing activities

Proceeds from long term borrowings (Holding Company)	9,047,400,000
Net cash from / (used in) financing activities (C)	9,047,400,000
Net increase / (decrease) in cash and cash equivalent (A+B+C)	15,033,825
Cash and cash equivalents as at beginning of the year	-
Cash and cash equivalents as at end of the year	15,033,825

As per our Report of even date

For Mahendra & Co.
Chartered Accountants
Firm Regn.No.: 509293C

For and on behalf of Board

Sd/-

Swati Garg
Partner
Membership No.: 424192
Place : Mumbai
Date: September 7, 2017

Sd/-

Neelam Samant
Director
DIN:07064226
Place : Mumbai
Date: September 7, 2017

Sd/-

Satish Kadakia
Director
DIN:07004001

Reliance MediaWorks Financial Services Private Limited

Notes to the financial statements

As at March 31, 2017

(Amount in Rupees)
As at March 31, 2017

1 Share Capital

Authorised

10,000 Equity Shares of Rs.10/- each 100,000

Issued, Subscribed and paid-up

10,000 Equity Shares of Rs. 10/- each, Fully paid up. 100,000

100,000

a. Reconciliation of the shares outstanding at the beginning and at the end of the year

Equity Shares	As at March 31, 2017	
	No. of Shares	Amount in Rs.
Shares as at beginning of the year	-	-
Shares subscribed during the year	10,000	100,000
Shares as at end of the year	10,000	100,000

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs.10/- per share. Each equity holder entitle to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of the Directors is subject to the approval of the shareholders.

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.

c. Equity Shares held by Holding company

	As at March 31,2017	
	No. of Shares	Amount in Rs.
Reliance Mediaworks Limited alongwith nominee	10,000	100,000

d. Details of shareholders holding more than 5% of equity shares in the Company

	As at March 31, 2017	
	No. of Shares	% holding in the class
Reliance Mediaworks Limited alongwith nominee	10,000	100%

2 Reserves and Surplus

Surplus / (Deficit) in the Statement of Profit and Loss

As per last balance sheet	-
Profit / (Loss) for the period	<u>(5,678,638)</u>
Closing Balance	<u>(5,678,638)</u>

3 Long Term Borrowings

Inter-corporate deposit (unsecured)	
From Related Parties (refer note 19)	9,047,400,000
(interest rate 11.25% repayable in three years)	
	<u>9,047,400,000</u>

4 Trade Payables

Due to micro, small and medium enterprises (Refer Note 21)	856,204
Others	289,439,146
	<u>290,295,350</u>

5 Other Current Liabilities

Interest accrued on loan ((amount due to related parties (refer note 19))	5,019,448
Statutory dues payable	557,716
	<u>5,577,164</u>

Reliance MediaWorks Financial Services Private Limited

Notes to the financial statements

As at March 31, 2017

(Amount in Rupees)
As at March 31, 2017

6 Non-current Investments

Investment in equity instruments (non-trade, unquoted, at cost)

Subsidiary companies

Reliance MediaWorks Theatres Limited 500,000

50,000 equity shares ₹ 10/- each, fully paid-up

Big Synergy Media Limited * 135,300,000

5,100 equity shares ₹ 100/- each, fully paid-up

(* Transaction has been completed by the parties on March 30, 2017 but the procedural formalities for share transfer has been completed on April 7, 2017)

Joint venture

Divya Shakti Marketing Private Limited 32,900,000

100,000 equity shares ₹ 10/- each, fully paid-up

Investment in equity instruments (non-trade, quoted, at cost)

Associates

Prime Focus Limited 8,878,620,635

104,939,361 equity shares of ₹ 1/- each, fully paid up

9,047,320,635

(a) Aggregate value of unquoted investments	168,700,000
Aggregate value of quoted investments	8,878,620,635
Aggregate market value of quoted investments	10,619,863,333

7 Long-term Loans and Advances

Unsecured, considered good;

Advance income tax & tax deducted at sources 980

980

8 Cash and Bank Balance

Cash and cash equivalents

Balances with banks

- Current account 15,033,825

- Fixed deposit account with original maturity less than one year 150,200,000

165,233,825

Reliance MediaWorks Financial Services Private Limited

Notes to the financial statements

As at March 31, 2016

(Amount in Rupees)
As at March 31, 2017

9 Short term Loans and Advances

Unsecured, considered good	
Loans and advances to related parties (refer note 19)	57,285,800
Balances with government authorities	25,540
Other loans and advances	67,518,804
	<u>124,830,144</u>

10 Other Current Assets

Unsecured, considered good	
Interest accrued on loan to related parties (refer note 19)	308,292
	<u>308,292</u>

For the period from
March 10, 2017 to March
31, 2017

11 Revenue from operations

Trading Income	
Sale of gold	14,346,250
	<u>14,346,250</u>

12 Other Income

Interest income from:	
- Loan to related parties (refer note 19)	9,796
	<u>9,796</u>

13 Direct operation expenses

Purchases	14,391,250
Less: Closing stock	-
Cost of Sales	14,391,250
	<u>14,391,250</u>

14 Finance Cost

Interest on Loans	5,577,164
	<u>5,577,164</u>

15 Other Expenses

Audit Fees	12,500
Professional fees	22,500
Preliminary Expenses w/off	31,270
	<u>66,270</u>

Reliance MediaWorks Financial Services Private Limited

Notes to the financial statements

As at March 31, 2017

(Currency: Indian Rupees)

Background

Reliance MediaWorks Financial Services Private Limited ('RMFSL' or 'the Company') was incorporated on March 10, 2017 which is engaged in to carry on the business of an investment company and invest ,buy, sell, transfer deal in and dispose of any shares, stocks, debentures, debenture stock bonds, mortgages, obligations and securities of any kind issued or guaranteed by any company, corporation or undertaking of whatever nature whether incorporated or otherwise; and where so ever constituted or carrying on business of immovable property and rights directly or indirectly connected therewith and or billion, including gold, silver and other precious metals and/ or precious stones such as diamonds, rubies and/ or any other asset.

16. Significant Accounting Policies

i. Basis of preparation

These financial statements are prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under section 133 of the Companies Act, 2013. The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian Rupees except per share data..

ii. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles ('GAAP') in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of the financial statements and the reported amount of income and expenses during the reported period. The estimates and assumptions used in the accompanying financial statements, which in its opinion are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

iii. Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest income is recognised on a time proportion basis at the rate implicit in the transaction.

iv. Investments

Long term investments are carried at cost.

v. Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on the first-in-first-out (FIFO) basis.

vi. Taxation

Current tax provision is made based on the tax liability computed after considering tax allowances and exemptions, in accordance with the Income tax Act, 1961.

Reliance MediaWorks Financial Services Private Limited

Notes to the financial statements

As at March 31, 2017

(Currency: Indian Rupees)

Deferred tax charge or credit and the corresponding deferred tax liability or asset are recognised using the tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised when there is reasonable certainty that the assets can be realised in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised to the extent there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down / written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

vii. Provisions, contingent liabilities and contingent assets

Provisions comprise liabilities of uncertain timing or amount. Provisions are recognized when the Company recognises it has a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

Contingent assets are not recognized nor disclosed in the financial statements.

viii. Earnings per share

In determining earning per share, the Company considers the net result after tax and includes the post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of shares that could have been issued on the conversion of all dilutive potential equity shares unless the results would be anti -dilutive. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date.

17. The Company was incorporated on March 10, 2017 and accounts have been prepared for the financial year ended March 31, 2017. This being the first financial year of the Company, previous year comparative are not applicable.

18. Segment reporting

The Company is engaged only in the business of trading of precious metals, hence there are no separate segment disclosures as per AS 17 are not applicable to it.

Reliance MediaWorks Financial Services Private Limited

Notes to the financial statements

As at March 31, 2017

(Currency: Indian Rupees)

19. Related Party Disclosures

List of Related Parties where control exists:

- Ultimate Holding Company – Reliance Land Private Limited ('RLPL')
- Holding Company – Reliance MediaWorks Limited ('RMWL')

Subsidiaries

- Big Synergy Media Limited (w.e.f. March 30, 2017) ('BSML')
- Reliance MediaWorks Theatres Limited (w.e.f. March 30, 2017) ('RMTL')

Joint Venture

- Divya Shakti Marketing Private Limited (w.e.f. March 30, 2017) ('DSMPL')

Fellow subsidiaries

- Global MediaWorks (UK) Limited
- Global MediaWorks (USA) Inc. (formerly Reliance MediaWorks (USA) Inc.)
- Global Cinemas Entertainment LLC (formerly Big Cinemas Entertainment LLC)
- Global Cinemas Entertainment (DE) LLC (formerly Big Cinemas Entertainment (DE) LLC)
- Big Cinemas Laurel LLC
- Big Cinemas Norwalk LLC
- Global Cinemas Galaxy LLC (formerly Big Cinemas Galaxy LLC)
- Big Cinemas Sahil LLC
- Big Cinemas IMC LLC
- Big Pictures USA Inc
- Reliance Media Works VFX Inc.

Associate

- Prime Focus Limited (w.e.f. March 30, 2017) ('PFL')

ii) Transaction with Related Parties & closing balance at year end :

Particulars	Holding Company	Subsidiaries	Joint venture
	CY	CY	CY
Interest income			
RMTL	-	9,796	-
Interest expense			
RLPL	5,577,164	-	-
Loan taken			
RLPL	9,047,400,000	-	-
Outstanding balance as at year end			
BSML	-	14,889,915	-
DSMPL	-	-	21,770,000
RMTL	-	35,824,092	-
RLPL	(9,052,419,448)		

CY- Year ended March 31, 2017

Reliance MediaWorks Financial Services Private Limited

Notes to the financial statements

As at March 31, 2017

(Currency: Indian Rupees)

20. Earnings Per Share:

Particulars	For the year ended March 31, 2017
Net profit/ (loss) after tax	(5,678,638)
Weighted average number of Shares	10,000
Face value per share	10
Earnings Per Share (Basic and Diluted)	(567.86)

21. Due to Micro and Small Enterprise

Under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED), certain disclosures are required to be made relating to micro and small enterprise. On the basis of the information and records information available with the Company, the following disclosures are made for the amounts due to the MSME.

Particulars	March 31, 2017
Principal amount due to any supplier as at the year end	856,204
Interest due on the principal amount unpaid at the year end to any supplier	-
Amount of Interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-
Payment made to the enterprises beyond appointed date under section 16 of MSMED	-
Amount of interest due and payable for the period of delay in making payment, which has been paid but beyond the appointed day during the period, but without adding the interest specified under MSMED	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above is actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED.	-

22. 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.

23. On March 30, 2017 the Company purchased equity investment from its holding company i.e. Reliance MediaWorks Limited in Big Synergy Media Limited, Reliance MediaWorks Theatres Limited and Divya Shakti Marketing Private Limited for total consideration of Rs.168,700,000/-.

Further the Company had purchased 10,49,39,361 equity shares of face value of Re 1/- each for total consideration of Rs.8,878,620,635/- (including taxes) through Inter-se transfer of shares on market

Reliance MediaWorks Financial Services Private Limited

Notes to the financial statements

As at March 31, 2017

(Currency: Indian Rupees)

from Reliance MediaWorks Limited.

On March 30, 2017 pursuant to Deed of Assignment executed between the Company and Reliance MediaWorks Limited certain identified assets and liabilities of Rs. 30 Crores has been transferred to the Company.

24. Details of loans given, investments made and guarantee given covered u/s 186(4) of the Companies Act, 2013:

Sr. No.	Name of the Company	Purpose	As at March 31, 2017
1	Reliance MediaWorks Theatres Limited	Business Finance	35,515,800

As per our Report of even date

For Mahendra & Co.
Chartered Accountants
Firm Registration No. 509293C

For and on behalf of the Board

Sd/-
Swati Garg
Partner
Membership No. 424192
Place: Mumbai
Date: September 7, 2017

Sd/-
Neelam Samant
Director
DIN:07064226
Place: Mumbai
Date: September 7, 2017

Sd/-
Satish Kadakia
Director
DIN:07004001