

**FINANCIAL STATEMENT**

**2014-2015**

**RELIANCE MEDIAWORKS CREATIVE  
SERVICES LIMITED**

### Independent Auditors' Report

To the Members of  
**Reliance MediaWorks Creative Services Limited**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of **Reliance MediaWorks Creative Services Limited** ('the Company') which comprise the Balance Sheet as at March 31, 2015, Statement of Profit and Loss and the Cash Flow Statement for the year 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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, 2015, its Loss and its Cash Flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) Section 143 of Act, we give in the Annexure 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 appears from our examination of those books;
  - c) The Balance Sheet, 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 materially 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 directors and taken on record by the board of directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of section 154(2) of the Act.
  - f) 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) As per the information and explanations given to us, 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 material foreseeable losses on its long-term contracts that may require any provisioning.
    - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For S M A & Co.**  
Chartered Accountants  
Regn No.018452C

**Amit Khandelwal**  
Partner  
Membership No. 150398

Place: Mumbai  
Date: May 29, 2015

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Offices: 4-B-4, Aashirwad Plaza, Talwandi, Kota 324005 Rajasthan  
C/o Moose Bhoj & Co, 31, Shopping Centre, Kota 324007 Rajasthan  
Amitulla Villa, Bairaj Road, Tipta, Kota 324006 Rajasthan  
Shop No. 3, Agrawal Dhanashala Aklera, Jhalawar 326033 Rajasthan

## ANNEXURE TO THE AUDITORS' REPORT

Referred to in our Report of even date on the Accounts of Reliance MediaWorks Creative Services Limited for the year ended March 31, 2015

- i) The Company has no fixed assets therefore clause (i) of paragraph 3 of the Order is not applicable
- ii) The Company has no inventory therefore clause (ii) of paragraph 3 of the Order is not applicable
- iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained pursuant to section 189 of the Act. Hence the reporting requirements under sub-clause (a) and (b) of clause (iii) of paragraph 3 of the Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year within the provisions of Sections 73 to 76 of the Act and the rules framed there under and the directives issued by the Reserve Bank of India
- vi) As informed to us, the Central Government has not prescribed maintenance of cost records under Section 148 (1) of the Companies Act, 2013. Accordingly, clause 3 (vi) of the Order is not applicable
- vii) a) According to the information and explanations given to us and based on the records of the Company examined by us, the Company is generally regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax and other material statutory dues, as applicable, with the appropriate authorities in India.  
  
According to the information and explanations given to us no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, and other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable
- b) According to the information and explanations given to us, there are no applicable statutory dues which have not been deposited on account of any dispute.
- c) In view of there being no amount(s) required to be transferred to the Investor Education and protection Fund for the year under audit the reporting under this clause is not applicable.
- viii) Company has been registered for a period of less than five years hence clause 4(viii) of the Order regarding accumulated losses etc. is not applicable to the Company
- ix) In our opinion and according to the information and explanations given to us, 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
- x) According to information and explanations given to us, the Company has not given any guarantee during the year for loans taken by others from banks or financial institutions.
- xi) The Company has not raised any term loans during the year and therefore provisions relating to application of loan for the purpose for which it was obtained are not applicable

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Offices: 4-B-4, Ashirwad Plaza, Talwandi, Kota 324005 Rajasthan  
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Shop No. 3, Agrawal Dharmashala Aklera, Jhalawar 326033 Rajasthan

xii. During the course of examination of the books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have not come across any fraud on or by the Company, noticed or reported during the year nor have we been informed of such case by the Management that causes the financial statements to be materially misstated.

**For S M A & Co.**  
Chartered Accountants  
Regn.No.018452C

**Amit Khandelwal**  
Partner  
Membership No. 150398

Place, Mumbai  
Date: May 29, 2015

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Offices: 4-B-4, Aashirwad Plaza Talwandi, Kota 324005 Rajasthan  
C/o Moosa Bhoj & Co., 31, Shopping Centre, Kota 324007 Rajasthan  
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Shop No. 3, Agrawal Dharmashala Aklera, Jhulawar 326033 Rajasthan

## Reliance MediaWorks Creative Services Limited

### Balance sheet as at March 31, 2015

	Note	March 31, 2015 (Amount in Rs.)	March 31, 2014 (Amount in Rs.)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	1	500,000	500,000
(b) Reserves and surplus	2	(513,483)	(13,483)
<b>Current liabilities</b>			
(a) Other current liabilities	3	13,483	13,483
<b>Total</b>		<u>-</u>	<u>500,000</u>
<b>ASSETS</b>			
<b>Current assets</b>			
(a) Cash and bank balance	4		500,000
<b>Total</b>		<u>-</u>	<u>500,000</u>

Significant Accounting Policies 5  
The accompanying notes are an integral part of the financial statements.

As per our Report of even date  
For S M A & Co.  
Chartered Accountants  
Firm's Registration No. 18452C

For and on behalf of the Board

**Amit Khandelwal**  
Partner  
Membership No. 150398  
Place : Mumbai  
Date : May 29, 2015

**Mohan Umrotkar**      **Sandip Dhotre**  
Director                      Director  
Place : Mumbai  
Date : May 29, 2015

## Reliance MediaWorks Creative Services Limited

### Statement of profit and loss for the year ended March 31, 2015

		for the year ended March 31, 2015 (Amount in Rs.)	for the period from June 20, 2013 (date of incorporation) to March 31, 2014 (Amount in Rs.)
	Note		
<b>I. Revenue</b>		-	-
<b>II. Other income</b>		-	-
<b>III. Total Revenue</b>		<u>-</u>	<u>-</u>
<b>IV. Expenses</b>			
Auditors remuneration		13,483	13,483
Professional fees		486,517	
<b>Total expenses</b>		<u>500,000</u>	<u>13,483</u>
<b>V. Loss before exceptional and extra ordinary item and tax (III- IV)</b>		(500,000)	(13,483)
<b>VI. Exceptional items</b>		-	-
<b>VII. Loss before extra ordinary item and tax (V- IV)</b>		(500,000)	(13,483)
<b>VIII. Extraordinary items</b>		-	-
<b>IX. Loss before tax (VII-VIII)</b>		(500,000)	(13,483)
<b>X. Tax Expenses</b>			
Current tax		-	-
<b>Loss for the period (IX-X)</b>		(500,000)	(13,483)
Earnings per share (Basic and diluted)	10	(10.00)	(0.27)

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

As per our Report of even date

For S M A & Co.

Chartered Accountants

Firm's Registration No. 18452C

For and on behalf of the Board

**Amit Khandelwal**

Partner

Membership No. 150398

Place : Mumbai

Date : May 29, 2015

**Mohan Umrotkar**

Director

**Sandip Dhotre**

Director

Place : Mumbai

Date : May 29, 2015

# Reliance MediaWorks Creative Services Limited

## Cash flow statement

for the year ended March 31, 2015

	for the year ended March 31, 2015 (Amount in Rs.)	for the period from June 20, 2013 (date of incorporation) to March 31, 2014 (Amount in Rs.)
<b>A. Cash flow from operating activities</b>		
Net loss before tax	(500,000)	(13,483)
Operating loss before working capital changes	(500,000)	(13,483)
<b>Adjustment for:</b>		
Increase in trade and other payables	-	13,483
<b>Net cash used in operating activities</b> (A)	(500,000)	-
<b>B. Cash flow from investing activities</b> (B)		
<b>C. Cash flow from financing activities</b>		
Issue of equity shares	-	500,000
<b>Net cash flow from financing activities</b> (C)	-	500,000
<b>Net increase / (decrease) in cash and cash equivalent (A+B+C)</b>	(500,000)	500,000
Cash and cash equivalents as at beginning of the period	500,000	-
Cash and cash equivalents as at end of the period	-	500,000

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

As per our Report of even date  
For S M A & Co.  
Chartered Accountants  
Firm's Registration No. 18452C

For and on behalf of the Board

**Amit Khandelwal**  
Partner  
Membership No. 150398  
Place : Mumbai  
Date : May 29, 2015

**Mohan Umrotkar**      **Sandip Dhotre**  
Director                      Director  
  
Place : Mumbai  
Date : May 29, 2015



## Reliance MediaWorks Creative Services Limited

### Notes to the financial statements

as at March 31, 2015

	March 31, 2015 (Amount in Rs.)	March 31, 2014 (Amount in Rs.)
<b>1 Share capital</b>		
<b>Authorised</b>		
80,000 (2014: 80,000) Equity Shares of Rs. 10/- each	800,000	800,000
2,000,000 (2014: 2,000,000) Preference Shares of Rs. 1/- each	2,000,000	2,000,000
	<u>2,800,000</u>	<u>2,800,000</u>
<b>Issued, subscribed and paid-up capital</b>		
50,000 (2014: 50,000) Equity Shares of Rs. 10/- each, Fully paid up.	500,000	500,000
	<u>500,000</u>	<u>500,000</u>

All the above shares are held by Reliance MediaWorks Limited, the Holding Company and its nominees

#### (a) Reconciliation of the shares outstanding at the beginning and at the end of the period

Issued, subscribed and paid-up capital	March 31, 2015 (Amount in Rs.)		March 31, 2014 (Amount in Rs.)	
	No of Shares	Amount in Rs.	No of Shares	Amount in Rs.
Equity shares as at beginning of the year / period	50,000	500,000	-	-
Equity share issued during the year / period / Subscription of memorandum of association	-	-	50,000	500,000
Buyback / forfeiture / reduction equity shares	-	-	-	-
Equity shares as at end of the year / period	50,000	500,000	50,000	500,000

#### (b) Rights, preferences and restriction attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each equity holder is entitled to one vote per share. The Company declares and pays dividends, if any, in Indian Rupees. The dividend proposed, if any 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

#### (c) Names of shareholders holding more than 5% of equity share in the Company

	March 31, 2015		March 31, 2014	
	Number of Shares	% holding in the class	Number of Shares	% holding in the class
Reliance MediaWorks Limited	50,000	100.00%	50,000	100.00%

	March 31, 2015	March 31, 2014
<b>2 Reserves and surplus</b>		
(Deficit) in Statement of profit and loss	(13,483)	-
Loss for the period	(500,000)	(13,483)
	<u>(513,483)</u>	<u>(13,483)</u>
<b>3 Other current liabilities</b>		
Others	13,483	13,483
	<u>13,483</u>	<u>13,483</u>
<b>4 Cash and bank balances</b>		
Balances with banks		
- Current accounts	-	500,000
	<u>-</u>	<u>500,000</u>

# Reliance MediaWorks Creative Services Limited

Notes to the financial statements (continued)

For the year ended March 31, 2015

(Currency: Indian rupees)

## Background

The Company was incorporated in Maharashtra, Mumbai on June 20, 2013 as a private company limited by shares. Its registered office is situated at Filmcity Complex, Goregaon East, Mumbai, Maharashtra – 400065. The Company is a wholly owned subsidiary of Reliance MediaWorks Entertainment Services Limited.

The Company engaged in business to make, produce, develop, promote, project, participate, prepare, develop, shoot, expose, edit, exhibit, re-make, mix, re-mix, display, convert, manipulate, duplicate, finish, buy, sell, run, import, export, publish advertising films, advertising audio and video tapes and such other literary works and undertakings and all types of films, tapes and publication materials.

## 5. Summary of significant accounting policies

### 5.1 Basis of preparation

6. These financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting and in accordance with the Accounting Standards ('AS') prescribed in the Companies (Accounting Standards) Rules, 2006 which continue to apply under Section 133 of the Companies Act, 2013, ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 1956, to the extent applicable. The financial statements are presented in Indian Rupees except where mentioned otherwise.

### 6.1 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, the disclosures of contingent liabilities on the date of the financial statements and the reported amount of income and expenses during the reported period. Management believes that the estimates made in the preparation of financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

### 6.2 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 earning per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earning 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.

### 6.3 Taxation

# Reliance MediaWorks Creative Services Limited

Notes to the financial statements (continued)

For the year ended March 31, 2015

(Currency: Indian rupees)

Income-tax expense comprises current tax expense computed in accordance with the relevant provisions of the Income tax Act, 1961 and deferred tax charge or credit.

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. Deferred tax charge or credit and the corresponding deferred tax liability or asset is recognised for timing differences between the profits / losses offered for income taxes and profits / losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised only to the extent 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 only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down / up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

## 6.4 Provisions and contingencies

Provisions comprise liabilities of uncertain timing or amount. Provisions are recognised 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.

## 7. Disclosure of Related Party under AS 18 – ‘Related party disclosures’

### Parties where control exists

#### Ultimate Holding Company

Reliance Land Private Limited

#### Holding Company

Reliance MediaWorks Entertainment Services Limited

### Fellow subsidiaries

- Global MediaWorks (UK) Limited (formerly known as Reliance MediaWorks (UK) Limited)
- Reliance MediaWorks (USA) Inc.
- Reliance MediaWorks (Netherlands) B.V.
- Reliance MediaWorks (Mauritius) Limited
- Reliance MediaWorks Theatres Limited