

**FINANCIAL STATEMENT**

**2017-2018**

**RELIANCE MEDIAWORKS THEATRES LIMITED**

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**Independent Auditors' Report**

To The Members of  
**Reliance MediaWorks Theatres Limited**

We have audited the accompanying financial statements of **Reliance MediaWorks Theatres Limited** ('the Company') which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

**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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind As) specified under Section 133 of the Act. 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 Ind AS 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS 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 Ind AS 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 Ind AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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, 2018; its Loss, its Cash Flows and the Statement of Changes in Equity for the year ended on that date.

## 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) Section 143 of 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, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the aforesaid Ind AS financial statements comply with the applicable Indian Accounting Standards specified under Section 133 of the Act.
  - 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, 2018 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.

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

**Swati Garg**  
Partner  
Membership No. 424192

Place: Mumbai  
Date: August 25, 2018

## ANNEXURE A TO THE AUDITORS' REPORT

Referred to in our Report of even date on Accounts of **Reliance MediaWorks Theatres Limited** for year ended March 31, 2018

- i) The Company has no fixed assets therefore paragraph 3(i) of the Order is not applicable.
- ii) As explained to us, there is no inventory hence clause 3(ii) of the Order is not applicable
- 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) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess or/and any other statutory dues, wherever applicable, with the appropriate authorities during the year and there were no such outstanding dues 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, 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) The Company has not made any preferential allotment or private placement of shares or 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) 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

**Swati Garg**  
Partner  
Membership No. 424192

Place: Mumbai  
Date: August 25, 2018

## 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 Theatres Limited** ("the Company") in conjunction with our audit of the Company for the year ended March 31, 2018.

### 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, 2018, 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

Swati Garg  
Partner  
Membership No. 424192

Place: Mumbai  
Date: August 25, 2018

Reliance MediaWorks Theatres Limited

Balance Sheet as at March 31, 2018

Particulars	Note	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 01, 2016 ₹
<b>ASSETS</b>				
1 <b>Non-current Assets</b>				
(a) Investments in Subsidiaries, Associates and Joint Ventures	3	1,37,48,449	1,74,02,415	2,89,25,850
(b) Other Non Current Assets	4	94,572	53,243	16,30,294
		<u>1,38,43,021</u>	<u>1,74,55,658</u>	<u>3,05,56,144</u>
2 <b>Current Assets</b>				
(a) Financial Assets				
(i) Cash and Cash Equivalents	5	25,60,983	16,39,720	20,11,328
(ii) Bank Balance Other Than Cash and Cash Equivalents above	6	60,00,000	-	-
(iii) Loans	7	-	-	-
(iv) Other Financial Assets	8	14,66,024	14,00,558	14,00,558
		<u>1,00,27,007</u>	<u>30,40,278</u>	<u>34,11,886</u>
<b>TOTAL ASSETS</b>		<u>2,38,70,027</u>	<u>2,04,95,936</u>	<u>3,39,68,030</u>
<b>EQUITIES AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share Capital	9	5,00,000	5,00,000	5,00,000
(b) Other Equity	10	(1,60,52,020)	(1,58,83,236)	(4,74,89,091)
		<u>(1,55,52,020)</u>	<u>(1,53,83,236)</u>	<u>(4,69,89,091)</u>
<b>Liabilities</b>				
1 <b>Non current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	11	3,55,15,800	3,55,15,800	6,99,19,822
2 <b>Current Liabilities</b>				
(a) Financial Liabilities				
(i) Trade Payables	12	46,375	54,100	24,275
(ii) Other Financial Liabilities	13	35,04,714	3,08,292	1,05,25,698
(b) Other Current Liabilities	14	3,55,158	980	4,87,326
		<u>3,94,22,047</u>	<u>3,58,79,172</u>	<u>8,09,57,121</u>
<b>TOTAL EQUITIES AND LIABILITIES</b>		<u>2,38,70,027</u>	<u>2,04,95,936</u>	<u>3,39,68,030</u>

The accompanying notes form an integral part of the financial statements

1 to 31

As per our Report of even date

For Mahendra & Co.

Chartered Accountants

Firm Regn.No.: 509293C

For and on behalf of the Board of Directors

Swati Garg

Partner

Membership No.: 424192

Place : Mumbai

Date : March 25, 2018

Satish Kadakia

Director

DIN: 07004001

Place : Mumbai

Date : March 25, 2018

Mohan Umrotkar

Director

DIN: 02282548



Reliance MediaWorks Theatres Limited

Statement of Profit and Loss for the year ended March 31, 2018

Particulars	Note	Year ended March 31, 2018 ₹	Year ended March 31, 2017 ₹
<b>Revenue</b>			
Revenue from Operations	15	33,46,034	64,76,565
Other Income	16	72,013	3,01,00,490
<b>TOTAL</b>		<b>34,18,047</b>	<b>3,65,77,055</b>
<b>Expenses</b>			
Finance Costs	17	35,51,580	48,92,226
Other Expenses	18	35,250	47,923
<b>TOTAL</b>		<b>35,86,830</b>	<b>49,40,149</b>
Profit before tax		(1,68,783)	3,16,36,906
<b>Tax Expenses</b>			
- Current Tax		-	31,051
- Deferred Tax		-	-
		-	31,051
Profit / (Loss) after tax		(1,68,783)	3,16,05,855
<b>Total Comprehensive Income</b>		<b>(1,68,783)</b>	<b>3,16,05,855</b>
Earnings per Equity Share (Face value of Rs.10/- each)			
- Basic and Diluted	19	(3.38)	632.12

The accompanying notes form an integral part of the financial statements

1 to 31

As per our Report of even date

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

For and on behalf of the Board of Directors

Swati Garg  
Partner  
Membership No.: 424192

**Satish Kadakia**  
Director  
DIN: 07004001

**Mohan Umrotkar**  
Director  
DIN: 02282548

Place : Mumbai  
Date : March 25, 2018

Place : Mumbai  
Date : March 25, 2018

Cash Flow Statement for the year ended March 31, 2018

Particulars	Year ended March 31, 2018 ₹	Year ended March 31, 2017 ₹
<b>A Cash flow from Operating activities:-</b>		
Profit / (Loss) before Tax	(1,68,783.40)	3,16,36,905.91
Adjustment for :		
Interest income	(72,012.60)	(3,01,00,490.00)
Interest expense	35,51,580.00	48,92,226.00
<b>Operating profits before working capital changes</b>	<b>33,10,784.00</b>	<b>64,28,641.91</b>
(Increase) / Decrease in Financial Assets & other Assets	(65,466.00)	-
Increase / (Decrease) in Financial Liabilities & other Liabilities	35,42,875.00	(1,06,73,927.00)
Cash generated from operation	67,88,193.00	(42,45,285.09)
Taxes paid (net of refunds)	(41,328.60)	15,46,000.00
<b>Net cash flow / (used) in operating activities ( A )</b>	<b>67,46,864.40</b>	<b>(26,99,285.09)</b>
<b>B Cash flow / (used) from investing activities:-</b>		
Reduction in investments	3,07,932.00	1,15,23,435.00
Investment in Fixed Deposits with Banks	(60,00,000.00)	-
Interest income	72,012.60	3,01,00,490.00
<b>Net cash flow / (used) in investing activities ( B )</b>	<b>(56,20,055.40)</b>	<b>4,16,23,925.00</b>
<b>C Cash flow from Financing activities</b>		
Inter corporate loan repaid	-	(3,44,04,022.09)
Interest expense	(35,51,580.00)	(48,92,226.00)
<b>Net cash flow from financing activities ( C )</b>	<b>(35,51,580.00)</b>	<b>(3,92,96,248.09)</b>
<b>Net increase/(decrease) in cash and cash equivalent - ( A + B + C )</b>	<b>(24,24,771.00)</b>	<b>(3,71,608.18)</b>
Cash and cash equivalents as at beginning of the year	16,39,719.89	20,11,327.89
Cash and cash equivalents as at end of the year (Refer note below)	25,60,982.89	16,39,719.89
	<b>9,21,263.00</b>	<b>(3,71,608.18)</b>
 Note :		
1) Cash and cash equivalents at year end comprises:		
- Cash on hand	-	-
- Balance with Banks in Current accounts	25,60,982.89	16,39,719.89
	<b>25,60,982.89</b>	<b>16,39,719.89</b>

As per our Report of even date  
For Mahendra & Co.  
Chartered Accountants  
Firm Regn.No.: 509293C

Swati Garg  
Partner  
Membership No.: 424192

Place : Mumbai  
Date : March 25, 2018

For and on behalf of the Board of Directors

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