

**FINANCIAL STATEMENT**

**2017-2018**

**GLOBAL MEDIAWORKS USA INC.**

## INDEPENDENT AUDITORS' REPORT

**TO  
THE MANAGEMENT OF  
RELIANCE MEDIAWORKS LIMITED**

**1. Report on the Financial Statements:**

We have audited the accompanying consolidated financial statements of Global Media Works (USA) Inc. (formerly Reliance Media Works Inc.) ('the Company') and its subsidiaries (the Company and its subsidiary companies together referred as ('the Group')), which comprise the consolidated Balance sheet as at 31 March, 2018, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated statement of Cash Flow and the consolidated statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the consolidated financial statements"), prepared and presented solely to facilitate the preparation of the consolidated financial statements of the Intermediate Holding Company- Reliance Media Works Limited, in terms of Section 123(3) of Indian Companies Act, 2013 ('the 2013 Act').

These consolidated financial statements are "special purpose financial statements" and do not constitute a set of statutory financial statements in accordance with the local laws in which the holding company is Incorporated and cannot be used for any purpose other than aforesaid.

**2. Management's Responsibility for the Consolidated Financial Statements**

The Management is responsible for the matters stated in section 134(5) of the companies Act, 2013 ("the Act") with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the group in accordance with the accounting principles generally accepted in India, in preparing its consolidated financial statements ("Group Accounting Policies") and the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued there-under to the extent applicable. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Group and for preventing and detecting fraud 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 are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### 3. Auditors' Responsibility

We conducted our audit in accordance with the Standards on Auditing (SA) issued by the Institute of Chartered Accountants of India and in particular SA 800 'Special Considerations - Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks'. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

Our responsibility is to express an opinion on this financial statement based on our audit. We have taken into account the provisions of the Companies Act 2013 to the extent, the accounting and auditing standards and matters which are required to be included in the audit report in accordance with the Standards on Auditing specified under Section 143(10) of the Act. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls pursuant to the MCA notification dated 13<sup>th</sup> June 2017. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

### 4. Opinion

In our opinion and to the best of our information and according to the explanation given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March, 2018, and consolidated losses and its consolidated cash flows and the consolidated changes in the equity for the year ended on that date.

## 5. Emphasis of Matter

We draw attention to note no. 20 of the Notes to Accounts to the Consolidated Financial Statements. The Company continues to prepare accounts on a going concern basis, despite accumulated losses as on 31.03.2018 being more than 50% of the average net worth during the four years immediately preceding the current financial year. The reason for the losses and the Management's assessment mentioned in the note no.20, as mentioned above, regarding the Company's ability to continue as a going concern have been relied upon.

Our opinion is not qualified in respect of this matter.

## 6. Other Matter

The Company has prepared separate set of financial statements for the year ended 31.03.2018 in accordance with the International Financial Reporting Standards (IFRS) and Interpretations issued by the International Accounting Standards Board (IASB) and effective in the reporting period, which are audited by the other auditors, whose report for the year ended 31.03.2018 dated 30.06.2018 has been replied upon by us.

**For Chokshi and Co. LLP**  
**Chartered Accountants**  
**FRN – 131228W / W100044**

**Kalpen Chokshi**  
**Partner**  
**Membership No.:135047**

**Place: Mumbai**  
**Date: 27.08.2018**

GLOBAL MEDIAWORKS USA INC. (FORMERLY KNOWN AS RELIANCE MEDIAWORKS USA INC.) GROUP

Balance Sheet as at March 31, 2018

Particulars	Note	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
		(Amount in ₹)	(Amount in USD)	(Amount in ₹)	(Amount in USD)	(Amount in ₹)	(Amount in USD)
<b>ASSETS</b>							
1 Non-current Assets							
(a) Property, Plant and Equipment		-	-	-	-	-	-
(b) Financial Assets							
(i) Other Financial Assets	1	96,91,281	1,49,216	96,69,495	1,49,216	1,54,45,342	2,33,393
(c) Deferred Tax Assets		-	-	-	-	-	-
(d) Non Current tax Assets		-	-	-	-	-	-
		<u>96,91,281</u>	<u>1,49,216</u>	<u>96,69,495</u>	<u>1,49,216</u>	<u>1,54,45,342</u>	<u>2,33,393</u>
2 Current Assets							
(a) Inventories		-	-	-	-	-	-
(b) Financial Assets							
(i) Cash and Cash Equivalents	2	-	-	-	-	46,56,440	70,363
(ii) Other Financial Assets	3	2,36,31,330	3,63,850	2,57,45,057	3,97,288	69,45,02,232	1,04,94,553
(c) Other Current Assets		-	-	-	-	-	-
		<u>2,36,31,330</u>	<u>3,63,850</u>	<u>2,57,45,057</u>	<u>3,97,288</u>	<u>69,91,58,672</u>	<u>1,05,64,916</u>
<b>TOTAL ASSETS</b>		<u>3,33,22,611</u>	<u>5,13,066</u>	<u>3,54,14,552</u>	<u>5,46,504</u>	<u>71,46,04,014</u>	<u>1,07,98,309</u>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
(a) Equity Share Capital	4	10,56,000	20,000	10,56,000	20,000	13,23,548	20,000
(b) Other Equity	5	(4,06,29,19,183)	(6,25,60,235)	(4,05,16,21,460)	(6,25,26,797)	(4,12,47,40,524)	(6,23,28,537)
		<u>(4,06,18,63,183)</u>	<u>(6,25,40,235)</u>	<u>(4,05,05,65,460)</u>	<u>(6,25,06,797)</u>	<u>(4,12,34,16,976)</u>	<u>(6,23,08,537)</u>
<b>Liabilities</b>							
1 Non current Liabilities							
(a) Financial liabilities							
(i) Borrowings		-	-	-	-	-	-
(ii) Others		-	-	-	-	-	-
2 Current Liabilities							
(a) Financial Liabilities							
(i) Borrowings	6	3,59,85,16,747	5,54,06,121	3,59,04,27,453	5,54,06,121	4,31,43,80,864	6,51,94,173
(ii) Trade Payables	7	47,82,40,117	73,63,431	47,71,65,056	73,63,431	50,48,62,355	76,28,924
(b) Other Current Liabilities	8	1,84,28,930	2,83,749	1,83,87,503	2,83,749	1,87,77,771	2,83,749
		<u>4,09,51,85,794</u>	<u>6,30,53,301</u>	<u>4,08,59,80,012</u>	<u>6,30,53,301</u>	<u>4,83,80,20,990</u>	<u>7,31,06,846</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>3,33,22,611</u>	<u>5,13,066</u>	<u>3,54,14,552</u>	<u>5,46,504</u>	<u>71,46,04,014</u>	<u>1,07,98,309</u>

The accompanying notes form an integral part of the financial statements

As per our report of even date attached  
**For Chokshi & Co LLP**  
 Chartered Accountants  
 Firm Registration No. 131228W / W100044

For and on behalf of the Board of Directors

**Kalpen Chokshi**  
 Partner  
 Membership No: 135047

**Satish Kadakia**  
 Director  
 DIN: 07004001

Place: Mumbai  
 Date: August 27, 2018

Place: Mumbai  
 Date: August 27, 2018

GLOBAL MEDIWORKS USA INC. (FORMERLY KNOWN AS RELIANCE MEDIWORKS USA INC.) GROUP

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

Particulars	Note	Year ended March 31, 2018		Year ended March 31, 2017	
		(Amount in ₹)	(Amount in USD)	(Amount in ₹)	(Amount in USD)
<b>Revenue</b>					
Revenue from Operations		-	-	-	-
Other Income		-	-	-	-
<b>TOTAL</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenses</b>					
Employee Benefit Expenses		-	-	-	-
Depreciation Expenses		-	-	-	-
Other Expenses	9	21,55,648	33,438	1,32,95,236	1,98,260
<b>TOTAL</b>		<u>21,55,648</u>	<u>33,438</u>	<u>1,32,95,236</u>	<u>1,98,260</u>
<b>Profit before tax</b>		<b>(21,55,648)</b>	<b>(33,438)</b>	<b>(1,32,95,236)</b>	<b>(1,98,260)</b>
<b>Tax Expenses</b>					
- Current Tax		-	-	-	-
<b>Profit after tax</b>		<b>(21,55,648)</b>	<b>(33,438)</b>	<b>(1,32,95,236)</b>	<b>(1,98,260)</b>
<b>Other Comprehensive Income</b>					
Items that will not be reclassified to profit or loss		-	-	-	-
Items that will be reclassified to profit or loss		-	-	-	-
<b>Total Comprehensive Income</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Earnings per Equity Share (Face value of USD 100/- each)</b>					
- Basic and Diluted	10	(10,778)	(167)	(66,476)	(991)

The accompanying notes form an integral part of the financial statements

As per our report of even date attached  
**For Chokshi & Co LLP**  
 Chartered Accountants  
 Firm Registration No. 131228W / W100044

For and on behalf of the Board of Directors

**Kalpen Chokshi**  
 Partner  
 Membership No. 119303

**Satish Kadakia**  
 Director  
 DIN: 07004001

Place: Mumbai  
 Date: August 27, 2018

Place: Mumbai  
 Date: August 27, 2018

GLOBAL MEDIAWORKS USA INC. (FORMERLY KNOWN AS RELIANCE MEDIAWORKS USA INC.) GROUP

Cash flow Statement for the year ended March 31, 2018

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
	(Amount in ₹)	(Amount in USD)	(Amount in ₹)	(Amount in USD)
<b>A Cash flow from operating activities:-</b>				
Loss before Tax	(21,55,648)	(33,438)	(1,32,95,236)	(1,98,260)
Adjustment for :				
Depreciation				
Interest on taxes paid				
<b>Operating profits before working capital changes</b>	<b>(21,55,648)</b>	<b>(33,438)</b>	<b>(1,32,95,236)</b>	<b>(1,98,260)</b>
(Increase) / Decrease in inventories	-	-	-	-
(Increase) / Decrease in Financial Assets & other Assets	20,91,941	33,438	67,45,33,022	1,01,81,442
Increase / (Decrease) in Financial Liabilities & other Liabilities			(12,72,73,031)	(17,53,545)
Cash generated from operation	<b>(63,707)</b>	-	<b>53,39,64,755</b>	<b>82,29,637</b>
Interest on taxes paid	-	-	-	-
Taxes paid (net of refunds)	-	-	-	-
Foreign Exchange Gain /(Loss)	63,707	-	8,57,56,484	-
<b>Net cash flow used in operating activities ( A )</b>	<b>-</b>	<b>-</b>	<b>61,97,21,239</b>	<b>82,29,637</b>
<b>B Cash flow from investing activities:-</b>				
Loans Given	-	-	-	-
Interest income	-	-	-	-
<b>Net cash flow used in investing activities ( B )</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C Cash flow from financing activities</b>				
Loan for equipment financing / others	-	-	-	-
Loan repayment of Bank	-	-	-	-
Interest paid	-	-	-	-
Loan from related parties			(62,43,77,679)	(83,00,000)
<b>Net cash flow from financing activities ( C )</b>	<b>-</b>	<b>-</b>	<b>(62,43,77,679)</b>	<b>(83,00,000)</b>
Net increase/(decrease) in cash and cash equivalent - ( A + B + C )	-	-	(46,56,440)	(70,363)
Cash and cash equivalents as at beginning of the year	-	-	46,56,440	70,363
Cash and cash equivalents as at end of the year (Refer note below)	-	-	-	-
Note :				
1) Cash and cash equivalents at year end comprises:				
- Balance with Banks in Current accounts	-	-	-	-

The above Statement of cash flow should be read in conjunction with accompanying notes.

As per our report of even date attached  
**For Chokshi & Co LLP**  
 Chartered Accountants  
 Firm Registration No. 131228W / W100044

**Kalpen Chokshi**  
 Partner  
 Membership No. 119303

Place: Mumbai  
 Date: August 27, 2018

**For and on behalf of the Board of Directors**

**Satish Kadakia**  
 Director  
 DIN: 07004001

Place: Mumbai  
 Date: August 27, 2018

## Statement of Changes in Equity

## A. Equity Share Capital ( Refer Note 4)

Particulars	Amount in ₹	Amount in USD
Balance as at 1st April, 2016	13,23,548	20,000
Changes in equity share capital during the year	(2,67,548)	-
Balance as at 31st March, 2017	10,56,000	20,000
Changes in equity share capital during the year	-	-
Balance as at 31st March, 2018	10,56,000	20,000

## B. Other Equity ( Refer Note 5)

Particulars	Reserve and Surplus						
	Capital reserve		Foregin currency translation Reserve	Retained Earnings		Total	
	Amount in ₹	Amount in USD	Amount in ₹	Amount in ₹	Amount in USD	Amount in ₹	Amount in USD
Balance as at 1st April, 2016	3,05,24,988	4,61,260	(94,86,61,309)	(3,20,66,04,203)	(6,27,89,797)	(4,12,47,40,524)	(6,23,28,537)
Profit for the year	(6,34,417)	-	8,70,48,717	(1,32,95,236)	(1,98,260)	7,31,19,064	(1,98,260)
Balance as at 31st March, 2017	2,98,90,571	4,61,260	(86,16,12,592)	(3,21,98,99,439)	(6,29,88,057)	(4,05,16,21,460)	(6,25,26,797)
Profit/change for the year	67,343	-	(92,09,418)	(21,55,648)	(33,438)	(1,12,97,723)	(33,438)
Balance as at 31st March, 2018	2,99,57,914	4,61,260	(87,08,22,010)	(3,22,20,55,087)	(6,30,21,495)	(4,06,29,19,183)	(6,25,60,235)

As per our report of even date attached

For Chokshi &amp; Co LLP

Chartered Accountants

Firm Registration No. 131228W / W100044

For and on behalf of the Board of Directors

Kalpen Chokshi

Partner

Membership No. 119303

Place: Mumbai

Date: August 27, 2018

Satish Kadakia

Director

DIN: 07004001

Place: Mumbai

Date: August 27, 2018



GLOBAL MEDIAWORKS USA INC. (FORMERLY KNOWN AS RELIANCE MEDIAWORKS USA INC.) GROUP

Notes annexed to and forming part of the Financial statements

**Note 1 : Other Financial Assets - Non Current**

Particulars	March 31, 2018		March 31, 2017		April 01, 2016	
	(Amt in ₹)	(Amt in USD)	(Amt in ₹)	(Amt in USD)	(Amt in ₹)	(Amt in USD)
(Unsecured, considered good unless otherwise stated) Security Deposits	96,91,281	1,49,216	96,69,495	1,49,216	1,54,45,342	2,33,393
	<b>96,91,281</b>	<b>1,49,216</b>	<b>96,69,495</b>	<b>1,49,216</b>	<b>1,54,45,342</b>	<b>2,33,393</b>

**Note 2 : Cash and Cash Equivalents**

Particulars	March 31, 2018		March 31, 2017		April 01, 2016	
	(Amt in ₹)	(Amt in USD)	(Amt in ₹)	(Amt in USD)	(Amt in ₹)	(Amt in USD)
Balances with Banks In Current Accounts In Bank Deposits With Original Maturity of Less Than 3 Months	-	-	-	-	46,56,440	70,363
					<b>46,56,440</b>	<b>70,363</b>

**Note 3 : Other Financial Assets - Current**

Particulars	March 31, 2018		March 31, 2017		April 01, 2016	
	(Amt in ₹)	(Amt in USD)	(Amt in ₹)	(Amt in USD)	(Amt in ₹)	(Amt in USD)
(Unsecured, considered good unless otherwise stated) Advance given for Trust A/c. & Others	2,36,31,330	3,63,850	2,57,45,057	3,97,288	69,45,02,232	1,04,94,553
	<b>2,36,31,330</b>	<b>3,63,850</b>	<b>2,57,45,057</b>	<b>3,97,288</b>	<b>69,45,02,232</b>	<b>1,04,94,553</b>

**Note 4 : Equity Share Capital**

Particulars	March 31, 2018		March 31, 2017		42,461	
	(Amt in ₹)	(Amt in USD)	(Amt in ₹)	(Amt in USD)	(Amt in ₹)	(Amt in USD)
<b>Authorised</b> 200 Equity shares of \$ 100 each	10,56,000	20,000	10,56,000	20,000	13,23,548	20,000
<b>Issued, Subscribed &amp; fully paid up</b> 200 Equity shares of \$ 100 each	10,56,000	20,000	10,56,000	20,000	13,23,548	20,000
	<b>10,56,000</b>	<b>20,000</b>	<b>10,56,000</b>	<b>20,000</b>	<b>13,23,548</b>	<b>20,000</b>

**Notes :**

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

Particulars	March 31, 2018		March 31, 2017		42,461	
	Number	Amount in USD	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	200	2,000	200	20,000	200	20,000
Shares issued during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	200	2,000	200	20,000	200	20,000

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

Name of the Shareholder	March 31, 2018		March 31, 2017		42,461	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Reliance MediaWorks Limited	200	100	200	100	200	100

(c) Equity Shares held by the holding company/ultimate holding company

Name of the Shareholder	March 31, 2018		March 31, 2017		42,461	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Reliance MediaWorks Limited	200	100	200	100	200	100

**Note 5 : Other Equity**

Particulars	March 31, 2018		March 31, 2017		April 01, 2016	
	(Amt in ₹)	(Amt in USD)	(Amt in ₹)	(Amt in USD)	(Amt in ₹)	(Amt in USD)
<b>Capital Reserve on Acquisition</b> Balance as per last Balance sheet Add : Amount transfer during the year Add / Less : Translation Difference <b>Balance at the end</b>	2,98,90,571 - 67,343	4,61,260 - -	3,05,24,988 - (6,34,417)	4,61,260 - -	3,05,24,988 - -	4,61,260 - -
	<b>2,99,57,914</b>	<b>4,61,260</b>	<b>2,98,90,571</b>	<b>4,61,260</b>	<b>3,05,24,988</b>	<b>4,61,260</b>
<b>Foreign currency translation Reserve</b> Balance as per last Balance sheet Add : Amount transfer during the year <b>Balance at the end</b>	(86,16,12,592) (92,09,418)	- -	(94,86,61,309) 8,70,48,717	- -	(94,86,61,309) -	- -
	<b>(87,08,22,010)</b>	<b>-</b>	<b>(86,16,12,592)</b>	<b>-</b>	<b>(94,86,61,309)</b>	<b>-</b>
<b>Retained Earnings</b> Balance as per last Balance sheet Profit for the Year <b>Balance at the end</b>	(3,21,98,99,439) (21,55,648)	(6,29,88,057) (33,438)	(3,20,66,04,203) (1,32,95,236)	(6,27,89,797) (1,98,260)	(2,95,47,34,942) (25,18,69,261)	(5,89,30,915) (38,58,882)
	<b>(3,22,20,55,087)</b>	<b>(6,30,21,495)</b>	<b>(3,21,98,99,439)</b>	<b>(6,29,88,057)</b>	<b>(3,20,66,04,203)</b>	<b>(6,27,89,797)</b>
	<b>(4,06,29,19,183)</b>	<b>(6,25,60,235)</b>	<b>(4,05,16,21,460)</b>	<b>(6,25,26,797)</b>	<b>(4,12,47,40,524)</b>	<b>(6,23,28,537)</b>

**GLOBAL MEDIAWORKS USA INC. (FORMERLY KNOWN AS RELIANCE MEDIAWORKS USA INC.) GROUP**

**Notes annexed to and forming part of the Financial statements**

**Nature And Purpose of Reserve**

Capital Reserve The capital reserve represents for acquisition of companies where in capital reserve is recognized for excess of assets over liabilities taken over.

**Foreign Currency Translation Reserve** The management of the Parent Company Reliance MediaWorks Limited considers Reliance MediaWorks (USA) Inc. Group's operations as being non-integral to its operations in India as per the provisions of AS – 11 (Revised).

The Effects of Changes in Foreign Exchange Rates', accordingly and all exchange differences arising on translation have been transferred to the Foreign Currency Translation Reserve

**Current Financial Liabilities**

**Note 6 : Borrowings**

Particulars	March 31, 2018		March 31, 2017		April 01, 2016	
	(Amt in ₹)	(Amt in USD)	(Amt in ₹)	(Amt in USD)	(Amt in ₹)	(Amt in USD)
<i>(Unsecured, considered good unless otherwise stated)</i>						
Loans and advance from related parties	3,54,65,58,347	5,46,06,121	3,53,85,85,853	5,46,06,121	4,16,29,63,532	6,29,06,121
Other loans	5,19,58,400	8,00,000	5,18,41,600	8,00,000	15,14,17,332	22,88,052
	<b>3,59,85,16,747</b>	<b>5,54,06,121</b>	<b>3,59,04,27,453</b>	<b>5,54,06,121</b>	<b>4,31,43,80,864</b>	<b>6,51,94,173</b>

**Note 7 : Trade Payables**

Particulars	March 31, 2018		March 31, 2017		April 01, 2016	
	(Amt in ₹)	(Amt in USD)	(Amt in ₹)	(Amt in USD)	(Amt in ₹)	(Amt in USD)
Total Outstanding dues of Micro & Small enterprises	47,82,40,117	73,63,431	47,71,65,056	73,63,431	50,48,62,355	76,28,924
Total Outstanding dues of Others						
	<b>47,82,40,117</b>	<b>73,63,431</b>	<b>47,71,65,056</b>	<b>73,63,431</b>	<b>50,48,62,355</b>	<b>76,28,924</b>

**Note 8 : Other Current Liabilities**

Particulars	March 31, 2018		March 31, 2017		April 01, 2016	
	(Amt in ₹)	(Amt in USD)	(Amt in ₹)	(Amt in USD)	(Amt in ₹)	(Amt in USD)
Advances From Customers	36,53,325	56,250	36,45,113	56,250	37,22,479	56,250
Other Liabilities	1,47,75,605	2,27,499	1,47,42,390	2,27,499	1,50,55,292	2,27,499
	<b>1,84,28,930</b>	<b>2,83,749</b>	<b>1,83,87,503</b>	<b>2,83,749</b>	<b>1,87,77,771</b>	<b>2,83,749</b>

**Note 9 : Other expenses**

Particulars	March 31, 2018		March 31, 2017	
	(Amt in ₹)	(Amt in USD)	(Amt in ₹)	(Amt in USD)
Travel	-	-	-	898
Bank charges	-	-	-	1,317
Legal and professional fees	21,55,648	33,438	1,26,28,731	1,88,321
Other operating expenses	-	-	5,17,968	7,724
	<b>21,55,648</b>	<b>33,438</b>	<b>1,32,95,236</b>	<b>1,98,260</b>

**Note 10 : Earning per share (EPS)**

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

Particulars	March 31, 2018		March 31, 2017	
	(Amount in ₹)	(Amount in USD)	(Amount in ₹)	(Amount in USD)
Profit / (Loss) for Basic & Diluted earning per share (a)	(21,55,648)	(33,438)	(1,32,95,236)	(1,98,260)
Weighted average number of equity shares (b)	200	200	200	200
Face value per share	100	100	100	100
Basic/Diluted earning per share (a/b)	<b>(10,778)</b>	<b>(167)</b>	<b>(66,476)</b>	<b>(991)</b>

## Notes annexed to and forming part of the Financial statements

**Note 11 : 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, 2018 are as follows :

Particulars	Total carrying value		Total Fair value	
	(Amt in ₹)	(Amt is USD)	(Amt in ₹)	(Amt is USD)
<b>Financial assets</b>				
Cash and Cash Equivalents	-	-	-	-
Other Financial Assets	2,36,31,330	3,63,850	2,36,31,330	3,63,850
	<b>2,36,31,330</b>	<b>3,63,850</b>	<b>2,36,31,330</b>	<b>3,63,850</b>
<b>Financial liabilities</b>				
Borrowings	3,59,85,16,747	5,54,06,121	3,59,85,16,747	5,54,06,121
Trade Payables	47,82,40,117	73,63,431	47,82,40,117	73,63,431
	<b>4,07,67,56,864</b>	<b>6,27,69,552</b>	<b>4,07,67,56,864</b>	<b>6,27,69,552</b>

The carrying value and fair value of financial instruments by categories as of March 31, 2017 are as follows :

Particulars	Total carrying value		Total fair value	
	(Amt in ₹)	(Amt is USD)	(Amt in ₹)	(Amt is USD)
<b>Financial assets</b>				
Cash and Cash Equivalents	-	-	-	-
Other Financial Assets	2,36,31,330	3,63,850	2,36,31,330	3,63,850
	<b>2,36,31,330</b>	<b>3,63,850</b>	<b>2,36,31,330</b>	<b>3,63,850</b>
<b>Financial liabilities</b>				
Borrowings	3,59,85,16,747	5,54,06,121	3,65,39,22,868	3,65,39,22,868
Trade Payables	47,82,40,117	73,63,431	48,56,03,548	48,56,03,548
	<b>4,07,67,56,864</b>	<b>6,27,69,552</b>	<b>4,13,95,26,416</b>	<b>4,13,95,26,416</b>

The carrying value and fair value of financial instruments by categories as of April 01, 2016 are as follows :

Particulars	Total carrying value		Total fair value	
	(Amt in ₹)	(Amt is USD)	(Amt in ₹)	(Amt is USD)
<b>Financial assets</b>				
Cash and Cash Equivalents	46,56,440	70,363	46,56,440	70,363
Other Financial Assets	69,45,02,232	1,04,94,553	69,45,02,232	1,04,94,553
	<b>69,91,58,672</b>	<b>1,05,64,916</b>	<b>69,91,58,672</b>	<b>1,05,64,916</b>
<b>Financial liabilities</b>				
Borrowings	4,31,43,80,864	6,51,94,173	4,31,43,80,864	6,51,94,173
Trade Payables	50,48,62,355	76,28,924	50,48,62,355	76,28,924
	<b>4,81,92,43,219</b>	<b>7,28,23,097</b>	<b>4,81,92,43,219</b>	<b>7,28,23,097</b>

Notes annexed to and forming part of the Financial statements

Note 12 - 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 for which fair value are disclosed at March 31, 2018

Particulars	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs		Total	
			(Amt in ₹)	(Amt is USD)	(Amt in ₹)	(Amt is USD)
<b>Financial assets</b>						
Cash and Cash Equivalents	-	-	-	-	-	-
Other Financial Assets	-	-	2,36,31,330	3,63,850	2,36,31,330	3,63,850
<b>Financial liabilities</b>						
Borrowings	-	-	3,59,85,16,747	5,54,06,121	3,59,85,16,747	5,54,06,121
Trade Payables	-	-	47,82,40,117	73,63,431	47,82,40,117	73,63,431

(a) Assets and liabilities for which fair value are disclosed at March 31, 2017

Particulars	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs		Total	
			(Amt in ₹)	(Amt is USD)	(Amt in ₹)	(Amt is USD)
<b>Financial assets</b>						
Cash and Cash Equivalents	-	-	-	-	-	-
Other Financial Assets	-	-	2,36,31,330	3,63,850	2,36,31,330	3,63,850
<b>Financial liabilities</b>						
Borrowings	-	-	3,59,85,16,747	5,54,06,121	3,59,85,16,747	5,54,06,121
Trade Payables	-	-	47,82,40,117	73,63,431	47,82,40,117	73,63,431

(a) Assets and liabilities for which fair value are disclosed at April 01, 2016

Particulars	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs		Total	
			(Amt in ₹)	(Amt is USD)	(Amt in ₹)	(Amt is USD)
<b>Financial assets</b>						
Cash and Cash Equivalents	-	-	46,56,440	70,363	46,56,440	70,363
Other Financial Assets	-	-	69,45,02,232	1,04,94,553	69,45,02,232	1,04,94,553
<b>Financial liabilities</b>						
Borrowings	-	-	4,31,43,80,864	6,51,94,173	4,31,43,80,864	6,51,94,173
Trade Payables	-	-	50,48,62,355	76,28,924	50,48,62,355	76,28,924

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for Financial assets other than Investment, Trade payable and Other Financial liabilities included in level 3.

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Notes annexed to and forming part of the Financial statements

**Note 13 : Financial Risk Management**

The Board of Directors manage and review the affairs of the Group by setting up short term and long-term budgets by monitoring the same and taking suitable actions to minimize potential adverse effects on its operational and financial performance. A wide range of risks may affect the Group's business and financial results. Amongst other risks that could have significant influence on the Group are market risk, credit risk and liquidity risk.

**(i) Credit Risk**

Credit risk is the risk of financial loss to the Group if a client or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from clients and cash. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Group does not have any significant exposure to credit risk.

**(ii) Cash and Cash Equivalents & Other Financial Asset**

The Company held cash and cash equivalents & other financial assets with credit worthy banks aggregating Rs Nil, USD Nil, Rs Nil, USD Nil and Rs. 4,656,440, USD 70363 as at March 31, 2018 , March 31,2017 and April 01,2016 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.

**(a) 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 exposed to interest risk for interest charged by the holding company which is a conditional based on the profitability of the Group. Since the Group has no profits no interest has been charged and hence Group is not exposed to any interest rate risk.

**(iii) Liquidity Risk**

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due. Ultimate responsibility for liquidity risk management rests with the Management, which has developed a liquidity management forecasting process which aims to ensure that the Group has sufficient cash at all times to meet liabilities as they fall due.

Working capital requirements are generally provided from operational cash flow or through the Group's Borrowings.

**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.

As at March 31, 2018	Less than 1 year		More than 1 year		Total	
	(Amt in ₹)	(Amt In USD)	(Amt in ₹)	(Amt In USD)	(Amt in ₹)	(Amt In USD)
Borrowings	3,59,85,16,747	5,54,06,121			3,59,85,16,747	5,54,06,121
Trade payables	47,82,40,117	73,63,431			47,82,40,117	73,63,431
<b>Total Non-Derivatives</b>	<b>4,07,67,56,864</b>	<b>6,27,69,552</b>	-	-	<b>4,07,67,56,864</b>	<b>6,27,69,552</b>

As at March 31, 2017	Less than 1 year		More than 1 year		Total	
	(Amt in ₹)	(Amt In USD)	(Amt in ₹)	(Amt In USD)	(Amt in ₹)	(Amt In USD)
Borrowings	3,59,04,27,453	5,54,06,121	-	-	3,59,04,27,453	5,54,06,121
Trade payables	47,71,65,056	73,63,431	-	-	47,71,65,056	73,63,431
<b>Total non-derivatives</b>	<b>4,06,75,92,509</b>	<b>6,27,69,552</b>	-	-	<b>4,06,75,92,509</b>	<b>6,27,69,552</b>

As at April 01 2016	Less than 1 year		More than 1 year		Total	
	(Amt in ₹)	(Amt In USD)	(Amt in ₹)	(Amt In USD)	(Amt in ₹)	(Amt In USD)
Borrowings	4,31,43,80,864	6,51,94,173			4,31,43,80,864	6,51,94,173
Trade payables	50,48,62,355	76,28,924			50,48,62,355	76,28,924
<b>Total non-derivatives</b>	<b>4,81,92,43,219</b>	<b>7,28,23,097</b>	-	-	<b>4,81,92,43,219</b>	<b>7,28,23,097</b>

**GLOBAL MEDIAWORKS USA INC.(FORMERLY KNOWN AS RELIANCE MEDIAWORKS USA INC.) GROUP**

**Notes annexed to and forming part of the Financial statements**

**Note 14: Capital Risk Management**

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

1. Total equity – share capital, share premium 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 group 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 holding company and ultimate holding company continues to provide support the Group whenever required.

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**Note 15: 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 where control exists**

**Holding Companies**

Reliance MediaWorks Limited (Up to April 07, 2017)

**Ultimate holding Company**

Reliance Land Private Limited

**(B) Other related parties with whom transactions have taken place during the year**

**Fellow Subsidiaries**

Global MediaWorks (UK) Limited (formerly known as Reliance MediaWorks (UK) Limited)

Reliance MediaWorks Netherlands B.V. (upto December 29, 2015)

Reliance MediaWorks (Mauritius) Limited (upto April 7, 2015)

Reliance MediaWorks Theatres Limited

Big Synergy Media Limited

Cinema Ventures Private Limited (formerly Reliance Media Ventures Private Limited) ( upto July 31, 2015)

Reliance MediaWorks Creative Services Limited (w.e.f. July 19, 2014), (dissolved on September 16, 2016)

Reliance MediaWorks Financial Services Private Limited (w.e.f. March 10, 2017)

**Details of transactions and closing balance :**

Particulars	March 31, 2018		March 31, 2017		March 31, 2016	
	(Amt in ₹)	(Amt in USD)	(Amt in ₹)	(Amt in USD)	(Amt in ₹)	(Amt in USD)
<b>Balances at the year end :-</b>						
<b>Trade payable</b>						
Reliance MediaWorks Limited	1,14,94,692	1,76,983	1,14,68,852	1,76,983	1,17,12,275	1,76,983
<b>Borrowings</b>						
Reliance MediaWorks Limited	3,54,65,58,347	5,46,06,121	3,53,85,85,853	5,46,06,121	4,16,29,63,532	6,29,06,121

**GLOBAL MEDIAWORKS USA INC.(FORMERLY KNOWN AS RELIANCE MEDIAWORKS USA INC.) GROUP**

**Notes annexed to and forming part of the Financial statements**

**Note 16: First time adoption of Ind AS**

**Transition to Ind AS**

These are the Company's first financial statements prepared in accordance with Ind AS.

These financial statements as at March 31, 2018 have been prepared in accordance with Ind AS. This is the Company's first set of financial statements in accordance with Ind AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 (First Time adoption of Ind AS), with March 31, 2017 and April 1, 2016 as the transition date.

**A. Exemptions and exceptions availed**

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its previous GAAP financial statements, including the Balance Sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

**A.1 Ind AS mandatory exceptions**

**A1.1 Estimates**

The Company's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

**A1.2 Classification and measurement of financial assets**

Ind AS 101 requires the Company to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

**A1.3 De-recognition of the Financial Assets and Financial Liabilities :**

The Company has elected to apply the de-recognition requirement for Financial Assets and Financial Liabilities in Ind AS prospectively for transition occurring on or after the date of transition to date of Ind AS.



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**Note 17**

In the context of Ind AS 108 "Operating Segment" is considered as the only segment. The Group has disclosed Business Segment as the primary segment. No separate geographical segment disclosure is considered necessary.

The business of the Group is divided into three segments - Film production services, Theatrical exhibition and Film distribution. Segments have been identified taking into account the nature of the business, the differing risks and returns, the organisation structure and internal reporting system. Film production services operation primarily comprise of restoration, color correction facilities, visual effects and other allied services. Theatrical exhibition operations comprise of single screen, multiplex cinema exhibition, range of activities/services offered at cinema centers including catering food and beverages. Films distribution operation represents the net share of the theatrical / other revenue from distribution of movies.

**Note 18: Contingent Liabilities and Capital Commitments**

**(a) Contingent Liabilities:** ₹ Nil (March 31, 2017 ₹ Nil & April 01, 2016 ₹ Nil)

**(b) Capital and Other Commitments**

Estimated amount of contracts remaining unexecuted on capital account not provided for (Net of Capital Advances) ₹ Nil (March 31, 2017 ₹ Nil & April 01, 2016 ₹ Nil)

**Note 19: Leases**

Disclosure as required under Ind AS – 17 "Leases" is given below:

The future minimum lease payments in respect of non-cancellable operating leases due for the year ending March 31, 2018 – ₹ Nil / USD. Nil, March 31, 2017 – ₹ Nil / USD. Nil & April 01, 2016 – ₹ Nil / USD. Nil

**Note 20: Going Concern**

The Management of Reliance MediaWorks Limited, the parent company considers it appropriate to prepare the financial statements on a going concern basis, considering the future plans of the Company and the letter of support given by the Parent Company.

**Note 21: Goodwill**

The Group accounts for acquisitions under the purchase method of accounting. The purchase method requires that the Group estimate the fair value of the assets acquired and liabilities assumed and allocate consideration paid accordingly. For significant acquisitions, the Group obtains independent third party valuation studies for certain assets acquired and liabilities assumed to assist the Group in determining fair value. The estimation of the fair values of the assets acquired and liabilities assumed involves a number of estimates and assumptions that could differ materially from the actual amounts recorded. The results of the acquired businesses are included in the Group's results from operations beginning from the day of acquisition.

The Group has recorded the assets taken over at fair values and has recorded the excess purchase consideration paid as Goodwill.

During the year ended March 31, 2009, the fair value of assets taken over by the Group is ₹ 327,784,779 (\$ 6,282,495) –and the purchase consideration paid for the same is ₹ 493,833,558 (\$ 9,465,073) –, the excess for the same amounting to ₹ 190,114,697 (\$ 3,643,838) –has been recognized as Goodwill and ₹. 24,065,918 (\$ 461,260) as Capital Reserve for excess of assets over liabilities taken over.

During the year ended March 31, 2010,

a. one of the subsidiaries of the Company has paid an additional purchase consideration amounting to ₹ 45,030,100 (\$ 1,000,000) for assets acquired in the previous year. Hence, the additional amount of ₹ 45,030,100 (\$ 1,000,000) was transferred to Goodwill.

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- b. The Group purchased the visual effects business from Slash FX Inc., effective March 1, 2010 along transfer of all existing employees, customer contracts and other intangibles of the business. The total purchase price was ₹ 144,096,320 (\$ 3,200,000). The fair value of the assets acquired is ₹. 21,432,887 (\$ 475,968) and the balance amount of ₹ 122,663,433 (\$ 2,724,032) has been transferred to Goodwill.
- c. During the previous period the Company has impaired goodwill to the tune of \$ 200,000

As of the current year, the Group has fully impaired the entire balance of goodwill for all the entities.

**Note 22: Claims have been filed against the Company and its subsidiaries with regard to:**

- a) Global Cinemas (DE) LLC (formerly Big Cinemas Entertainment (DE) LLC) had terminated its lease for the property wherein it operated a theatre in January 2014. On the basis of the termination of the lease, the landlord has filed a claim against the Company and its ultimate Holding Company i.e. Reliance MediaWorks Limited, which was also a guarantor for the lease for the amount of lease rentals outstanding since August 2013. The approximate amount of claim made by the landlord for the period of the lease is \$ 1,424,810. The landlord has also made a claim for liquidated damages and legal fees. The Company is confident of defending the claim. However, during the earlier year, the Company has made a provision of \$ 1,500,000 towards the claim.
- b) Global Cinemas Galaxy LLC (formerly Big Cinemas Galaxy LLC) had surrendered a lease for a property in South Deklab. Upon closure of the lease and surrender of property for South Dekalb the landlord of the property has filed a claim against the Company for improper vacation of the property and is seeking a standstill whereby the Company still operates the theatre. The lease for the South Dekalb property is also personally guaranteed by Global MediaWorks (USA) Inc. (formerly Reliance MediaWorks (USA) Inc.), the Holding Company and a case has also been filed against the Holding Company. The landlord is claiming rent for the entire period of the lease. However, during the earlier year, the Company has made a provision of \$ 2,000,000 against the claim.
- c) The Company has surrendered its only operating property in Fremont, California due non-viability of the operations. Currently the landlord of the property is suing the Company and its Ultimate Parent Company, Reliance MediaWorks Limited which is a guarantor for the lease for recovery of lease rentals for the balance period of the lease. The total claim raised by the landlord for the balance period of the lease is \$ 410,000. The lease term has expired in January 2015. The case has since been settled for a claim of \$ 284,177 & the same has been paid in previous year.

**Note 23:** In the opinion of the management, no adjustments are required for differences in the accounting policies and principles as per the US GAAP for accounting and the provisions of the Indian Accounting Standard Rules (Ind As)) in so far as applicable to the Company.

**Note 24 :** Loans and Advances, Trade Receivables and Trade Payables are subject to confirmation and reconciliation. Consequential adjustments thereof, if any, will be given effect into the books of accounts in the year of such adjustment.

**Note 25 :** 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 attached  
**For Chokshi & Co LLP**  
Chartered Accountants  
Firm Registration No. 131228W / W100044

**For and on behalf of the Board of Directors**

**Kalpen Chokshi**  
Partner  
Membership No. 119303

**Satish Kadakia**  
Director  
DIN: 07004001

Place: Mumbai  
Date: August 27, 2018

Place: Mumbai  
Date: August 27, 2018