

FINANCIAL STATEMENT

2014-2015

RELIANCE MEDIA CONSULTANT

PRIVATE LIMITED

Independent Auditors' Report

To the Members of
Reliance Media Consultant Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Reliance Media Consultant Private 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 thereunder.

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. 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 the Companies Act, 2013 is not applicable to the Company
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 164(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

Office: 4-B-1, Anandvan Plaza, Patwardi, Kota 324005 Rajasthan
C/o K. K. Bhat & Co., 34, Shikhar Centre, Kota 324007 Rajasthan
Anandvan Villa, Bani Road, Tapa, Kota 324006 Rajasthan
Simp No. 3, Agrowal Bharmashala, Aklera, Jhalwar, 326033 Rajasthan

Reliance Media Consultant Private Limited

Balance sheet as at March 31, 2015

	Note	March 31, 2015 (Amount in Rs.)	March 31, 2014 (Amount in Rs.)
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	1	100,000	100,000
(b) Reserves and surplus	2	(113,128)	(80,415)
Current liabilities			
(a) Short-term borrowings	3	100,000	50,000
(b) Trade payables	4	11,665	11,665
(c) Other current liabilities	5	16,634	13,483
Total		115,171	94,733
ASSETS			
Current assets			
(a) Current investments	6	2,000	-
(a) Cash and bank balance	7	113,171	94,733
Total		115,171	94,733

Significant Accounting Policies 8
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

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

For and on behalf of the Board

Mohan Umrotkar Sandip Dhotre
Director Director

Place : Mumbai
Date : May 29, 2015

Reliance Media Consultant Private Limited

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

	Note	for the year ended March 31, 2015 (Amount in Rs.)	for the year ended March 31, 2014 (Amount in Rs.)
I. Revenue		-	-
II. Other income		-	-
III. Total Revenue		-	-
IV. Expenses			
Auditors remuneration		13,483	13,483
Professional fees		15,273	11,461
Rates and taxes		806	204
Interest on loan from Holding Company		3,151	-
Total expenses		32,713	25,148
V. Loss before exceptional and extra ordinary item and tax (III- IV)		(32,713)	(25,148)
VI. Exceptional items		-	-
VII. Loss before extra ordinary item and tax (V- IV)		(32,713)	(25,148)
VIII. Extraordinary items		-	-
IX. Loss before tax (VII-VIII)		(32,713)	(25,148)
X. Tax Expenses			
Current tax		-	-
Loss for the year (IX-X)		(32,713)	(25,148)
Earnings per share (Basic and diluted)	12	(3.27)	(2.51)

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 Media Consultant Private Limited

Cash flow statement

for the year ended March 31, 2015

	for the year ended March 31, 2015 (Amount in Rs.)	for the year ended March 31, 2014 (Amount in Rs.)
A. Cash flow from operating activities		
Net loss before tax	(32,713)	(25,148)
Operating loss before working capital changes	(32,713)	(25,148)
Adjustment for:		
Increase in trade and other payables	3,151	(5,389)
Net cash used in operating activities (A)	(29,562)	(30,537)
B. Cash flow from investing activities (B)		
Investment in equity shares	(2,000)	-
Net cash used in investing activities (C)	(2,000)	-
C. Cash flow from financing activities		
Proceeds from short term borrowings	50,000	-
Issue of equity shares	-	-
Net cash flow from financing activities (C)	50,000	-
Net increase / (decrease) in cash and cash equivalent (A+B+C)	18,438	(30,537)
Cash and cash equivalents as at beginning of the year	94,733	125,270
Cash and cash equivalents as at end of the year	113,171	94,733

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 Media Consultant Private Limited

Notes to the financial statements

as at March 31, 2015

	March 31, 2015 (Amount in Rs.)	March 31, 2014 (Amount in Rs.)
1 Share capital		
Authorised		
10,000 (2014: 10,000) Equity Shares of Rs. 10/- each	<u>100,000</u>	<u>100,000</u>
Issued, subscribed and paid-up capital		
10,000 (2014: 10,000) Equity Shares of Rs. 10/- each	<u>100,000</u>	<u>100,000</u>
	<u>100,000</u>	<u>100,000</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 year

	March 31, 2015		March 31, 2014	
	No of Shares	Amount in Rs.	No of Shares	Amount in Rs.
Equity shares as at beginning of the year	10,000	100,000	10,000	100,000
Equity share issued during the year / Subscription of memorandum of association	-	-	-	-
Buyback / forfeiture / reduction equity shares	-	-	-	-
Equity shares as at end of the year	<u>10,000</u>	<u>100,000</u>	<u>10,000</u>	<u>100,000</u>

(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	10,000	100.00%	10,000	100.00%

2 Reserves and surplus

(Deficit) in Statement of profit and loss	(80,415)	(55,267)
Loss for the year	(32,713)	(25,148)
	<u>(113,128)</u>	<u>(80,415)</u>

3 Short-term borrowings

Loans from related parties (unsecured)	100,000	50,000
	<u>100,000</u>	<u>50,000</u>

The above loans are granted by Reliance MediaWorks Limited, the Holding Company and the repayable on demand. The loans granted prior to March 31, 2014 are interest free and loans granted post March 31, 2014 are interest bearing at 10% p.a.

4 Trade payables

Others	11,665	11,665
	<u>11,665</u>	<u>11,665</u>

5 Other current liabilities

Interest accrued and due on loans from Holding Company	3,151	-
Others	13,483	13,483
	<u>16,634</u>	<u>13,483</u>

Reliance Media Consultant Private Limited

Notes to the financial statements

as at March 31, 2015

	March 31, 2015 (Amount in Rs.)	March 31, 2014 (Amount in Rs.)
6 Current investments		
Investment in equity shares (non-trade, unquoted and at cost)		
200 (2014: Nil) equity shares of Rs. 10 each of Cinema Ventures Private Limited (formerly known as Reliance Media Ventures Private Limited) (Refer note 12)	2,000	-
	<u>2,000</u>	<u>-</u>
7 Cash and bank balances		
Balances with banks		
- Current accounts	113,171	94,733
	<u>113,171</u>	<u>94,733</u>

Reliance Media Consultant Private 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 February 16, 2012 as a private company limited by shares. Its registered office is situated at Communication Centre, Film City Complex, Goregaon East, Mumbai, Maharashtra – 400 065. The Company is a wholly owned subsidiary of Reliance MediaWorks Limited.

The Company engaged in the business of offering consultancy and advisory services in all areas of film and Media services including but not limited to film production, film processing, digital cinema mastering and film restoration, exhibition, and distribution of feature films, video films, satellite Rights and Television serials, conducting shows, concerts, stage shows and plays, mega events, events of glamour and pop shows and each and every kind of events whether commercial or social in nature.

8. Summary of significant accounting policies

8.1 Basis of preparation

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.

8.2 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.

8.3 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.

Reliance Media Consultant Private Limited

Notes to the financial statements (*continued*)

For the year ended March 31, 2015

(Currency: Indian Rupees)

8.4 Taxation

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.

8.5 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.

9. 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 Limited

Fellow subsidiaries

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

Reliance Media Consultant Private Limited

Notes to the financial statements (*continued*)

For the year ended March 31, 2015

(Currency: Indian Rupees)

- Reliance MediaWorks (Mauritius) Limited
- Reliance MediaWorks Theatres Limited
- Big Synergy Media Limited
- Reliance MediaWorks Entertainment Services Limited
- Cinema Ventures Private Limited (formerly known as Reliance MediaVentures Private Limited)
- Reliance MediaWorks Creative Services Limited (with effect from June 20, 2013)
- Big Cinemas Entertainment LLC
- Big Cinemas Entertainment (DE) LLC
- Big Cinemas Laurel LLC
- Big Cinemas Falls Church LLC
- Big Cinemas Norwalk LLC
- Big Cinemas Galaxy LLC
- Big Cinemas Sahil LLC
- Big Cinemas SAR LLC
- Phoenix Big Cinemas Management LLC (till December 31, 2014)
- Big Cinemas Phoenix LLC (till December 31, 2014)
- Big Cinemas Exhibition LLC (till March 2, 2015)
- Big Cinemas IMC LLC
- Big Pictures USA Inc.
- Reliance Media & Marketing Communications LLC (till March 2, 2015)
- Reliance Lowry Digital Imaging Services Inc.
- Reliance Media Works VFX Inc.

Transactions during the year and closing balances

Nature	Year ended March 31, 2015	Year ended March 31, 2014
<u>Holding Company – Reliance MediaWorks Limited</u>		
Loans taken	50,000	-
Purchase of equity shares in a fellow subsidiary	2,000	-
Interest on loans availed	3,151	-
Closing balance – Loans taken from Reliance MediaWorks Limited	100,000	50,000

10. The Company is engaged only in the business of media consultancy, hence segment disclosures as per AS 17 – Segment Disclosures are not applicable to it.

11. Due to Micro, Small and Medium Enterprise

Under the Micro, Small and Medium Enterprise Development Act, 2006, which came into force from October 2, 2006, certain disclosures are required to be made relating to micro and small enterprise. The Company has taken necessary steps to seek relevant information from its suppliers about the coverage under the Act. According to information available with the management, no amounts are outstanding pertaining to covered creditors for a period more than 45 days.

Reliance Media Consultant Private Limited

Notes to the financial statements (continued)

For the year ended March 31, 2015

(Currency: Indian Rupees)

12. Reliance MediaWorks Limited ('RMW'), in its board meeting held on November 5, 2014 has proposed a transfer of identified properties and common infrastructure relating to the exhibition business of RMW ('theatrical exhibition business') to Cinema Ventures Private Limited (formerly known as Reliance MediaVentures Private Limited) ('CVPL'). Subsequently, RMW, Reliance Land Private Limited, CVPL, Carnival Films Private Limited and Asian Business Connections Private Limited entered into a Share Purchase Agreement dated December 15, 2014 for sale of CVPL shares held by RMW to Carnival Films Private Limited. Pursuant to this Share Purchase Agreement, the shares of CVPL held by the Company were proposed to be sold to Mr. Shrikant Bhasi, a Director of Carnival Films Private Limited for a consideration of Rs. 460,000.

RMW has obtained the requisite approvals from its shareholders, the Competition Commission of India vide its order dated March 24, 2015. It is proposed that the theatrical exhibition business of RMW will be transferred to CVPL by June 30, 2015 and immediately the shares held by RMW and the Company in CVPL will be transferred pursuant to the Share Purchase Agreement.

13. Deferred tax asset on account of losses has not been recognized as a matter of prudence.

14. Earnings Per Share:

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Net loss after tax	(32,713)	(25,148)
Weighted average number of Shares	10,000	10,000
Face value per share	10	10
Earnings Per Share (Basic and Diluted)	(3.27)	(2.51)

15. The previous year's figures have been re-grouped / re-arranged as necessary to conform to the current year's presentation.

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

Mumbai

Date : May 29, 2015

Mohan Umrotkar Sandip Dhotre

Director

Director

Mumbai

Date : May 29, 2015