

Reliance Jio Media Private Limited
FINANCIAL ACCOUNTS
2014-15

Independent Auditor's Report

TO THE MEMBERS OF RELIANCE JIO MEDIA PRIVATE LIMITED

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **RELIANCE JIO MEDIA PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. 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 standalone 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

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
4. 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.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 the 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 financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

8. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company does not have any foreseeable losses on long-term contracts including derivative contracts, if any, in respect of which any provision is required to be made under the applicable law and Accounting Standards.
 - iii. There are no amounts that are required to be transferred to the Investor Education and Protection Fund by the Company.

For **PATHAK H. D. & ASSOCIATES**
Chartered Accountants
(Firm's Registration No. 107783W)

Mukesh D Mehta
Partner
Membership No. 43495

Mumbai, dated 15th April, 2015

Balance Sheet as at 31st March, 2015

| | Note | As at 31st March, 2015 | As at 31st March, 2014 |
|--|--------|----------------------------|---------------------------|
| (Amount in ₹) | | | |
| I EQUITY & LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share Capital | 3 | 11,01,00,000 | 1,00,000 |
| Reserves and Surplus | 4 | <u>(91,03,904)</u> | <u>(28,142)</u> |
| | | 10,09,96,096 | 71,858 |
| 2 Current Liabilities | | | |
| Other Current Liabilities | 5 | <u>4,32,397</u> | <u>14,045</u> |
| | | 4,32,397 | 14,045 |
| TOTAL | | <u>10,14,28,493</u> | <u>85,903</u> |
| II ASSETS | | | |
| 1 Non - Current Assets | | | |
| Long Term Loans and Advances | 6 | <u>25,000</u> | <u>25,000</u> |
| | | 25,000 | 25,000 |
| 2 Current Assets | | | |
| Current Investments | 7 | 10,10,00,000 | - |
| Cash and Bank Balances | 8 | 2,60,223 | 60,903 |
| Short Term Loans and Advances | 9 | <u>1,43,270</u> | <u>-</u> |
| | | 10,14,03,493 | 60,903 |
| TOTAL | | <u>10,14,28,493</u> | <u>85,903</u> |
| Significant Accounting Policies | 1 | | |
| Notes to the Financial Statements | 2 - 14 | | |

As per our Report of even date

For **Pathak H D & Associates**
Chartered Accountants
Firm Regn No: 107783W

Mukesh D Mehta
Partner
Membership No: 43495

Place: Mumbai
Date: 15th April, 2015

For and on behalf of the Board

Pankaj M. Pawar
Director
(DIN: 00085077)

Suhel Seth
Independent Director
(DIN: 01082981)

Kanisk Singh
Chief Financial Officer
PAN No: APWPS2656D

Jyotindra H. Thacker
Director
(DIN: 00006678)

Shobhan M. Thakore
Independent Director
(DIN: 00031788)

Nidhi Sabharwal
Company Secretary
Membership No: A23823

Ramesh K. Damani
Director
(DIN: 00049764)

Statement of Profit and Loss for the year ended 31st March, 2015

| | Note | 2014-15 | (Amount in ₹) 2013-14 |
|--|--------|--------------------|--------------------------|
| INCOME | | | |
| I Other Income | 10 | 13,78,768 | - |
| Total Revenue | | 13,78,768 | - |
| II EXPENDITURE | | | |
| Other expenses | 11 | 1,00,16,817 | 28,142 |
| Total Expenses | | 1,00,16,817 | 28,142 |
| III Loss before tax | | (86,38,049) | (28,142) |
| IV Tax expenses | | | |
| Current tax | | 4,37,713 | - |
| V Loss for the Year | | (90,75,762) | (28,142) |
| VI Earnings per equity share of face value of ₹ 10 each | | | |
| Basic and Diluted (in ₹) | 12 | (3.57) | (2.81) |
| Significant Accounting Policies | 1 | | |
| Notes to the Financial Statements | 2 - 14 | | |

As per our Report of even date

For **Pathak H D & Associates**
Chartered Accountants
Firm Regn No: 107783W

Mukesh D Mehta
Partner
Membership No: 43495

Place: Mumbai
Date: 15th April, 2015

For and on behalf of the Board

Pankaj M. Pawar
Director
(DIN: 00085077)

Suhel Seth
Independent Director
(DIN: 01082981)

Kanisk Singh
Chief Financial Officer
PAN No: APWPS2656D

Jyotindra H. Thacker
Director
(DIN: 00006678)

Shobhan M. Thakore
Independent Director
(DIN: 00031788)

Nidhi Sabharwal
Company Secretary
Membership No: A23823

Ramesh K. Damani
Director
(DIN: 00049764)

Cash Flow Statement for the year 2014-15

| | (Amount in ₹) | |
|--|----------------------|-----------------|
| | 2014-15 | 2013-14 |
| A CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net Loss before tax as per Statement of Profit and Loss | (86,38,049) | (28,142) |
| Adjusted for | | |
| Interest Income | (13,78,768) | - |
| Preliminary Expenses | - | 7,200 |
| Fees for increase in authorised capital | 96,29,000 | - |
| | <u>82,50,232</u> | 7,200 |
| Operating Loss before Working Capital Changes | (3,87,817) | (20,942) |
| Adjusted for: | | |
| Trade and Other Receivables | (1,43,270) | (25,000) |
| Trade and Other Payables | 4,18,352 | 14,045 |
| | <u>2,75,082</u> | (10,955) |
| Cash Used in Operations | (1,12,735) | (1,909) |
| Less: Taxes paid | 4,37,713 | - |
| Net Cash used in Operating Activities (A) | (5,50,448) | (31,897) |
| B CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Purchase of Investments | (10,10,00,000) | - |
| Interest Income | 13,78,768 | - |
| Net Cash used in Investing Activities (B) | (9,96,21,232) | - |
| C CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Proceeds from Equity Shares | 11,00,00,000 | 1,00,000 |
| Fees for increase in Authorised capital | (96,29,000) | - |
| Payment of Preliminary Expenses | - | (7,200) |
| Net Cash from Financing Activities (C) | 10,03,71,000 | 92,800 |
| Net Increase in Cash and Cash Equivalents (A+B+C) | 1,99,320 | 60,903 |
| Opening Balance of Cash and Cash Equivalents | 60,903 | - |
| Closing Balance of Cash and Cash Equivalents | 2,60,223 | 60,903 |

As per our Report of even date

For and on behalf of the Board

For **Pathak H D & Associates**
Chartered Accountants
Firm Regn No: 107783W

Pankaj M. Pawar
Director
(DIN: 00085077)

Jyotindra H. Thacker
Director
(DIN: 00006678)

Ramesh K. Damani
Director
(DIN: 00049764)

Mukesh D Mehta
Partner
Membership No: 43495

Suhel Seth
Independent Director
(DIN: 01082981)

Shobhan M. Thakore
Independent Director
(DIN: 00031788)

Place: Mumbai
Date: 15th April, 2015

Kanisk Singh
Chief Financial Officer
PAN No: APWPS2656D

Nidhi Sabharwal
Company Secretary
Membership No: A23823

Notes on Financial Statements for the year ended 31st March, 2015

1 SIGNIFICANT ACCOUNTING POLICIES

A Basis of Preparation of Financial Statements

These financial statements have been prepared to comply with Accounting Principles Generally accepted in India (Indian GAAP), the Accounting Standards notified under the relevant provisions of the Companies Act, 2013. The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian Rupees.

B Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialised.

C Investments

Current Investments are carried at lower of cost and quoted/fair value, computed categorywise. Longterm investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

D Revenue Recognition

- (i) Revenue from services is recognised only when risks and rewards are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection as and when services are provided. The revenue is recognised net of discounts and service tax.
- (ii) Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- (iii) Dividend income is recognized when right to receive is established.

E Provisions, Contingent Liabilities and Contingent Assets

Provision is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements.

F Income Taxes

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same.

Notes on Financial Statements for the year ended 31st March, 2015

- 2 The current financial year of the company is comprising of a period of 12 months from 1st April 2014 to 31st March 2015 as against previous period which was comprising of 18th Jan 2013, being the date of incorporation of the company, to 31st March 2014 and hence to that extent the figure of current year are not comparable with previous period.

3 Share Capital

| | | (Amount in ₹) | |
|---------------------------------|---|---------------------------|---------------------------|
| Authorised Share Capital: | | As at 31st March, 2015 | As at 31st March, 2014 |
| 10,00,00,000 (10,000) | Equity Shares of ₹10 each | 1,00,00,00,000 | 1,00,000 |
| TOTAL | | 1,00,00,00,000 | 1,00,000 |
| Issued, Subscribed and Paid up: | | | |
| 1,10,10,000 (10,000) | Equity Shares of ₹10 each fully paid up | 11,01,00,000 | 1,00,000 |
| TOTAL | | 11,01,00,000 | 1,00,000 |

3.1 Terms/rights attached to Equity Shares:

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. 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 in proportion to the number of equity shares held by them.

3.2 Reconciliation of number of shares outstanding at the beginning and at the end of the year:

| Particulars | Equity Shares | | | |
|---|--------------------|---------------------|---------------|---------------|
| | 2014-15 | | 2013-14 | |
| | No. of Shares | (Amount in ₹) | No. of Shares | (Amount in ₹) |
| No. of shares at the beginning of the year/period | 10,000 | 1,00,000 | - | - |
| Add: Issue of Shares | 1,10,00,000 | 11,00,00,000 | 10,000 | 1,00,000 |
| No. of shares at the end of the year | 1,10,10,000 | 11,01,00,000 | 10,000 | 1,00,000 |

3.3 Details of Shareholders holding more than 5% shares in the Company including those held by holding company and subsidiaries of holding company

| Name of Shareholders | As at 31st March, 2015 | | As at 31st March, 2014 | |
|--|------------------------|-----------|------------------------|-----------|
| | No. of Shares | % holding | No. of Shares | % holding |
| Reliance Industrial Investments and Holdings Limited (Holding Company) | 1,10,10,000 | 100% | 5,000 | 50% |
| Reliance Tankages Private Limited (Earlier Reliance Elastomers Private Limited since amalgamated with Reliance Tankages Private Limited w.e.f. 18th July, 2014) | - | - | 5,000 | 50% |

| | | (Amount in ₹) | |
|-------------------------------|--|---------------------------|---------------------------|
| | | As at 31st March, 2015 | As at 31st March, 2014 |
| 4 Reserves and Surplus | | | |
| Profit and Loss | | | |
| As per last Balance Sheet | | (28,142) | - |
| Add: Loss for the year | | (90,75,762) | (28,142) |
| | | (91,03,904) | (28,142) |
| TOTAL | | (91,03,904) | (28,142) |

Notes on Financial Statements for the year ended 31st March, 2015

| | As at 31st March, 2015 | (Amount in ₹) As at 31st March, 2014 |
|------------------------------------|---------------------------|--|
| 5 Other Current Liabilities | | |
| Other Payables | 4,32,397 | 14,045 |
| Total | <u>4,32,397</u> | <u>14,045</u> |

5.1 Other Payables includes statutory dues etc.

5.2 Disclosures relating to amount unpaid as at year end together with interest paid/ payable to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been determined based on the available information with the company and are as under:

| | As at 31st March, 2015 | (Amount in ₹) As at 31st March, 2014 |
|--|---------------------------|--|
| 1. Principal amount due and remaining unpaid | - | - |
| 2. Interest due thereon as on 31st March 2015 | - | - |
| 3. Interest paid by the Company on all delayed payments under the MSMED Act. | - | - |
| 4. Payment made beyond the appointed day during the year | - | - |
| 5. Interest due and payable for the period of delay other than (3) above | - | - |
| 6. Interest accrued and remaining unpaid | - | - |
| 7. Further Interest remaining due and payable in succeeding years | - | - |

| | As at 31st March, 2015 | (Amount in ₹) As at 31st March, 2014 |
|--|---------------------------|--|
| 6 Long Term Loans and Advances (Unsecured and Considered Good) | | |
| Security Deposits | 25,000 | 25,000 |
| Total | <u>25,000</u> | <u>25,000</u> |

| | As at 31st March, 2015 | (Amount in ₹) As at 31st March, 2014 |
|---|---------------------------|--|
| 7 Current Investment (Carried at lower of cost and fair value) | | |
| a) Other Investments (at cost) | | |
| Investments in Mutual Funds - Unquoted - fully paid up | | |
| 46,226 (Previous Year NIL) units of SBI-Premier Liquid Fund - Growth Option (Face value of ₹ 1,000 each) | 10,10,00,000 | - |
| Total | <u>10,10,00,000</u> | <u>-</u> |

| | As at 31st March, 2015 | (Amount in ₹) As at 31st March, 2014 |
|---|---------------------------|--|
| b) Aggregate amount of Unquoted Investments | 10,10,00,000 | - |

Notes on Financial Statements for the year ended 31st March, 2015

| | As at 31st March, 2015 | (Amount in ₹) As at 31st March, 2014 |
|---|---------------------------|--|
| 8 Cash and Bank Balance | | |
| Cash and Cash Equivalent | | |
| Balances with Banks in current accounts | 2,60,223 | 60,903 |
| Total | <u>2,60,223</u> | <u>60,903</u> |
| | | |
| | | (Amount in ₹) |
| | As at | As at |
| | 31st March, 2015 | 31st March, 2014 |
| 9 Short Term Loans and Advances (Unsecured and Considered Good) | | |
| Other Loans and Advances | 1,43,270 | - |
| Total | <u>1,43,270</u> | <u>-</u> |
| 9.1 Other Loans and Advances includes CENVAT credit pending for credit availment of ₹ 43,270 | | |
| | | (Amount in ₹) |
| | 2014-15 | 2013-14 |
| 10 Other income: | | |
| Interest Income on Fixed Deposits | 13,78,768 | - |
| Total | <u>13,78,768</u> | <u>-</u> |
| | | |
| | | (Amount in ₹) |
| | 2014-15 | 2013-14 |
| 11 Other expenses | | |
| Rates & taxes | 96,34,500 | 5,030 |
| Professional Fees | 3,50,082 | - |
| Payment to Auditors | 25,000 | 14,045 |
| Preliminary Expenses | - | 7,200 |
| General Expenses | 7,235 | 1,867 |
| Total | <u>1,00,16,817</u> | <u>28,142</u> |
| | | |
| | | (Amount in ₹) |
| | 2014-15 | 2013-14 |
| 12 Earnings Per Share (EPS) | | |
| i. Loss for the year as per Statement of Profit and Loss (Amount in ₹) | (90,75,762) | (28,142) |
| ii. Weighted Average number of equity shares used as denominator for calculating EPS | 25,41,507 | 10,000 |
| iii. Basic and Diluted Earnings per share (Amount in ₹) | (3.57) | (2.81) |
| iv. Face Value per equity share (Amount in ₹) | 10 | 10 |

Notes on Financial Statements for the year ended 31st March, 2015

13 Related Party Disclosures

(i) List of related parties with whom transactions have taken place and relationship:-

| Sr. No. | Name of the Related Party | Relationship |
|---------|--|---|
| 1 | Reliance Industries Limited | Ultimate Holding Company |
| 2 | Reliance Industrial Investments and Holdings Limited | Holding Company (from 7th January 2015) and Associate (till 6th January 2015) |
| 3 | Reliance Tankages Private Limited (Earlier Reliance Elastomers Private Limited since amalgamated with Reliance Tankages Private Limited w.e.f. 18th July, 2014) | Associate (till 6th January 2015) |
| 4 | Reliance Retail Limited (Formerly known as Reliance Fresh Limited) | Fellow Subsidiary |
| 5 | Shri K. Jayaraman | Key Managerial Personnel (from 27th March 2015) |

(ii) Transactions during the year 2014-15 with related parties (Amount in ₹)

| Sr. No. | Particulars | Relationship | 2014-15 | 2013-14 |
|----------|--|---------------------------|---------------------|---------|
| 1 | Shares issued and allotted | | | |
| | Reliance Industrial Investments and Holdings Limited | Holding Company/Associate | 11,00,00,000 | 50,000 |
| | Reliance Tankages Private Limited | Associate | - | 50,000 |
| 2 | Payment to Key Managerial Personnel | | | |
| | Shri K. Jayaraman | Key Managerial Personnel | 2,94,520 | - |

(iii) Balances as at 31st March, 2015 (Amount in ₹)

| Sr. No. | Particulars | Relationship | 2014-15 | 2013-14 |
|----------|--|---------------------------|---------------------|---------|
| 1 | Share Capital | | | |
| | Reliance Industrial Investments and Holdings Limited | Holding Company/Associate | 11,01,00,000 | 50,000 |
| | Reliance Tankages Private Limited | Associate | - | 50,000 |
| 2 | Other Payables | | | |
| | Reliance Retail Limited (Formerly known as Reliance Fresh Limited) | Fellow Subsidiary | 3,58,344 | - |

14 Segment Reporting

The Company has not yet commenced Commercial Operations and hence the disclosure as per Accounting Standard-17 "Segment Reporting" issued by the Institute of Chartered Accountants of India and prescribed by Companies (Accounting Standards) Rules, 2006 are not applicable.

As per our Report of even date

For and on behalf of the Board

For **Pathak H D & Associates**
Chartered Accountants
Firm Regn No: 107783W

Pankaj M. Pawar
Director
(DIN: 00085077)

Jyotindra H. Thacker
Director
(DIN: 00006678)

Ramesh K. Damani
Director
(DIN: 00049764)

Mukesh D Mehta
Partner
Membership No: 43495

Suhel Seth
Independent Director
(DIN: 01082981)

Shobhan M. Thakore
Independent Director
(DIN: 00031788)

Place: Mumbai
Date: 15th April, 2015

Kanisk Singh
Chief Financial Officer
PAN No: APWPS2656D

Nidhi Sabharwal
Company Secretary
Membership No: A23823