

**Reliance Content Distribution Limited**  
**Financial Statements**  
**2017-2018**

## Independent Auditor's Report

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### TO THE MEMBERS OF RELIANCE CONTENT DISTRIBUTION LIMITED

#### Report on the Financial Statements

We have audited the accompanying Financial statements of **Reliance Content Distribution Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the 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 state of affairs, profit or loss, 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) prescribed 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 judgements 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 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 of the financial statements 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 the disclosures in the Financial statements. The procedures selected depend on the auditor's judgement, 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 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.

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 including the Ind AS, of the state of affairs (financial position) of the Company as at 31<sup>st</sup> March, 2018, and its loss (financial performance including other comprehensive income), its cash flows and the 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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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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 Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
  - 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. The Company does not have any pending litigations which would impact on its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were 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 Pathak H.D & Associates**  
Chartered Accountants  
(Firm Registration no. 107783W)

**Ashutosh Jethlia**  
Partner  
Membership No.: 136007

Place : Mumbai  
Date : April 23, 2018

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**“Annexure A” to the Independent Auditors’ Report on the Financial Statements of Reliance Content Distribution Limited****(Referred to in Paragraph 1 under the heading of “Report on other legal and regulatory requirements” of our report of even date)**

- i) As the Company has no fixed assets during the year, clause (i) (a) to clause (i) (c) of paragraph 3 of the Order is not applicable to the Company.
- ii) As the Company had no Inventories during the year, clause (ii) of paragraph of 3 of the Order is not applicable to the Company.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, the requirement of clause (iii) (a) to clause (iii) (c) of paragraph 3 of the Order is not applicable to the Company.
- iv) Company has not directly or indirectly advanced loan to the persons covered under Section 185 of the Act or given guarantees or securities in connection with the loan taken by such persons and has complied with the provisions of section 186 of the Act, in respect of investments, loans, guarantee or security given, as applicable.
- v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.
- vi) To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act in respect of the activities undertaken by the Company.
- vii) In respect of Statutory dues :
  - a) According to the records of the Company, undisputed statutory dues including provident fund, employees’ state insurance, income tax, sales tax, service tax, goods and services tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at March 31, 2018 for a period of more than six months from the date they became payable.
  - b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, goods and services tax, duty of customs, duty of excise, value added tax, cess on account of any dispute, which have not been deposited.
- viii) The Company has not raised any loans from financial institutions or banks or government or debenture holders. Therefore, the clause (viii) of paragraph 3 of the Order is not applicable to the Company.
- ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term Loan and hence clause (ix) of paragraph 3 of the Order is not applicable to the Company.
- x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi) Company has not paid any managerial remuneration during the year and hence clause (xi) of paragraph 3 of the Order is not applicable to the Company.
- xii) In our opinion Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the company.
- xiii) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Act and their details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- xiv) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence clause (xiv) of paragraph 3 of the Order is not applicable to the Company.

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- xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the directors or persons connected with him and covered under section 192 of the Act. Hence, clause (xv) of the paragraph 3 of the Order is not applicable to the Company.
- xvi) To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Pathak H.D & Associates**  
Chartered Accountants  
(Firm Registration no. 107783W)

**Ashutosh Jethlia**  
Partner  
Membership No.: 136007

Place : Mumbai  
Date : April 23, 2018

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**ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE CONTENT DISTRIBUTION LIMITED****(Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)****Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Reliance Content Distribution Limited** (“the Company”) as of 31<sup>st</sup> March, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**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 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 (the “Guidance Note”) 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.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on Auditing 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 internal financial controls over financial reporting was 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 internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgement, 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 internal financial control over financial reporting 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 internal financial control over financial reporting includes those policies and procedures that (1) pertain to the 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 internal financial controls over financial reporting, 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

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of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **Pathak H.D & Associates**  
Chartered Accountants  
(Firm Registration no. 107783W)

**Ashutosh Jethlia**  
Partner  
Membership No.: 136007

Place : Mumbai  
Date : April 23, 2018

## Balance Sheet as at 31st March, 2018

	<u>Notes</u>	(Amount ₹) <u>As at 31st March, 2018</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Financial Assets		
Cash and Cash Equivalents	1	<u>4 99 882</u>
<b>Total Current assets</b>		<u>4 99 882</u>
<b>Total Assets</b>		<u>4 99 882</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity Share capital	2	5 00 000
Other Equity	3	<u>( 2 35 573)</u>
<b>Total Equity</b>		<u>2 64 427</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Financial Liabilities		
Trade Payables	4	5 000
Other Current liabilities	5	<u>2 30 455</u>
<b>Total Current liabilities</b>		<u>2 35 455</u>
<b>Total Liabilities</b>		<u>2 35 455</u>
<b>Total Equity and Liabilities</b>		<u>4 99 882</u>
Significant Accounting Policies		
See accompanying Notes to the Financial Statements	1 to 12	

As per our Report of even date

**For Pathak H. D. & Associates**  
Chartered Accountants  
Registration No.: 107783W

**Ashutosh Jethlia**  
Partner  
Membership No. :136007

Mumbai  
Date : April 23, 2018

For and on behalf of the Board

**L. V. Merchant**  
Director  
(DIN 00007722)

**K. R. Raja**  
Director  
(DIN 00006673)

**Hariharan Mahadevan**  
Director  
(DIN 07036483)

## Statement of Profit and Loss for the Period from 4th September, 2017 to 31st March, 2018

	Notes	(Amount ₹) 2017-18
<b>INCOME</b>		
Revenue from operation		-
<b>Total Income</b>		-
<b>EXPENDITURE</b>		
Other Expenses	6	2 35 573
<b>Total Expenses</b>		2 35 573
Profit / (Loss) Before Tax		( 2 35 573)
Tax Expense		-
<b>Profit / (Loss) for the Period</b>		( 2 35 573)
<b>Other comprehensive income</b>	-	
<b>Total comprehensive income for the Period</b>		( 2 35 573)
<b>Earnings per equity share of face value of ₹ 10 each</b>		
Basic (in ₹)	7	(4.71)
Diluted (in ₹)	7	(4.71)
Significant Accounting Policies		
See accompanying Notes to the Financial Statements	1 to 12	

As per our Report of even date

**For Pathak H. D. & Associates**  
Chartered Accountants  
Registration No.: 107783W

**Ashutosh Jethlia**  
Partner  
Membership No. :136007

Mumbai  
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Director  
(DIN 07036483)

## Statement of changes in Equity for the Period ended 31st March, 2018

### A. EQUITY SHARE CAPITAL

(Amount ₹)

Changes in equity share capital during the period 2017-18	Balance at the end of the reporting period i.e. 31st March, 2018
5 00 000	5 00 000

### B. OTHER EQUITY

(Amount ₹)

	Reserves and Surplus Retained Earnings	Total
<b>Period ended 31st March, 2018</b>		
Total comprehensive income for the Period	( 2 35 573)	( 2 35 573)
Balance at the end of the reporting period	( 2 35 573)	( 2 35 573)

As per our Report of even date

**For Pathak H. D. & Associates**  
Chartered Accountants  
Registration No.: 107783W

**Ashutosh Jethlia**  
Partner  
Membership No. :136007

Mumbai  
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Director  
(DIN 07036483)

## Cash Flow Statement for the Period ended 31st March, 2018

	(Amount ₹)
	<b>2017-18</b>
<b>A Cash Flow from Operating Activities</b>	
Net Profit/ (Loss) before Tax as per Statement of Profit and Loss	( 2 35 573)
Adjusted for :	-
<b>Operating Loss before Working Capital Changes</b>	<u>( 2 35 573)</u>
Adjusted for :	
Trade and Other Payables	2 35 455
<b>Cash Used in Operations</b>	<u>( 118)</u>
Taxes paid	-
<b>Net Cash flow Used in Operating Activities</b>	<u>( 118)</u>
<b>B Cash Flow from Investing Activities</b>	
<b>Net Cash flow from Investing Activities</b>	<u>-</u>
<b>C Cash Flow from Financing Activities</b>	
Proceeds from Equity Share Capital	5 00 000
<b>Net Cash flow from Financing Activities</b>	<u>5 00 000</u>
Net Increase in Cash and Cash Equivalents	4 99 882
Closing Balance of Cash and Cash Equivalents (Refer Note 1)	<u>4 99 882</u>

As per our Report of even date

**For Pathak H. D. & Associates**  
Chartered Accountants  
Registration No.: 107783W

**Ashutosh Jethlia**  
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Membership No. :136007

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**Hariharan Mahadevan**  
Director  
(DIN 07036483)

## Notes to the Financial Statements for the Period ended 31st March, 2018

### A. CORPORATE INFORMATION

Reliance Content Distribution Limited [‘the Company’] is a public limited company incorporated in India. The registered office of the Company is located at 9th Floor, Maker Chambers IV, 222 Nariman Point, Mumbai 400021.

### B. ACCOUNTING POLICIES

#### B.1 Basis of Preparation and Presentation

The Company has been incorporated on 4th September, 2017 and hence these financial statements are the Company’s first financial statements and there are no previous years figures.

The financial statements have been prepared on the historical cost basis.

The financial statements of the Company have been prepared to comply with the Indian Accounting standards (‘Ind AS’), including the rules notified under the relevant provisions of the companies Act, 2013.

The Company’s financial statements are presented in Indian Rupees (₹), which is its functional currency.

#### B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### (a) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

##### (b) Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In this case, the tax is also recognised in other comprehensive income and equity.

##### Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted at the Balance sheet date.

##### Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

##### (c) Foreign currencies transactions and translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

##### (d) Revenue recognition

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

## Notes to the Financial Statements for the Period ended 31st March, 2018

Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

### Interest income

Interest income from a financial asset is recognised using effective interest rate method.

### Dividends

Revenue is recognised when the Company's right to receive the payment has been established.

### (e) Financial instruments

#### i) Financial Assets

##### A. Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

##### B. Subsequent measurement

###### a) Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

###### b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

###### c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

##### C. Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment assessment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. Further the company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

#### ii) Financial liabilities

##### A. Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in Statement of Profit or Loss as finance cost.

## Notes to the Financial Statements for the Period ended 31st March, 2018

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### **B. Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### **iii) Derecognition of financial instruments**

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

### **C. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY:**

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### **(a) Provisions**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

#### **(b) Impairment of financial assets:**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

### **D. STANDARDS ISSUED BUT NOT EFFECTIVE**

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2018.

#### **a) Issue of Ind AS 115 - Revenue from Contracts with Customers**

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

#### **b) Amendment to Existing issued Ind AS**

The MCA has also carried out amendments of the following accounting standards:

- i. Ind AS 21 - The Effects of Changes in Foreign Exchange Rates
- ii. Ind AS 40 - Investment Property
- iii. Ind AS 12 - Income Taxes
- iv. Ind AS 28 - Investments in Associates and Joint Ventures and
- v. Ind AS 112 - Disclosure of Interests in Other Entities

Application of above standards are not expected to have any significant impact on the Company's financial statements.

## Notes to the Financial Statements for the Period ended 31st March, 2018

		(Amount ₹)	
		As at	
		31st March, 2018	
<b>1. CASH AND CASH EQUIVALENTS</b>			
Bank Balances:			
In Current Accounts			4 99 882
<b>Cash and cash equivalents as per Balance Sheet</b>			<u>4 99 882</u>
<b>Cash and cash equivalents as per statement of Cash Flows</b>			<u>4 99 882</u>
		Units	As at 31st March, 2018 Amount
<b>2. SHARE CAPITAL</b>			
<b>Authorised:</b>			
Equity Shares of ₹ 10/- each	10,00,000		1 00 00 000
			<u>1 00 00 000</u>
<b>Issued, Subscribed and Paid up:</b>			
Equity Shares of ₹ 10/- each fully Paid up	50,000		5 00 000
<b>Total</b>			<u>5 00 000</u>
<b>2.1 The details of shareholders who have subscribed more than 5% shares :</b>			
Name of the Shareholders		As at 31st March, 2018	
		No. of shares	% held
<b>Holding Company : Equity Shares</b>			
Reliance Industrial Investments and Holdings Limited	50,000		100.00
<b>2.2 The reconciliation of the number of shares issued outstanding is set out below :</b>			
Particular		As at 31st March, 2018	
		Equity (Nos.)	
Shares issued during the period			50,000
Shares issued at the end of the period			50,000
<b>2.3 Rights, Preferences and Restrictions attached to shares</b>			
The Equity Shareholder is eligible for one vote per share held. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.			
<b>3. OTHER EQUITY</b>			
			(Amount ₹)
			As at
			31st March, 2018
<b>Retained Earnings</b>			
Profit / (Loss) for the Period			( 2 35 573)
<b>Total</b>			<u>( 2 35 573)</u>

## Notes to the Financial Statements for the Period ended 31st March, 2018

	(Amount ₹)
<b>4. TRADE PAYABLES</b>	<b>As at 31st March, 2018</b>
Micro and Small Enterprises	-
Other Payables	<u>5 000</u>
<b>Total</b>	<u><u>5 000</u></u>
<b>4.1</b> There are no overdue amounts to Micro and Small Enterprises as at March 31, 2018 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.	
	(Amount ₹)
<b>5. OTHER CURRENT LIABILITIES</b>	<b>As at 31st March, 2018</b>
Other Payables *	<u>2 30 455</u>
<b>Total</b>	<u><u>2 30 455</u></u>
* Includes payable to a body corporate towards company formation expenses.	
	(Amount ₹)
<b>6. OTHER EXPENSES</b>	<b>2017-18</b>
<b>Establishment Expenses</b>	
General Expenses	118
Company Formation Expenses	2 30 455
Payment to Auditors	<u>5 000</u>
<b>Total</b>	<u><u>2 35 573</u></u>
<b>6.1 Payment to Auditors as</b>	<b>2017-18</b>
Statutory Audit fees	5 000
<b>7. EARNINGS PER SHARE (EPS)</b>	<b>2017-18</b>
Face Value per Equity Share (₹)	10
Basic Earnings per share (₹)	(4.71)
Diluted Earnings per share (₹)	(4.71)
Net Profit/ (Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹)	( 2 35 573)
Weighted Average number of Equity Shares used as denominator for calculating Basic & Diluted EPS	50 000

### 8. RELATED PARTY DISCLOSURES

As per Ind AS 24, the disclosures of transactions with the related parties are given below:

**i) List of related parties where control exists and related parties with whom transactions have taken place and relationships:**

Sr. No.	Name of the Related Party	Relationship
1	Reliance Industries Limited	Ultimate Holding Company
2	Reliance Industrial Investments and Holdings Limited	Holding Company

## Notes to the Financial Statements for the Period ended 31st March, 2018

### ii) Transactions during the year with related parties:

Sr. No.	Nature of transactions(excluding reimbursements)	Ultimate Holding Company	Holding Company	Total
1	Subscription to Equity Share Capital	-	5 00 000	5 00 000
	<b>Balance as at 31st March, 2018</b>			
2	Other Current liabilities	-	2 30 455	2 30 455

### Disclosure in Respect of Material Related Party Transactions during the year:

Sr. No.	Particulars	Relationship	2017-18
1	<b>Subscription to Equity Share Capital</b>		
	Reliance Industrial Investments and Holdings Limited	Holding Company	5 00 000

### 9. Financial Instruments

The Company's activities expose it to credit risk and liquidity risk.

#### Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due, causing financial loss to the company. It arises from cash and cash equivalents, deposits from financial institutions and principally from credit exposures to customers relating to outstanding receivables.

#### Liquidity Risk

Liquidity risk is the risk that suitable sources of funding for the Company's business activities may not be available. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due, so that the company is not forced to obtain funds at higher rates.

#### Fair Value Measurement

All financial assets and financial liabilities are measured at amortised cost. Consequently, application of fair value accounting and the related disclosure is not applicable.

10. The Company has not commenced its commercial operation as yet and as such there are no reportable segment as per Ind AS 108 - "Operating Segment".
11. The Company has been incorporated on September 4, 2017 thereby current year represents the period from September 4, 2017 to March 31, 2018. These financial statements are the Company's first financial statements and there are no previous year figures.

### 12. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on April 23, 2018.

As per our Report of even date

**For Pathak H. D. & Associates**

Chartered Accountants  
Registration No.: 107783W

**Ashutosh Jethlia**

Partner  
Membership No. :136007

For and on behalf of the Board

**L. V. Merchant**

Director  
(DIN 00007722)

**K. R. Raja**

Director  
(DIN 00006673)

**Hariharan Mahadevan**

Director  
(DIN 07036483)

Mumbai  
Date : April 23, 2018