

# Bakliwal & Co.

CHARTERED ACCOUNTANTS

## Independent Auditors' Report

To The Board of Directors of  
**Report on the audit of Financial Results**  
**Reliance Mediaworks Financial Services Private Limited**

### **Opinion**

We have audited the accompanying financial results of **Reliance Mediaworks Financial Services Private Limited** ("the Company") for the half year ended March 31, 2021 ("the financial results") attached herewith, being submitted by the company pursuant to requirement of Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 as amended ("listing regulations").

In our opinion and to the best of our information and according to the explanations given to us these financial results:

- i. Are presented in accordance with the requirements of Regulation 52 read with regulation 63(2) of listing regulations in this regard; and
- ii. Give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net loss and other comprehensive income and other financial information for half year and year ended March 31, 2021.

### **Basis for Opinion**

We conducted our in accordance with the Standards on Auditing (SAs) as specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of Matter**

The Company has not provided for interest amounting to Rs. 27.24 Cr.(PY: 27.31 Cr.) on the loans amounting to Rs. 238.23 Cr borrowed from its Shareholders and other companies which have issued corporate guarantee to the secured lenders. The amount borrowed is further invested in the assets / forward lending, the cash flow of which is uncertain. However, the Company is of the view that assets will be realized at an appropriate value so as to meet out its obligations.

We draw attention to Note 5 of the results which describes the uncertainties relating to the COVID-19 pandemic outbreak and management evaluation of the impact on the financial results of the Company as at the reporting date. The impact of these uncertainties on the Company's operation is significantly dependent on future developments.

Our opinion is not modified in this respect;

### **Material Uncertainty related to Going Concern**

We draw attention to Note 27 in the financial statements regarding accumulated loss exceeding the Net Worth of the Company, Current liabilities exceeding its Current assets. This situation indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The accounts, however has been prepared by the management on a going concern basis for the reasons stated in the aforesaid note.

Our opinion is not modified in this respect;

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## Management's and Board of Directors' Responsibility for the Financial Results

These financial results have been prepared on the basis financial statements. The Company's Management and Board of Directors is responsible for the preparation of these financial results that give a true and fair view of net profit and other comprehensive income other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India in compliance with Regulation 52 read with Regulation 63(2) of the listing regulation. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

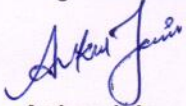
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Other Matters

The financial results include the results for the half year ended March 31, 2021 and corresponding half year ended in previous year as reported in this financial results are the balancing figures between audited figures in respect of full financial year and published year to date figures up to the half year of current and previous financial year respectively, which has been reviewed and not subjected to audit.

For **Bakliwal & Co.**  
Chartered Accountants  
Regn.No.130381W



**Ankur Jain**  
Partner  
Membership No.197643



Place: Mumbai  
Date : 30.06.2021  
UDIN: 21197643AAAAFD2418

RELIANCE MEDIAWORKS FINANCIAL SERVICES PRIVATE LIMITED

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2021

(Currency: ₹)

Sr. No.	Particulars	Half Year Ended		Year Ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
		Unaudited	Unaudited	Audited	Audited
I	Revenue from operations	50,000	95,67,000	50,000	50,000
II	Other Income	12,99,74,483	48,04,669	13,01,40,375	5,83,257
III	<b>Total Income (I+II)</b>	<b>13,00,24,483</b>	<b>1,43,71,669</b>	<b>13,01,90,375</b>	<b>6,33,257</b>
IV	Expenses:				
	Finance cost	1,14,59,41,732	60,63,210	1,14,59,41,732	74,38,18,524
	Other expenses	55,05,788	8,77,450	56,94,268	5,93,05,001
	<b>Total Expenses</b>	<b>1,15,14,47,520</b>	<b>1,65,16,660</b>	<b>1,15,16,36,000</b>	<b>80,31,23,525</b>
V	<b>Profit / (Loss) before exceptional items, net loss on sale of investments in associates and tax (III - IV)</b>	<b>(1,02,14,23,037)</b>	<b>(21,44,991)</b>	<b>(1,02,14,45,625)</b>	<b>(80,24,90,268)</b>
VI	Loss on sale of investments in associates	5,16,99,07,957	-	5,16,99,07,957	-
VII	<b>Profit/(Loss) before exceptional items and tax (V-VI)</b>	<b>(6,19,13,30,994)</b>	<b>(21,44,991)</b>	<b>(6,19,13,53,582)</b>	<b>(80,24,90,268)</b>
VIII	Exceptional items	-	-	-	-
IX	<b>Profit/(Loss) before tax (VII-VIII)</b>	<b>(6,19,13,30,994)</b>	<b>(21,44,991)</b>	<b>(6,19,13,53,582)</b>	<b>(80,24,90,268)</b>
X	Tax expenses	-	-	-	-
XI	<b>Net Profit/(Loss) for the period/year (IX-X)</b>	<b>(6,19,13,30,994)</b>	<b>(21,44,991)</b>	<b>(6,19,13,53,582)</b>	<b>(80,24,90,268)</b>
XII	Other comprehensive income				
	(i) Items that will not be reclassified to profit or loss	-	-	-	-
	(ii) Items that will be reclassified to profit or loss	-	-	-	-
	<b>Other comprehensive income for the period/year (i + ii)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
XIII	<b>Total comprehensive income for the period/year (XI+XII)</b>	<b>(6,19,13,30,994)</b>	<b>(21,44,991)</b>	<b>(6,19,13,53,582)</b>	<b>(80,24,90,268)</b>
XIV	Equity Share Capital	1,05,01,00,000	1,05,01,00,000	1,05,01,00,000	1,05,01,00,000
XV	Earning per share on Equity Shares of ₹ 10 each				
	- Basic	(58.96)	(0.02)	(58.96)	(7.64)
	- Diluted	(58.96)	(0.02)	(58.96)	(7.64)



**RELIANCE MEDIAWORKS FINANCIAL SERVICES PRIVATE LIMITED**

**AUDITED BALANCE SHEET AS AT MARCH 31, 2021**

(Currency: ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>		
<b>Non-current Assets</b>		
<i>Financial Assets</i>		
Investments	16,87,00,000	9,97,16,07,957
Other Non Current Assets	5,23,24,514	5,15,20,993
	<b>22,10,24,514</b>	<b>10,02,31,28,950</b>
<b>Current Assets</b>		
<i>Financial Assets</i>		
Trade Receivables	54,000	59,000
Cash and Cash Equivalents	20,84,190	88,58,359
Loans and advances	7,02,87,965	7,22,52,135
Other financial assets	10,00,000	-
	<b>7,34,26,155</b>	<b>8,11,69,494</b>
<b>Total Assets</b>	<b>29,44,50,669</b>	<b>10,10,42,98,444</b>
<b>EQUITIES AND LIABILITIES</b>		
<b>Equity</b>		
Equity Share Capital	1,05,01,00,000	1,05,01,00,000
Other Equity	(8,04,13,39,291)	(1,84,99,85,709)
	<b>(6,99,12,39,291)</b>	<b>(79,98,85,709)</b>
<b>Liabilities</b>		
<b>Non current Liabilities</b>		
<i>Financial Liabilities</i>		
Borrowings	3,69,35,34,763	8,16,93,15,591
	<b>3,69,35,34,763</b>	<b>8,16,93,15,591</b>
<b>Current Liabilities</b>		
<i>Financial Liabilities</i>		
Trade Payables	3,40,154	13,00,07,043
Other Financial Liabilities	3,59,10,84,079	2,60,48,61,519
Other Current Liabilities	7,30,964	-
	<b>3,59,21,55,197</b>	<b>2,73,48,68,562</b>
<b>Total Liabilities</b>	<b>7,28,56,89,960</b>	<b>10,90,41,84,153</b>
<b>Total Equities and Liabilities</b>	<b>29,44,50,669</b>	<b>10,10,42,98,444</b>

**Notes:**

- 1 Reliance MediaWorks Financial Services Private Limited ('The Company') was incorporated on March 10, 2017. The Company has prepared its Statement of Standalone audited financial results for the half year and for the financial year ended March 31, 2021 in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.
- 2 The figures of the half year ended March 31, 2021 are the balancing figures in respect of full financial year and the published year to date figures upto half year of the current financial year. The previous period / year figures have been regrouped / rearranged wherever necessary.
- 3 a) The Listed Secured Non-Convertible Debentures ('NCD') of the Company aggregating to Rs. 374.86 Crores as on March 31, 2021 is secured by way of;
  - i) a first ranking and exclusive pledge of 100% (One Hundred per cent) of the equity share capital of the Company (on a fully diluted basis) by Reliance MediaWorks Limited pursuant to the Share Pledge Agreement;
  - ii) a first ranking and exclusive pledge over 10,49,39,361 (35.06%) equity shares of Prime Focus Limited ('PFL') such that the Collateral Cover is met, by the Company;
  - iii) a first ranking and exclusive charge by way of hypothecation on the Account Assets pursuant to the Deed of Hypothecation;
  - iv) Such other security Interest on such assets as may be agreed between the company and the Debenture Trustee;
  - v) Unconditional, Irrevocable & Continuing Corporate Guarantee from Reliance Capital Limited ('Corporate Guarantor').
  - vi) Pledge over 100% of the shares of Reliance General Insurance Company Limited ('RGICL') by the Corporate Guarantor.
- b) The Debenture Trustees invoked the pledge on PFL equity shares on November 28, 2019 and March 17, 2021 of 7,32,99,666 (24.49%) and 3,16,39,695 (10.57%) respectively. Accordingly, PFL ceased to be an associate company w.e.f. March 17, 2021.




- c) On March 17, 2021, the Debenture Trustee sold the entire invoked equity shares of PFL under Open Offer at an offer price of Rs 44.15 per equity share for a total value of Rs 463.30 cr. The Debenture trustees vide their letter dated May 26, 2021 intimated the Company on adjustment of above consideration towards part repayment of NCDs after adjusting interest due on NCD's, penal interest and cost/expenses. The Company on a conservative basis has incorporated the above appropriation in the financial statements. However, the Company has disputed such sale and its appropriation in its communication to the Debenture Trustee stating that no demand on any account is legally payable against the NCD facility.
- 4 The company has no reportable segment as required as per INDAS 108 "Operating Segment", notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- 5 The COVID-19 pandemic has effect across the world, including India. During the year ended March 31, 2021, the pandemic and consequent lockdown imposed by the Central and State Governments considerably impacted the Company's business operations. The pandemic has also resulted in a significantly constrain on recovery of overdues from customers.  
The extent to which the COVID-19 pandemic will continue to impact the Company's results will depend on future developments, which are highly uncertain, including, among other things, any new information considering the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact.
- 6 Disclosures under Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given in **Annexure A**.
- 7 The Company's net worth has eroded, however, having regard to financial support from its promoters and further restructuring exercise being implemented the financial statements have been prepared on the basis that the Company is a going concern and that no adjustments are required to the carrying value of assets and liabilities.
- 8 The Board of Directors at its meeting held on June 30, 2021 approved the above results and its release.

For Reliance MediaWorks Financial Services Private Limited

Dated: June 30, 2021



  
Basant Varma  
Director



Reliance MediaWorks Financial Services Private Limited

Disclosures pursuant to Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the half year/year ended March 31, 2021.

Annexure A  
(Currency: ₹)

1 Credit Rating

Instrument	Name of the Rating Agency	Rating
Market Linked Debentures	CARE Ratings Limited	CARE C; Negative [Single C; Outlook: Negative]

2 Security Coverage Ratio as on March 31, 2021:	0.08
A Asset cover available in case of non convertible debt securities.	29,33,79,551
B Secured Debt	
Long-Term Secured borrowing	3,69,35,34,763
Short-Term Secured borrowing	-
Total Secured Debt	3,69,35,34,763
3 Debt Equity Ratio as on March 31, 2021:	(0.87)
4 Previous due date for the payment of interest/principal: Principal along with interest has been paid on the due from 1st April 2020 to 31st March 2021:	17-Mar-21 4,60,69,04,291
5 Next due date for the payment of interest/principal: Principal along with interest would be payable on the due From 1st April 2021 to 31st March 2022:	28-Mar-23 Nil
6 Debt service coverage ratio; Note: Since EBIT is negative, Debt Service Ratio cannot be worked out	NA
7 Interest service coverage ratio: Note: Since EBIT is negative, Interest Service Coverage Ratio cannot be worked out	NA
8 Outstanding redeemable preference shares (quantity and value):	Nil
9 Debenture Redemption Reserve:	Nil
10 Net Worth as on March 31, 2021	(6,99,12,39,291)
11 Net Profit / (Loss) After Tax	(6,19,13,53,582)
12 Earnings Per Share in ₹:	(58.96)

