

**SAREGAMA FZE
Jebel Ali Free Zone,
Dubai, United Arab Emirates**

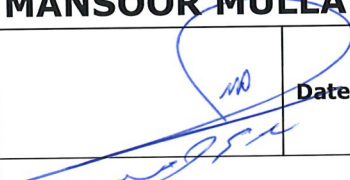

**Auditors' Report & Financial Statements
For the year ended 31st March, 2020**

SAREGAMA FZE
Jebel Ali Free Zone,
Dubai, United Arab Emirates

For the year ended 31st March, 2020

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Auditor Report – New Summary Sheet

Company Details			
Company Name	SAREGAMA FZE		
Account No	1318528		
Financial Information Amount (In UAE – Dirham)			
Year Start Date	01-Apr-2019	Year End Date	31-Mar-2020
Annual Sales	729,231	Total Salaries	371,641
Cost of Goods Sold	439,106	Total Depreciation	NIL
Current Assets	1,203,724	Non-Current Assets	NIL
Fixed Assets	NIL	Total Assets <small>(Current Assets+ Non-Current Assets+ Fixed Assets)</small>	1,203,724
Long Term Liabilities	NIL	Total Liabilities <small>(Current + Long Term)</small>	615,324
Net Profit/(Loss)	(613,128)	Opening Retained Earnings/(Accumulated Losses)	(298,472)
Share Capital	1,500,000	Total Capital Expenditure	NIL
Total Equity	588,400		
Auditor Information			
Audit Firm	MANSOOR MULLA AUDITING OF ACCOUNTS		
Auditor's Signature		Date	03-06-2020
Auditor's Seal			

INDEPENDENT AUDITORS' REPORT

To the shareholder of M/s. SAREGAMA FZE, Jebel Ali Free Zone, Dubai, United Arab Emirates.

Report on the Financial Statements

Opinion

We have audited the accompanying annual financial statements of **M/s. SAREGAMA FZE**, Jebel Ali Free Zone, Dubai, United Arab Emirates, ("the Free Zone Establishment") which comprise of the financial position as at 31st March, 2020 the statement of comprehensive income, the statement of changes in equity, statement of cash flows, for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of **M/s. SAREGAMA FZE**, Jebel Ali Free Zone, Dubai, United Arab Emirates, as at 31st March 2020, its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the FZE in accordance with the ethical requirements that are relevant to our audit of the financial statements in United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and the applicable provisions of Jebel Ali Free Zone, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the (FZE'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 (FZE) or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the (FZE's) financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 ISAs 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 statements.

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

- Identify and assess the risks of material misstatement of the financial statements, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the (FZE's) internal control.
- 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 (FZE's) ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the (FZE) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements 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. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standard on Auditing, to obtain reasonable assurance, whether the financial statements are free from material misstatement.

Report on other legal and regulatory requirement

As required by the provisions issued by the entities in Jebel Ali Free Zone, Dubai, and United Arab Emirates, we further confirm that,

1. We are not aware of any contraventions during the year of the above mentioned law or the (FZE's) Articles of Association, which may have material effect on the financial position of the (FZE) or the result of its operations for the year.

For Mansoor Mulla Auditing of Accounts

Mansoor Mohammed Hassan Mulla
Reg. No. 843 Dubai, UAE



Date: 3rd June, 2020

File No: 7429511

SAREGAMA FZE
Jebel Ali Free Zone, Dubai, United Arab Emirates

Statement of Financial Position
As at 31st March 2020

	Notes	31-Mar-2020 AED	31-Mar-2019 AED
Assets			
Current Assets			
Inventories	5	363,955	282,118
Trade receivables	6	54,031	10,201
Other current assets	7	62,760	57,452
Cash and cash equivalents	8	722,978	172,990
		<u>1,203,724</u>	<u>522,761</u>
Total Assets		<u>1,203,724</u>	<u>522,761</u>
Equity and Liabilities			
Equity			
Share capital	2	1,500,000	100,000
Accumulated loss		<u>(911,600)</u>	<u>(298,472)</u>
		<u>588,400</u>	<u>(198,472)</u>
Liabilities			
Current Liabilities			
Borrowings (from holding Company)	9.1	500,000	608,389
Due to related parties	9.2	30,281	41,633
Trade and other payables	10	85,043	71,211
		<u>615,324</u>	<u>721,233</u>
Total Liabilities		<u>615,324</u>	<u>721,233</u>
Total Equity and Liabilities		<u>1,203,724</u>	<u>522,761</u>

The annexed notes from 1 to 18 form an integral parts of these financial statements.

These financial statements have been approved and signed by the undersigned on 3rd June, 2020.

For SAREGAMA FZE


 Authorized Signatory

The report of the Auditors is set on page 1 and 2.



SAREGAMA FZE
Jebel Ali Free Zone, Dubai, United Arab Emirates

Statement of Comprehensive Income
For the year ended 31st March 2020

		31-Mar-2020	28-Aug-2018 to 31-Mar-2019
	Notes	AED	AED
Revenue		729,231	307,542
Cost of revenue	11	(439,106)	(127,136)
Gross profit		290,125	180,406
General and administration expenses	12	(844,145)	(451,706)
Operating loss		(554,020)	(271,300)
Exchange loss		(84)	-
Bank charges		(2,676)	(2,251)
Finance charges		(56,348)	(24,927)
Loss for the year/period		(613,128)	(298,478)
Other comprehensive income		-	6
Total comprehensive loss for the year/period		(613,128)	(298,472)

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SAREGAMA FZE
Jebel Ali Free Zone, Dubai, United Arab Emirates

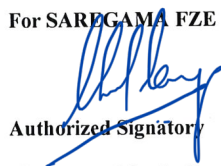
Statement of Changes in Equity
For the year ended 31st March 2020

	Share Capital AED	Accumulated Loss AED	Total Equity AED
Share capital introduced	100,000	-	100,000
Total comprehensive loss for the period	-	(298,472)	(298,472)
As at 31st March 2019	100,000	(298,472)	(198,472)
Additional capital introduced	1,400,000		1,400,000
Total comprehensive loss for the year	-	(613,128)	(613,128)
As at 31st March 2020	1,500,000	(911,600)	588,400

The annexed notes from 1 to 18 form an integral parts of these financial statements.

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SAREGAMA FZE
Jebel Ali Free Zone, Dubai, United Arab Emirates

Statement of Cash Flows
For the year ended 31st March 2020

		31-Mar-2020	28-Aug-2018 to 31-Mar-2019
	Notes	AED	AED
Operating activities			
Loss for the year/period		(613,128)	(298,472)
Change in working capital:			
Inventories	5	(81,837)	(282,118)
Trade receivables	6	(43,830)	(10,201)
Other current assets	7	(5,308)	(57,452)
Borrowings (from holding Company)	9.1	(108,389)	608,389
Due to related parties	9.2	(11,352)	41,633
Trade and other payables	10	13,832	71,211
Net cash (used in)/generated from operating activities		(850,012)	72,990
Financing activities			
Share capital introduced	2	1,400,000	100,000
Cash generated from financing activities		1,400,000	100,000
Net movement in cash and cash equivalents		549,988	172,990
Cash and cash equivalents at the beginning of the year/period		172,990	-
Cash and cash equivalents at the end of the year/period	8	722,978	172,990

The annexed notes from 1 to 18 form an integral parts of these financial statements.

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SAREGAMA FZE

Jebel Ali Free Zone, Dubai, United Arab Emirates

Annual Financial Statements for the year ended 31st March 2020

Notes to the Financial Statements

1 Legal status and activities

SAREGAMA FZE (the "FZE") was registered in Jebel Ali Free Zone Authority on 28th August 2018 under Registration number 203245 and Trading license number 170619, as a Free Zone Establishment with limited liability pursuant to Law No. 9 of 1992 and implementing regulations issued thereunder. The registered address of the (FZE) is at Jafza One, 11th Floor, Office No Cowork-10, Jebel Ali Free Zone, Dubai, United Arab Emirates.

The (FZE) is primarily engaged in the business of Blank Cassette Trading, Computer & Data Processing Requisites Trading, Audio-Visual, Recording Equipment & Accessories Trading, Motion Picture & TV Programmes Trading, Electronic Card & Chips & Requisites Trading, Audio Recordings Trading, Visual Recordings Trading, and Antennas Trading.

2 Shareholding

The shareholding of the (FZE) is as follows:

Name	Country of Incorporation	No. of shares	Value per share AED	Total value AED	Percentage
1. M/s. Saregama India Limited	India	1,500	1,000	1,500,000	100
		1,500		1,500,000	100

The authorized and paid up share capital of the (FZE) is AED 1,500,000/- divided into 1,500 shares of AED 1,000/- only.

During the year, share capital of the (FZE) has been increased from 100 shares (of AED 1,000 each) to 1,500 shares (of AED 1,000 each)

3 New and amended standards and interpretations

Effective date: 01 July 2019

IAS 28 - Investment in Associates and Joint Ventures clarifies that an entity applies IFRS 9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. This IAS had no impact on the financial statements, as the (FZE) does not have any Investment in Associates and Joint Ventures.

Effective date: 01 January 2020

IAS 1 (Material definition) - The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS Standards. In addition, the explanations accompanying the definition have been improved. The amendments ensure that the definition of material is consistent across all IFRS Standards.

IAS 1 has been revised to incorporate a new definition of "material" and IAS 8 has been revised to refer to this new definition in IAS 1. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier application is permitted. The amendments to the definition of material is not expected to have a significant impact on the (FZE's) financial statements.

4 Significant Accounting Policies

4.1 Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

4.2 Basis of preparation

These financial statements have been prepared under the historical cost convention. The fair / net realizable value concept of measurement of assets and liabilities has also been applied wherever applicable under (IFRS).

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4.3 Revenue recognition

Revenue from sale of goods is recognised when all significant risks and rewards of ownership are transferred to the buyers. In most cases this coincides with the transfer of legal title or passing of possession of goods to the buyers.

4.4 Functional and reporting currency

The functional currency of the (FZE) is in United States Dollar (USD) and reporting currency of the (FZE) is in United Arab Emirates Dirhams ("AED").

4.5 Foreign currency transactions

Foreign currency transactions are recorded in AED at the approximate rate of exchange ruling at the time of the transaction. Assets and liabilities expressed in foreign currencies at the statement of financial position date are translated into AED at the year end rate of exchange. All foreign currency gains or losses are booked in the statement of comprehensive income as and when they arise.

	31-Mar-2020	28-Aug-2018 to 31-Mar-2019 AED
5 Inventories		
Closing stock	<u>363,955</u>	<u>282,118</u>
6 Trade receivables		
Trade receivables	<u>54,031</u>	<u>10,201</u>
7 Other current assets		
Advances to suppliers	15,100	30,100
Prepayments	41,764	23,000
Duties and taxes	3,796	2,252
Lease security deposits	<u>2,100</u>	<u>2,100</u>
	<u>62,760</u>	<u>57,452</u>
8 Cash and cash equivalents		
Cash in bank	<u>722,978</u>	<u>172,990</u>
9 Related party transactions		
The (FZE) in the normal course of business enters into transactions with other business enterprises that fall within the definition of related party contained in the International Accounting Standard - 24. Related parties comprise the directors, companies under common ownership and/or common management control and associate as under:		
9.1 Borrowings (from holding Company)		
Borrowings from Saregama India Ltd.*	<u>500,000</u>	<u>608,389</u>

* Represents unsecured and repayable on demand



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Notes to the Financial Statements

	31-Mar-2020 AED	28-Aug-2018 to 31-Mar-2019 AED
9.2 Due to related parties**	30,281	41,633
** Represents the amount payable to Saregama India Ltd. on account of trade.		
10 Trade and other payables		
Trade payables	38,874	40,398
Other payables	46,169	30,813
	85,043	71,211
11 Cost of revenue		
Opening stock	282,118	-
Purchases and direct expenses	520,943	409,254
Closing stock	(363,955)	(282,118)
	439,106	127,136
12 General and administration expenses		
Salaries and wages	371,641	153,772
Preliminary expense	-	97,337
Advertisement and sales promotion	171,396	65,005
Royalties	109,880	41,633
Legal, professional and consultancy expenses	31,000	29,412
Freight and forwarding charges	40,380	20,154
Rent expense	25,040	16,000
Insurance expense	22,927	15,000
Travelling and conveyance	4,456	8,995
Printing and communication expenses	5,824	3,052
Rates and taxes	50,400	-
Other expense	11,201	1,346
	844,145	451,706



13 Fair value of financial instruments

The (FZE's) financial instruments are accounted for under the historical cost convention. Fair value represents the amount at which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction, therefore, differences can arise between values under the historical cost method and fair value estimates. The fair value of the (FZE's) financial instruments is not materially different from the carrying value at 31st March 2020.

14 Interest rate risk

Significant financial instruments, other assets and other liabilities of the (FZE) as at 31st March 2020 are not interest based.

15 Exchange rate risk

The main underlying currencies of the financial instruments, other assets, other liabilities and transactions including revenue, cost of revenue and expenses are in AED, the (FZE) is not exposed to a significant exchange rate risk.

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16 Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID 19)

The (FZE) has considered the possible risk that may result from the pandemic relating to COVID-19 on the carrying amounts of assets including inventories, receivables and other financial and non-financial assets. As per the assessment carried out by the management based on the internal and external information available upto the date of approval of these standalone financial statements, the (FZE) does not foresee any uncertainty related to recoverability or liquidation of the aforesaid assets.

However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The impact of the global health pandemic may be different from that estimated as at the date of approval of these standalone financial statements and the (FZE) will continue to closely monitor any material changes to future economic conditions.

17 Contingencies and commitments

As at 31st March 2020, the (FZE) had no contingencies and commitments.

18 Comparative figures

Previous period's audited figures have been regrouped/reclassified where ever necessary to confirm to the presentation adopted in the current year. Figures of the (FZE) have been rounded off to nearest AED 1/-.

The annexed notes from 1 to 18 form an integral parts of these financial statements.

These financial statements have been approved and signed by the undersigned on 3rd June, 2020.

For SAREGAMA FZE


Authorized signatory

The report of the Auditors is set on page 1 and 2.