

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

For the year ended 31st March, 2022

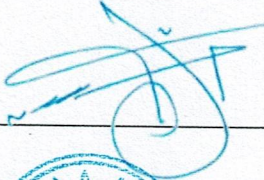

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**SAREGAMA FZE**  
**Jebel Ali Free Zone,**  
**Dubai, United Arab Emirates**

**Auditors' Report & Financial Statements**  
**For the year ended 31<sup>st</sup> March, 2022**

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## Auditor Report – New Summary Sheet

Company Details			
Company Name	<b>SAREGAMA FZE</b>		
Account No	<b>1318528</b>		
Financial Information Amount (In UAE – Dirham)			
Year Start Date	<b>1-Apr-2021</b>	Year End Date	<b>31-Mar-2022</b>
Annual Sales	<b>469,751</b>	Total Salaries	<b>413,012</b>
Cost of Goods Sold	<b>348,767</b>	Total Depreciation	<b>NIL</b>
Current Assets	<b>1,237,632</b>	Non-Current Assets	<b>NIL</b>
Fixed Assets	<b>NIL</b>	Total Assets <small>(Current Assets+ Non-Current Assets+ Fixed Assets)</small>	<b>1,237,632</b>
Long Term Liabilities	<b>NIL</b>	Total Liabilities <small>(Current + Long Term)</small>	<b>1,367,113</b>
Net Profit/(Loss)	<b>(455,217)</b>	Opening Retained Earnings/(Accumulated Losses)	<b>(1,174,264)</b>
Share Capital	<b>1,500,000</b>	Total Capital Expenditure	<b>NIL</b>
Total Equity	<b>(129,481)</b>		
Auditor Information			
Audit Firm	<b>H A A AUDITING</b>		
Auditor's Signature		Date	<b>30-APR-2022</b>
Auditor's Seal			



## **SAREGAMA FZE**

### **Director's Report**

**For the year ended 31 March 2022**

The Directors have pleasure in submitting their report together with the audited financial statements of SAREGAMA FZE for the year ended 31 March 2022

#### **Principal Activities**

The principal activity of the FZE is business of Audio-visual, Recording Equipment & Accessories Trading, Mobile Phones Trading, General Trading, Motion Picture Trading, Wireless Equipment and Instruments Trading and Audio Recorded Media Trading. The product is widely known as "Carvaan".

#### **Results and appropriations**

The results of the FZE for the year are set out in the accompanying financial statements. As there are losses for the year, no dividends were declared during the year ended 31 March 2022.

#### **Role of Directors**

The directors are the FZE's principal decision maker. They have the overall responsibility for leading and supervising the FZE, for delivering suitable shareholder value through their guidance and supervision of the FZE's business. They set the strategies and policies of the FZE. They monitor the performance of the FZE. They guide and supervise the management.

#### **Events after the Balance Sheet Date**

In the opinion of the Directors, no transaction or event of a material and unusual nature, favorable or unfavorable, has arisen in the interval between the end of the financial year and the date of this report that is likely to affect, substantially, the result of the operations or the financial position of the FZE.

#### **Auditors**

The financial statements for the year ended 31 March 2022 have been audited by HAA Auditing and, being eligible, offer themselves for reappointment

**Statement of Directors' Responsibility**

The applicable requirements require the Directors to prepare the financial statements for each Financial Year, which present fairly, in all material respects, the financial position of the FZE, and its financial performance for the year then ended.

The audited financial statements for the year have been prepared in conformity and in compliance with the relevant statutory requirements and other governing laws. The Directors confirm that sufficient care has been taken for the maintenance of proper and adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the FZE and enables them to ensure that the financial statements comply with the requirements of applicable statute. The Directors also confirm that appropriate accounting policies have been selected and applied consistently in order that the financial statements reflect fairly the form and substance of the transactions carried out during the year and reasonably present the FZE's financial conditions and results. These financial statements were approved by the Board of Directors and signed on its behalf by the authorized representative of the FZE.

**SAREGAMA FZE**A handwritten signature in blue ink, appearing to read 'Kuman A. J.', is positioned above the 'AUTHORISED SIGNATORY' label.**AUTHORISED SIGNATORY**





# HAA Auditing

Auditors & Accountants

## INDEPENDENT AUDITORS' REPORT

To the shareholder of **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 **SAREGAMA FZE**, Jebel Ali Free Zone, Dubai, United Arab Emirates, (the "Free Zone Establishment", FZE) which comprise of the financial position as at 31" March, 2022, 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 financial statements present fairly, in all material respects, the financial position of **SAREGAMA FZE**, Jebel Ali Free Zone, Dubai United Arab Emirates, as at 31" March, 2022, 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.

#### Independence

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.



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# HAA Auditing

Auditors & Accountants

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## Other Matter

The financial statements for the FZE for the year ended March 31, 2021, were audited by another auditor who expressed an unmodified opinion on those financial statements.

## 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with those charged with governance of the Company. Our approach was as follows:

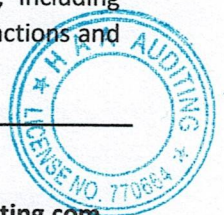
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the FZE's internal control.
- Evaluate the appropriateness of accounting policies 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.

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# HAA Auditing

Auditors & Accountants

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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the FZE to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit.



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.

## 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,

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.

**H A A Auditing**



Hussain Ali Abdulla Alabdouli

Audit Licence No :845

Dubai, United Arab Emirates

Date: 30-April-2022



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

**Statement of Financial Position as at 31 March 2022**

		<b>31-Mar-22</b>	<b>31-Mar-21</b>
		AED	AED
<b><u>ASSETS</u></b>			
<b>Current assets</b>			
Inventories	5	562,007	465,061
Financial assets			
Trade receivables	6	420,624	208,461
Cash and cash equivalents	7	218,034	184,408
Other current assets	8	36,967	39,132
<b>Total current assets</b>		<b>1,237,632</b>	<b>897,062</b>
<b>Total Assets</b>		<b>1,237,632</b>	<b>897,062</b>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Equity</b>			
Equity share capital	2	1,500,000	1,500,000
Accumulated loss		(1,629,481)	(1,174,264)
<b>Total equity (A)</b>		<b>(129,481)</b>	<b>325,736</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	9.1	500,000	200,000
Due to related parties	9.2	187,252	124,147
Trade and other payables	10	521,870	79,729
Other current liabilities	11	157,991	167,450
<b>Total current liabilities (C)</b>		<b>1,367,113</b>	<b>571,326</b>
<b>Total liabilities</b>		<b>1,367,113</b>	<b>571,326</b>
<b>Total equity and liabilities (A) + (B) + (C)</b>		<b>1,237,632</b>	<b>897,062</b>

The accompanying notes are an integral part of the financial statements

The financial statements have been approved and signed by the undersigned on 30th April 2022

For **SAREGAMA FZE**

*Kuman Ajith*

Authorised Signatory



**SAREGAMA FZE**

Jebel Ali Free Zone, Dubai, United Arab Emirates

**Statement of Comprehensive Income for the year ended 31st March 2022**

Particulars	Notes	For the year ended 31 March 2022 AED	For the year ended 31 March 2021 AED
Revenue	12	469,751	278,160
Cost of revenue	13	(348,767)	(151,844)
<b>Gross profit</b>		<b>120,984</b>	<b>126,316</b>
General and administration expenses	14	(562,959)	(523,891)
<b>Operating loss</b>		<b>(441,975)</b>	<b>(397,575)</b>
Other income	15	7,493	184,513
Exchange loss		-	(1,110)
Finance charges	9.3	(20,735)	(48,492)
<b>Loss for the year</b>		<b>(455,217)</b>	<b>(262,664)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<b>(455,217)</b>	<b>(262,664)</b>

The accompanying notes are an integral part of the financial statements

The financial statements have been approved and signed by the undersigned on 30th April 2022

For **SAREGAMA FZE**

Kumar Ait

Authorised Signatory



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

**Statement of cash flows for the year ended 31st March 2022**

Particulars	For the year ended March 31, 2022 AED	For the year ended March 31, 2021 AED
<b>Cash flow from operating activities</b>		
Profit before tax	(455,217)	(262,664)
Adjustment for:		
Bad debt written off	3,314	-
Liabilities no longer required written back	(7,493)	(13,118)
<b>Working capital adjustments</b>		
Increase in inventories	(96,946)	(101,106)
Increase in trade and other receivables	(215,477)	(141,312)
Decrease in current assets	2,165	23,628
Increase in trade payable	503,280	256,002
<b>Net cash flows (used in) operating activities</b>	<b>(266,374)</b>	<b>(238,570)</b>
<b>Cash flow from financing activities</b>		
Repayment of borrowings	-	(300,000)
Proceeds from borrowing	300,000	-
<b>Net cash flows from/(used in) operating activities</b>	<b>300,000</b>	<b>(300,000)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>33,626</b>	<b>(538,570)</b>
Cash and cash equivalents at the beginning of the year	184,408	722,978
<b>Cash and cash equivalents at the end of the year</b>	<b>218,034</b>	<b>184,408</b>

The accompanying notes are an integral part of the financial statements

The financial statements have been approved and signed by the undersigned on 30th April 2022

For SAREGAMA FZE

  
 Authorised Signatory



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

**Statement of Changes in Equity for the year ended 31st March 2022**

	<b>Share Capital AED</b>	<b>Accumulated losses AED</b>	<b>Total Equity AED</b>
As at 1st April, 2020	1,500,000	(911,600)	588,400
Total comprehensive loss for the year		(262,664)	(262,664)
<b>As at 31st March, 2021</b>	1,500,000	(1,174,264)	325,736
Total comprehensive loss for the year		(455,217)	(455,217)
<b>As at 31st March, 2022</b>	<u>1,500,000</u>	<u>(1,629,481)</u>	<u>(129,481)</u>

The accompanying notes are an integral part of the financial statements

The financial statements have been approved and signed by the undersigned on 30th April 2022

For SAREGAMA FZE

*Kuma Ajil*

Authorised Signatory



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

**Notes forming part of the standalone financial statements for the year ended March 31, 2022**

**1. CORPORATE INFORMATION**

SAREGAMA FZE (the "FZE") was registered in Jebel Ali Free Zone Authority on 28th August, 2018 under registration number 203245 and trading licence 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 Audio-visual, Recording Equipment & Accessories Trading, Mobile Phones Trading, General Trading, Motion Picture Trading, Wireless Equipment & Instruments Trading, Audio Recorded Media Trading.

The (FZE) is managed by Mr. Sagar Arvind Pandya, an Indian national.

**2. Shareholding**

The Shareholding of the (FZE) is as follows:

Name	Country of Incorporation	No. of share	Total value AED	Value per share AED	Percentage
Saregama India Limited	India	1,500	1,000	1,500,000	100%
		<b>1,500</b>		<b>1,500,000</b>	<b>100%</b>

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

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a. Basis of preparation**

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

**b. Going Concern**

The Company has incurred loss amounting to AED 455,217 during the current year which has resulted in complete erosion of net worth of the Company. At the end of reporting period, the current liabilities of the Company exceeded its current assets by AED 129,481. These conditions indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Directors have gained the commitment of the Company's shareholders to provide continued financial support to the Company. On the basis that continued financial support will be provided by the Company's shareholders to the Company upon request, the Directors are of the opinion that the Company will have sufficient working capital to finance its operations in the foreseeable future. Accordingly, the Directors are of the view that it is appropriate to prepare these financial statements on a going concern.

**c. Basis of Accounting**

These financial statements, except for the provision for employee entitlements to annual leave salary and air passage to their home country are prepared under the accrual basis of accounting. Under the accrual basis of accounting, transactions and events are recognized when they occur (and not as cash or its equivalent is received or paid) and they are recorded in the accounting records and reported in the financial statements of the periods to which they relate.

**d. Revenue recognition**

Revenue is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods and when there are no longer any unfulfilled obligations.

**Lease**

FZE's operating lease is categorized as short-term lease and hence not been reclassified, as per IFRS 16, as asset and liability. Lease charges are charged to total comprehensive income.

**e. Functional and presentation currency**

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the FZE operates ('the functional currency'). The financial statements of the FZE are presented in UAE Dirhams ("AED"), which is the Company's functional and presentation currency. All amounts represented in 'AED' has been rounded off to the nearest AED.

**f. Foreign currency transactions**

Foreign currency transactions are recorded in U.A.E Dirhams 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 U.A.E. Dirhams 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.

**g. End-of-service benefits**

The (FZE) provides end-of-service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' last year drawn salary and length of service, subject to the completion of a minimum service year. The expected costs of these benefits are accrued over the year of employment in accordance with the provisions of UAE Labour Law.



**Notes forming part of the standalone financial statements for the year ended March 31, 2022**

**h. Provisions, Contingent Liabilities and Contingent Assets**

- i) Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event and 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. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a consolidated asset only when the reimbursement is virtually certain.
- ii) 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.
- iii) Contingent liabilities are disclosed on the basis of judgment of management. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

**i. Cash and cash equivalents**

For the purpose of the statement of cash flows, the (FZE) considers bank balances and deposits with a maturity of less than 3 months from the date of placement to be a part of cash and cash equivalents.

**j. Inventories**

- i) Inventories are valued at lower of cost or net realisable value.
- ii) The costs of inventories are determined on weighted average basis. Cost of inventories comprise all costs of purchase, and where applicable costs of conversion and other costs incurred in bringing the inventories to their present location and
- iii) Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

**k. Use of estimates and judgements**

- i) The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.
- ii) The estimates and underlying assumptions are reviewed by the management on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised and in any future periods affected.

**4 New standards, amendments to standards and Interpretations**

**4.1 Issued and effective**

Following are amendments to standards are effective for annual periods beginning after 1 January, 2021 and earlier application is permitted.

- Covid-19-Related Rent Concessions – amendments to IFRS 16, and
- Interest Rate Benchmark Reform – Phase 2 – amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.
- Annual Improvements to IFRS Standards 2018–2020, and
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – amendments to IAS 12.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

**4.2 Issued but not effective**

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the group. These standards, amendments or Interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

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

**Notes forming part of the standalone financial statements for the year ended March 31, 2022**

	<b>31 March 2022</b>	<b>31 March 2021</b>
	<b>AED</b>	<b>AED</b>
<b>5 Inventories</b>		
Goods for resale	562,007	465,061
<b>Total</b>	<b>562,007</b>	<b>465,061</b>
<b>6 Trade and other receivables</b>		
Trade receivable	420,624	208,461
<b>Total</b>	<b>420,624</b>	<b>208,461</b>
<b>7 Cash and cash equivalents</b>		
Cash in Bank	218,034	184,408
<b>Total</b>	<b>218,034</b>	<b>184,408</b>
<b>8 Other current assets</b>		
Prepaid expenses	15,971	18,136
Advance to suppliers	15,100	15,100
Lease security deposits	2,100	2,100
Duties and Taxes	3,796	3,796
<b>Total</b>	<b>36,967</b>	<b>39,132</b>
<b>9 Related Party transactions</b>		
The (FZE) in the normal course of business enters into transactions with other business enterprises that within the definition of related party contained in the International Accounting Standard - 24. Related parties comprise the parent FZE, fellow subsidiaries, directors, companies under common ownership and/or common management control and associate as under:		
<b>9.1 Borrowings (from holding FZE)</b>		
Saregama India Ltd*	500,000	200,000
<b>Total</b>	<b>500,000</b>	<b>200,000</b>
*Represents unsecured and repayable on demand		
<b>9.2 Due to related parties</b>		
Saregama India Ltd**	187,252	124,147
<b>Total</b>	<b>187,252</b>	<b>124,147</b>
**Represents amount payable ( net of receivables ) on account of trade		
<b>9.3 Finance Charges</b>		
Saregama India Ltd	20,735	48,492
<b>Total</b>	<b>20,735</b>	<b>48,492</b>
<b>10 Trade and other payables</b>		
Trade Payables	414,976	31,882
Other payables	106,894	47,847
<b>Total</b>	<b>521,870</b>	<b>79,729</b>
<b>11 Other Current Liabilities</b>		
Advance from Customers	157,991	167,450
<b>Total</b>	<b>157,991</b>	<b>167,450</b>



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

Notes forming part of the standalone financial statements for the year ended March 31, 2022

	31 March 2022 AED	31 March 2021 AED
<b>12 Revenue from operations</b>		
Revenue from trading	469,751	278,160
<b>Total</b>	<b>469,751</b>	<b>278,160</b>
<b>13 Cost of revenue</b>		
Opening stock	465,061	363,955
Purchases and direct expenses	445,713	252,950
Less : closing stock	(562,007)	(465,061)
<b>Total</b>	<b>348,767</b>	<b>151,844</b>
<b>14 General and administration expenses</b>		
Freight and forwarding charges	42,084	21,901
Royalties	28,847	38,943
Rent expenses	23,244	24,370
Salaries & other benefits	413,012	366,264
Legal, professional & visa expenses	21,800	27,499
Travelling and conveyance	3,746	1,687
Bad debts/advances written off	3,314	-
Printing and communication expense	7,189	2,903
Bank charges	1,768	-
Insurance	-	9,704
Other expenses	17,954	30,620
<b>Total</b>	<b>562,958</b>	<b>523,891</b>
<b>15 Other income</b>		
Liabilities no longer required written back	7,493	13,118
Miscellaneous Income	-	171,396
<b>Total</b>	<b>7,493</b>	<b>184,514</b>

**SAREGAMA FZE****Jebel Ali Free Zone, Dubai, United Arab Emirates****Notes forming part of the standalone financial statements for the year ended March 31, 2022****18 Fair Value Measurement**

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 historical cost method and fair value estimates. The fair value of the (FZE's) financial instruments is not materially different from carrying value at 31st March, 2022.

**19 Interest rate risk**

Significant financial instruments, other assets and other liabilities of the (FZE) as at 31st March, 2022 are not interest based. The FZE has borrowing from its holding company with fixed rate of interest, accordingly FZE is not exposed to interest rate risk.

**20 Exchange rate risk**

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

**21 Credit rate risk**

The FZE is exposed to credit rate risk due to cash and cash equivalents and trade receivables. The FZE has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit risks from balances with a bank is managed in accordance with the Company policy. For financial instruments, the FZE attempts to limit the credit risk by only dealing with reputable banks having high credit-ratings assigned by credit-rating agencies.

**22 Liquidity risk**

The FZE is exposed to liquidity risk as it has borrowings from holding company, trade and other payables and due to related parties. The FZE manages liquidity risk by maintaining adequate reserves and by matching the maturity profiles of financial assets and liabilities.

**23 Events after the date of statement of financial position**

There have been no material events occurring after the date of statement of financial position that require adjustments to, or disclosure in, the financial statements.

**24 Contingencies and commitments**

As at 31st March, 2022, the (FZE) had no contingencies and commitments.

**25 Comparative figures**

Previous year's 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/-.