


Auditor Report – New Summary Sheet

Company Details			
Company Name	SAREGAMA FZE		
Account No	1318528		
Financial Information Amount (In UAE – Dirham)			
Year Start Date	01-04-2023	Year End Date	31-03-2024
Annual Sales	581,330	Total Salaries	167,884
Cost of Goods Sold	454,932	Total Depreciation	0
Current Assets	786,839	Non-Current Assets	0
Fixed Assets	0	Total Assets <small>(Current Assets+ Non-Current Assets+ Fixed Assets)</small>	786,839
Long Term Liabilities	0	Total Liabilities <small>(Current + Long Term)</small>	1,913,737
Net Profit/(Loss)	(370,315)	Opening Retained Earnings/ (Accumulated Losses)	(2,256,583)
Share Capital	1,500,000	Total Capital Expenditure	
Total Equity	(1,126,898)		
Auditor Information			
Audit Firm	H A A AUDITING		
Auditor's Signature		Date	22-05-2024
Auditor's Seal			



HAA Auditing

Auditors & Accountants

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying 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, 2024, the statement of comprehensive income, the statement of changes in equity, statement of cash flows, for the year then ended, and a summary of material 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, 2024, 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 as per Code of Ethics for professional Accountants ("IESBA Code") 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.

HAA Auditing: Office No 77, Tanvi Business Centre, Deira, Dubai, UAE

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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; to design and perform audit procedures responsive to those risks; and to 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 transaction 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.



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Report on other legal and regulatory requirement

As required by the provisions of Jebel Ali Free Zone, Dubai and relevant applicable laws in U.A.E, we further confirm that,

- i. we have obtained all the information and explanations which are required for the purpose of our audit;
- ii. the financial statements as at March 31, 2024 of SAREGAMA FZE, include in all material aspects, the application requirements of the provisions of Jebel Ali Free Zone and relevant applicable laws in U.A.E, except for not being in compliance with Federal decree law No 8 of 2017 on value added tax;
- iii. proper financial records have been kept by the FZE;
- iv. the contents of the Director's report relating to these financial statements are in agreement with the FZE's financial records;
- v. the FZE has not purchased or invested in any shares during the year ended March 31, 2024;
- vi. the financial statement of the FZE reflects all the disclosures relating to material related party transactions and the terms under which they are conducted;

Hussain Ali Abdulla Alabdouli

For H A A Auditing

Chartered Accountants

Audit License No: 845

Dubai, United Arab Emirates

Date: May 22, 2024



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

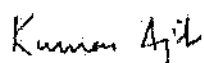
Statement of Financial Position as at 31 March 2024

		As at 31 March 2024 AED	As at 31 March 2023 AED
ASSETS			
Current assets			
Inventories	5.	222,252	254,053
Financial assets			
Trade receivables	6.	132,844	459,053
Cash and cash equivalents	7.	413,945	28,006
Other current assets	8.	17,800	35,487
Total current assets		<u>786,841</u>	<u>776,599</u>
Total Assets		<u>786,841</u>	<u>776,599</u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.	1,500,000	1,500,000
Accumulated loss		(2,626,896)	(2,256,583)
Total equity (A)		<u>(1,126,896)</u>	<u>(756,583)</u>
Liabilities			
Current liabilities			
Financial liabilities			
Borrowings	9.2.1	500,000	500,000
Due to related parties	9.2.2	822,403	405,141
Trade and other payables	10.	422,382	469,847
Other current liabilities	12.	158,952	158,194
Total current liabilities (B)		<u>1,913,737</u>	<u>1,533,182</u>
Total liabilities		<u>1,913,737</u>	<u>1,533,182</u>
Total equity and liabilities (A) + (B) + (C)		<u>786,841</u>	<u>776,599</u>

The accompanying notes are an integral part of the financial statements

The financial statements have been approved and signed by the undersigned on May 22, 2024.

For SAREGAMA FZE


 Authorised Signatory

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

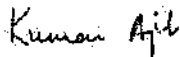
Statement of Comprehensive Income for the year ended 31st March 2024

Particulars	Notes	For the year ended 31 March 2024 AED	For the year ended 31 March 2023 AED
Revenue	13.	581,331	384,941
Cost of revenue	14.	(454,932)	(307,955)
Gross profit		126,399	76,986
General and administration expenses	15.	525,318	684,968
Operating loss		(398,919)	(607,982)
Other income	16.	70,721	22,880
Finance charges	9.3	(42,115)	(42,000)
Loss for the year		(370,313)	(627,102)
Other comprehensive income			
Total comprehensive loss for the year		(370,313)	(627,102)

The accompanying notes are an integral part of the financial statements.

The financial statements have been approved and signed by the undersigned on May 22, 2024.

For SAREGAMA FZE


Authorized Signatory

SAREGAMA FZE

Jebel Ali Free Zone, Dubai, United Arab Emirates


Statement of cash flows for the year ended 31st March 2024

Particulars	For the year ended	For the year ended
	March 31, 2024	March 31, 2023
	AED	AED
Cash flow from operating activities		
Loss before tax	(370,313)	(627,102)
Adjustment for:		
Bad debt written off	261,552	18,852
Liabilities no longer required written back	(48,801)	(22,880)
Working capital adjustments		
Decrease in inventories	31,801	307,953
Decrease/(Increase) in trade and other receivables and other current assets	82,345	(55,801)
Increase in trade payable and other current liabilities	429,356	188,949
Net cash flows (used in) operating activities	385,940	(190,029)
Cash flow from financing activities		
Proceeds from borrowing	-	-
Net cash flows from/(used in) operating activities	-	-
Net increase/(decrease) in cash and cash equivalents	385,940	(190,029)
Cash and cash equivalents at the beginning of the year	28,005	218,034
Cash and cash equivalents at the end of the year	413,945	28,005

The accompanying notes are an integral part of the financial statements.

The financial statements have been approved and signed by the undersigned on May 22, 2024.

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 2024

	Share Capital AED	Accumulated losses AED	Total Equity AED
As at 31st March, 2022	1,500,000	(1,629,481)	(129,481)
Total comprehensive loss for the year	-	(627,102)	(627,102)
As at 31st March, 2023	1,500,000	(2,256,583)	(756,583)
Total comprehensive loss for the year	-	(370,313)	(370,313)
As at 31st March, 2024	1,500,000	(2,626,896)	(1,126,896)

The accompanying notes are an integral part of the financial statements.

The financial statements have been approved and signed by the undersigned on May 22, 2024.

For SAREGAMA FZE


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, 2024

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%
		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/- each.

3. SUMMARY OF MATERIAL 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) applicable laws and regulations in United Arab Emirates and Jebel Ali Free Zone.
- These financial statements have been prepared under the historical cost basis, except for financial instruments at fair value through profit or loss and net defined benefit liability. 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 349,862(2023 : AED 627,102) 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 1,106,445(2023: AED 756,583). 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 for 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 recognised 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.

Revenue on service is recognised on fulfilment of performance obligation.

Notes forming part of the standalone financial statements for the year ended March 31, 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

e. Financial instruments

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

(a) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

(b) Subsequent measurement and gains and losses

Financial assets at FVTPL - these assets (other than derivatives designated as hedging instruments) are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI - these assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI - these assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

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SAREGAMA FZE

Jebel Ali Free Zone, Dubai, United Arab Emirates

Notes forming part of the standalone financial statements for the year ended March 31, 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

f. **Financial liabilities**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

g. **Leases -As a lessee**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short term leases. The Company recognises the lease payments associated with these leases as an expense in profit or loss on a straight-line basis over the lease term.

h. **Share Capital**

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Group's ordinary shares are classified as equity instruments.

i. **Borrowing costs**

Borrowing costs are capitalised, net of interest received on cash drawn down yet to be expended when they are directly attributable to the acquisition, contribution or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

j. **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.

k. **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.

l. **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.

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SAREGAMA FZE

Jebel Ali Free Zone, Dubai, United Arab Emirates

Notes forming part of the standalone financial statements for the year ended March 31, 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

m. 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.

n. 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.

o. 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 condition.
- iii) Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

p. 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.

Qc

SAREGAMA FZE

Jebel Ali Free Zone, Dubai, United Arab Emirates

Notes forming part of the standalone financial statements for the year ended March 31, 2024**4. New standards, amendments to standards and interpretations****4.1 New standards, interpretations and amendments adopted from 1 January 2023**

Following are amendments to standards are effective for annual periods beginning after 1 January, 2023 and earlier application is permitted. The application of these revised IFRSs, except where stated, have not had any material impact on the amounts reported for the current and prior periods.

Amendments to IFRS 16 Leases relating to Lease Liability in a Sale and Leaseback

The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

Amendments to IAS 1 Presentation of Financial Statements relating to Classification of Liabilities as Current or Non-Current

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

The amendments also defer the effective date of the January 2020 amendments by one year, so that entities would be required to apply the amendment for annual periods beginning on or after 1 January 2024.

Amendments to IAS 1 Presentation of Financial Statements relating to Non-current Liabilities with Covenants

The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures relating to Supplier Finance Arrangements

The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

4.2 New and revised IFRS in issue but not yet effective and not early adopted

<u>New and revised IFRS</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates relating to Lack of Exchangeability The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.	1 January 2025
IFRS 18 Presentation and Disclosures in Financial Statements IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.	1 January 2027
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) The amendments relate to the treatment of the sale or contribution of assets from an investor to its associate or joint venture	Effective date deferred indefinitely. Adoption is still permitted.

The Company anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments may have no material impact on the financial statements of the Company in the period of initial application.

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

Notes forming part of the standalone financial statements for the year ended March 31, 2024

	31 March 2024 AED	31 March 2023 AED
5. Inventories		
Goods for resale	222,252	254,053
Total	<u>222,252</u>	<u>254,053</u>
6. Trade and other receivables		
Trade receivables	132,844	459,053
Total	<u>132,844</u>	<u>459,053</u>
7. Cash and cash equivalents		
Cash in Bank	413,945	28,006
Total	<u>413,945</u>	<u>28,006</u>
8. Other current assets		
Prepaid expenses	-	17,687
Deposits	15,700	15,700
Lease security deposits	2,100	2,100
Total	<u>17,800</u>	<u>35,487</u>
9. Related Party transactions		
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:		
9.1 Transactions during the year		
Sales		
Saregama Inc.	-	99,144
Finance Charges		
Saregama India Ltd	42,115	42,000
Royalty Expenses		
Saregama India Ltd	11,978	42,074
License Fees		
Saregama India Ltd	403,700	-
Expenses incurred by the Company on behalf of others		
Saregama India Ltd	(59,963)	(42,822)
	<u>397,830</u>	<u>140,396</u>
9.2 Outstanding balances		
9.2.1 Borrowings		
Saregama India Ltd*	500,000	500,000
Total	<u>500,000</u>	<u>500,000</u>
*Represents unsecured and repayable on demand		
9.2.2 Due to related parties		
Saregama India Ltd**	769,243	351,981
Saregama Inc.	53,160	53,160
Total	<u>822,403</u>	<u>405,141</u>
**Represents amount payable (net of receivables) on account of trade		
9.3 Finance Charges		
Saregama India Ltd	42,115	42,000
Total	<u>42,115</u>	<u>42,000</u>

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

Notes forming part of the standalone financial statements for the year ended March 31, 2024

	31 March 2024 AED	31 March 2023 AED
10. Trade and other payables		
Trade Payables	238,702	375,958
Other payables	183,680	93,889
Total	<u>422,382</u>	<u>469,847</u>
11. Share Capital		
Authorised, allotted, called up and fully paid: 1,500 ordinary shares of AED 1000 each	1,500,000	1,500,000
The Company has one class of ordinary shares which carry no right to fixed income and were issued on incorporation.		
12. Other Current Liabilities		
Advance from customers	157,992	158,194
Income received In advance	10,960	-
Total	<u>168,952</u>	<u>158,194</u>
13. Revenue from operations		
Revenue from trading	85,543	384,941
License fees	495,788	-
Total	<u>581,331</u>	<u>384,941</u>
14. Cost of revenue		
Opening stock	254,052	562,007
Purchases and direct expenses	403,700	-
Less : closing stock	(222,252)	(254,052)
Total	<u>435,500</u>	<u>307,955</u>
Contract manufacturing charges	19,432	-
	<u>454,932</u>	<u>307,955</u>
15. General and administration expenses		
Freight and forwarding charges	7,643	21,136
Royalties	11,978	42,074
Rent expenses	42,348	26,720
Salaries and other benefits	167,884	424,677
Legal, professional and visa expenses	3,120	9,110
Travelling and conveyance	4,824	5,631
Bad debts/advances written off	261,552	18,852
Provision for doubtful debts	-	106,509
Printing and communication expense	5,428	7,301
Bank charges	1,985	2,198
Rates and Taxes	10,000	3,796
Foreign Exchange loss	338	-
Other expenses	8,218	16,964
Total	<u>525,318</u>	<u>684,968</u>

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

Notes forming part of the standalone financial statements for the year ended March 31, 2024

	31 March 2024 AED	31 March 2023 AED
16. Other income		
Liabilities no longer required written back	48,801	22,880
Miscellaneous income	21,920	-
Total	<u>70,721</u>	<u>22,880</u>

17. Earnings per share

Basic earnings per share is calculated by dividing profit after tax for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

As at	31 March 2023	31 March 2022
<u>Issued and fully paid</u>		
Ordinary shares of \$ 100 each	100	100

The following table contains computations for basic and diluted earnings per share:

	31 March 2024	31 March 2023
Loss for the year	(370,313)	(627,102)
Weighted average number of ordinary shares for basic earnings per	1500	1500
Basic and diluted Earnings per share	(247)	(418)

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SAREGAMA FZE

Jebel Ali Free Zone, Dubai, United Arab Emirates

Notes forming part of the standalone financial statements for the year ended March 31, 2024

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, 2024.

19. Financial Instruments

(a) Risk Management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings disclosed in note 9 after deducting cash and bank balances), and equity of the Company's parent, comprising issued capital and retained earnings as disclosed in notes 10 to 11. The Company is an trading company.

(b) Interest rate risk

Significant financial instruments, other assets and other liabilities of the (FZE) as at 31st March, 2024 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.

(c) Exchange rate risk

Since the main underlying currencies of the financial intruments, 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.

(d) 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.

(e) 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.

(f) Market Risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company actively monitors and manages its currency and interest rate exposures and will use derivative instruments such as forward contracts and currency swaps to mitigate the risks from such exposures as required.



SAREGAMA FZE

Jebel Ali Free Zone, Dubai, United Arab Emirates

Notes forming part of the standalone financial statements for the year ended March 31, 2024

20. VAT Registration

The Company is in the process of obtaining registration as per the Federal Law number (8) of 2017.

21. 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.

22. Contingencies and commitments

As at 31st March, 2024, the (FZE) had no contingencies and commitments.

23. 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/-.

24. Corporate tax

On 3rd October 2022, the United Arab Emirates (UAE) issued Federal decree Law No. 47 of 2022 on Taxation of Corporation and Business ("CT Law").

CT Law is applicable for accounting period beginning on or after 1st June 2023. The Company is subject to UAE CT Law w.e.f. 1st April 2024. The Company is in process of assessing the impact of CT Law and deferred tax.

