

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

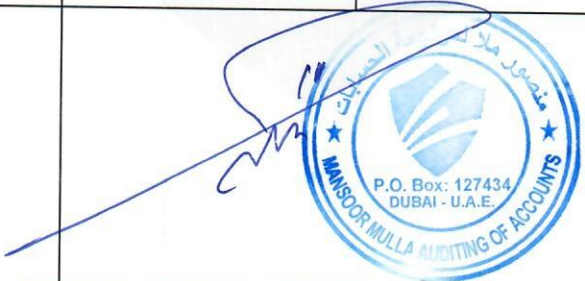
**Auditors' Report & Financial Statements**  
**For the period from 28<sup>th</sup> August 2018**  
**to 31<sup>st</sup> March 2019**

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

**For the period from 28<sup>th</sup> August 2018 to 31<sup>st</sup> March 2019**

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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>28-Aug-2018</b>	Year End Date	<b>31-Mar-2019</b>
Annual Sales	<b>307,542</b>	Total Salaries	<b>153,772</b>
Cost of Goods Sold	<b>127,136</b>	Total Depreciation	<b>NIL</b>
Current Assets	<b>522,761</b>	Non-Current Assets	<b>NIL</b>
Fixed Assets	<b>NIL</b>	Total Assets <small>(Current Assets+ Non-Current Assets+ Fixed Assets)</small>	<b>522,761</b>
Long Term Liabilities	<b>NIL</b>	Total Liabilities <small>(Current + Long Term)</small>	<b>721,233</b>
Net Profit/(Loss)	<b>(298,472)</b>	Opening Retained Earnings/(Accumulated Losses)	<b>NIL</b>
Share Capital	<b>100,000</b>	Total Capital Expenditure	<b>NIL</b>
Total Equity	<b>(198,472)</b>		
Auditor Information			
Audit Firm	<b>MANSOOR MULLA AUDITING OF ACCOUNTS</b>		
Auditor's Signature		Date	<b>2-May-2019</b>
Auditor's Seal			

## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **M/s. SAREGAMA FZE**, Jebel Ali Free Zone Authority, Dubai, United Arab Emirates, ("the FZE") which comprise of the financial position as at 31<sup>st</sup> March 2019, the statement of comprehensive income, the statement of changes in equity, statement of cash flows for the period from 28<sup>th</sup> August 2018 to 31<sup>st</sup> March 2019, and a summary of significant accounting policies and other explanatory notes.

### **Management's responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimate that are reasonable under the circumstances.

### **Auditors' Responsibility**

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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, we consider Internal control relevant to the (FZE's) preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the (FZE's) internal control. An audit also includes evaluating the appropriateness of accounting principles used and reasonableness of accounting estimate made by management, as well as evaluating the overall presentation of the financial statements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements.



## Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **M/s. SAREGAMA FZE**, Jebel Ali Free Zone Authority, Dubai – United Arab Emirates, as at 31<sup>st</sup> March 2019, its financial performance and its cash flows for the period from 28<sup>th</sup> August 2018 to 31<sup>st</sup> March 2019 in accordance with International Financial Reporting Standards (IFRS) and Provisions of UAE Federal Law No. (2) of 2015 and of its Memorandum and articles of association.

## Basis of opinion

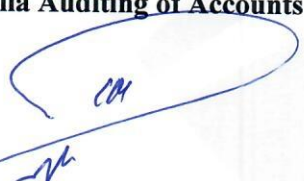
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the FZE in accordance with the 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.

## Report on other legal and regulatory requirement

As required by the provisions of the Law No.9 of 1992 of Jebel Ali Free Zone entities, we further confirm that,

1. We are not aware of any contraventions during the period 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 period.

**For Mansoor Mulla Auditing of Accounts**

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

Date: 2<sup>nd</sup> May 2019



File No: 8390119

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

**Statement of Financial Position**  
**As at 31st March 2019**

	Notes	31-Mar-2019 AED
<b>Assets</b>		
<b>Current Assets</b>		
Inventories	5	282,118
Trade receivables	6	10,201
Other current assets	7	57,452
Cash and cash equivalents	8	172,990
		<u>522,761</u>
<b>Total Assets</b>		<u>522,761</u>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Share capital	2	100,000
Accumulated loss		(298,472)
		<u>(198,472)</u>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Due to related parties	9.1	650,022
Trade and other payables	10	71,211
		<u>721,233</u>
<b>Total Equity and Liabilities</b>		<u>522,761</u>

The notes on pages 7 to 10 form an integral part of these financial statements.

These financial statements have been approved and signed by the undersigned on 2nd May 2019.

**For SAREGAMA FZE**

**Authorized Signatory**

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



**SAREGAMA FZE**

**Jebel Ali Free Zone Authority, Dubai, United Arab Emirates**

**Statement of Comprehensive Income**

**For the period from 28th August 2018 to 31st March 2019**

	Notes	28-Aug-2018 to 31-Mar-2019 AED
Revenue		307,542
Cost of revenue	11	(127,136)
<b>Gross profit</b>		<b>180,406</b>
General and administration expenses	12	(451,706)
<b>Operating loss</b>		<b>(271,300)</b>
Finance charges		(27,178)
<b>Loss for the period</b>		<b>(298,478)</b>
Other comprehensive income		6
<b>Total comprehensive loss for the period</b>		<b>(298,472)</b>

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**Authorized Signatory**

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**SAREGAMA FZE**

**Jebel Ali Free Zone Authority, Dubai, United Arab Emirates**

**Statement of Changes in Equity**

**For the period from 28th August 2018 to 31st March 2019**

	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)
<b>As at 31st March 2019</b>	<b>100,000</b>	<b>(298,472)</b>	<b>(198,472)</b>

The notes on pages 7 to 10 form an integral part of these financial statements.

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**SAREGAMA FZE**

**Jebel Ali Free Zone Authority, Dubai, United Arab Emirates**

**Statement of Cash Flows**

**For the period from 28th August 2018 to 31st March 2019**

28-Aug-2018  
to 31-Mar-2019  
AED

	Notes	
<b>Operating activities</b>		
Loss for the period		(298,472)
<b>Change in working capital:</b>		
Inventories	5	(282,118)
Trade receivables	6	(10,201)
Other current assets	7	(57,452)
Due to related parties	9.1	650,022
Trade and other payables	10	71,211
<b>Net cash generated from operating activities</b>		<b>72,990</b>
<b>Financing activities</b>		
Share capital introduced	2	100,000
<b>Cash generated from financing activities</b>		<b>100,000</b>
<b>Net movement in cash and cash equivalents</b>		<b>172,990</b>
Cash and cash equivalents at the beginning of the period		-
<b>Cash and cash equivalents at the end of the period</b>	8	<b>172,990</b>

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## SAREGAMA FZE

Jebel Ali Free Zone Authority, Dubai, United Arab Emirates

### Financial Statements for the period from 28th August 2018 to 31st March 2019 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.

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

#### 2 Shareholding

The shareholding of the (FZE) is as follows:

Name	No. of shares	Value per share AED	Total value AED	Percentage
1. M/s. Saregama India Limited	100	1,000	100,000	100
	<b>100</b>		<b>100,000</b>	<b>100</b>

The authorized and paid up share capital of the (FZE) is AED 100,000/- divided into 100 shares of AED 1,000/- only.

#### 3 New and amended standards and interpretations

##### Effective date: 01 January 2018

IFRS 15 - Revenue from Contracts with Customers - This establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 - revenue, IAS 11 - Construction Contracts and IFRIC 13 - Customer Loyalty Programmes.

##### Effective date: 01 January 2018

IFRS 9 Financial Instruments - This standard published in July 2014 replaces the existing guidance in IAS 39 - Financial Instruments, Recognition and Measurements. This includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39 - Not relevant to the (Company).

##### Effective date: 01 January 2019

IFRS 16 - Leases. This standard establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. Early application is permitted for companies that also apply IFRS 15 Revenue from Contracts with Customers.

##### 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.



## SAREGAMA FZE

### Jebel Ali Free Zone Authority, Dubai, United Arab Emirates

## Financial Statements for the period from 28th August 2018 to 31st March 2019 Notes to the Financial Statements

#### 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.

#### 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).

##### 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 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.

#### 5 Inventories

28-Aug-2018  
to 31-Mar-2019  
AED

Closing stock

282,118

Closing stock is accounted as provided by the management and it is not physically verified as of 31st March 2019.

#### 6 Trade receivables

28-Aug-2018  
to 31-Mar-2019  
AED

Trade receivables

10,201



**SAREGAMA FZE**

**Jebel Ali Free Zone Authority, Dubai, United Arab Emirates**

**Financial Statements for the period from 28th August 2018 to 31st March**  
**Notes to the Financial Statements**

	28-Aug-2018 to 31-Mar-2019 AED
<b>7 Other current assets</b>	
Advances to suppliers	30,100
Prepayments	23,000
JAFZA Portal balance	2,252
Lease security deposits	2,100
	<u>57,452</u>
<b>8 Cash and cash equivalents</b>	
Cash in bank	<u>172,990</u>
<b>9 Related party transactions</b>	
<p>The Company 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:</p>	
	28-Aug-2018 to 31-Mar-2019 AED
<b>9.1 Due to related parties</b>	
Due to related parties	<u>650,022</u>
<b>10 Trade and other payables</b>	
Trade payables	40,398
Other payables	30,813
	<u>71,211</u>
<b>11 Cost of revenue</b>	
Opening stock	-
Direct cost	409,254
Closing stock	(282,118)
	<u>127,136</u>
<b>12 General and administration expenses</b>	
Salaries and wages	153,772
Preliminary expense	97,337
Advertisement and sales promotion	65,005
Royalties	41,633
Legal and consultancy expenses	29,412
Freight charges	20,154
Rent expense	16,000
Insurance expense	15,000
Travelling and conveyance	8,995
Printing and communication expenses	3,052
Other expense	1,346
	<u>451,706</u>



## **SAREGAMA FZE**

### **Jebel Ali Free Zone Authority, Dubai, United Arab Emirates**

## **Financial Statements for the period from 28th August 2018 to 31st March** **Notes to the Financial Statements**

#### **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 2019.

#### **14 Interest rate risk**

Significant financial instruments, other assets and other liabilities of the (FZE) as at 31st March 2019 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.

#### **16 Contingencies and commitments**

As at 31st March 2019, the (FZE) had no contingencies and commitments.

#### **17 Comparative figures**

There are no comparative figures as these are the first financial statements of the (FZE) covering the period from 28th August 2018 to 31st March 2019. Figures of the (FZE) have been rounded off to nearest AED 1/-.

The notes on pages 7 to 10 form an integral part of these financial statements.

These financial statements have been approved and signed by the undersigned on 2nd May 2019.

**For SAREGAMA FZE**

#### **Authorized signatory**

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



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