



Auditor Report – New Summary Sheet

Company Details			
Company Name	SAREGAMA FZE		
Account No	1318528		
Financial Information Amount (In UAE – Dirham)			
Year Start Date	01-04-2022	Year End Date	31-03-2023
Annual Sales	384,941	Total Salaries	434,677
Cost of Goods Sold	307,955	Total Depreciation	Nil
Current Assets	776,599	Non-Current Assets	Nil
Fixed Assets	Nil	Total Assets (Current Assets+ Non-Current Assets+ Fixed Assets)	776,599
Long Term Liabilities	Nil	Total Liabilities (Current + Long Term)	1,533,182
Net Profit/(Loss)	(627,102)	Opening Retained Earnings/(Accumulated Losses)	(1,629,481)
Share Capital	1,500,000	Total Capital Expenditure	Nil
Total Equity	(756,583)		
Auditor Information			
Audit Firm	H A A AUDITING		
Auditor's Signature		Date	15-05-2023
Auditor's Seal			



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 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, 2023, 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 accompanying 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, 2023, its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRSs).

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

Auditors & Accountants

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 scepticism 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.





HAA Auditing

Auditors & Accountants

Report on other legal and regulatory requirements

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, 2023 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;
- 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, 2023;
- 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;
- vii. based on the information that has been made available to us, we are not aware of any contraventions during the year of the above mentioned laws or the FZE's, Memorandum and Articles of Association, which may have material effect on the financial position of the FZE or the result of its operations for the year.



Hussain Ali Abdulla ALAbdouli

For **H A A Auditing**

Chartered Accountants

Audit Licence No 845, United Arab Emirates

Ministry of Economy (Audit Division)

Date: May 15, 2023

SAREGAMA FZE

Director's Report

For the year ended 31 March 2023

The Directors have pleasure in submitting their report together with the audited financial statements of SAREGAMA FZE for the year ended 31 March 2023

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 2023.

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 2023 have been audited by HAA Auditing and, being eligible, offer themselves for reappointment

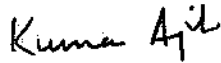


Statement of Directors' Responsibility

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



AUTHORISED SIGNATORY

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

Statement of Financial Position as at 31 March 2023

		As at 31 March 2023 AED	As at 31 March 2022 AED
ASSETS			
Current assets			
Inventories	5	254,053	562,007
Financial assets			
Trade receivables	6	459,053	420,624
Cash and cash equivalents	7	28,006	218,034
Other current assets	8	35,487	36,967
Total current assets		<u>776,599</u>	<u>1,237,632</u>
Total Assets		<u>776,599</u>	<u>1,237,632</u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2	1,500,000	1,500,000
Accumulated loss		(2,256,583)	(1,629,481)
Total equity (A)		<u>(756,583)</u>	<u>(129,481)</u>
Liabilities			
Current liabilities			
Financial liabilities			
Borrowings	9.2.1	500,000	500,000
Due to related parties	9.2.2	405,141	208,089
Trade and other payables	10	469,847	501,033
Other current liabilities	12	158,194	157,991
Total current liabilities (B)		<u>1,533,182</u>	<u>1,367,113</u>
Total liabilities		<u>1,533,182</u>	<u>1,367,113</u>
Total equity and liabilities (A) + (B)		<u>776,599</u>	<u>1,237,632</u>

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

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

The financial statements have been approved and signed by the undersigned on May 15, 2023.

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 2023

Particulars	Notes	For the year ended 31 March 2023 AED	For the year ended 31 March 2022 AED
Revenue	13	384,941	469,751
Cost of revenue	14	<u>(307,955)</u>	<u>(348,767)</u>
Gross profit		76,986	120,985
General and administration expenses	15	<u>684,968</u>	<u>567,959</u>
Operating loss		<u>(607,982)</u>	<u>(441,974)</u>
Other income	16	22,880	7,493
Finance charges	9.4	<u>(42,000)</u>	<u>(20,735)</u>
Loss for the year		<u>(627,102)</u>	<u>(455,217)</u>
Other comprehensive income			
Total comprehensive loss for the year		<u><u>(627,102)</u></u>	<u><u>(455,217)</u></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 15, 2023.

For SAREGAMA FZE


Authorised Signatory

SAREGAMA FZE

Jebel Ali Free Zone, Dubai, United Arab Emirates

Statement of cash flows for the year ended 31st March 2023

Particulars	For the year ended	For the year ended
	March 31, 2023	March 31, 2022
	AED	AED
Cash flow from operating activities		
Loss before tax	(627,102)	(455,217)
Adjustment for:		
Bad debt written off	18,852	3,314
Liabilities no longer required written back	(22,880)	(7,193)
Working capital adjustments		
Decrease/(increase) in inventories	307,953	(96,946)
(Increase) in trade and other receivables and other current assets	(55,801)	(213,312)
Increase in trade payable and other current liabilities	188,949	503,280
Net cash used in operating activities	(190,029)	(266,374)
Cash flow from financing activities		
Proceeds from borrowing	-	300,000
Net cash flows from operating activities	-	300,000
Net (decrease)/increase in cash and cash equivalents	(190,029)	33,626
Cash and cash equivalents at the beginning of the year	218,034	184,408
Cash and cash equivalents at the end of the year	28,005	218,034

Cash and cash equivalents comprise of cash and short-term bank deposits with an original maturity of three months or less.
The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the IFRS 7 - Statement of Cash Flow.

The accompanying notes are an integral part of the financial statements

The financial statements have been approved and signed by the undersigned on May 15, 2023.

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 2023

	Share Capital AED	Accumulated losses AED	Total Equity AED
As at 1st April, 2021	1,500,000	(1,174,264)	325,736
Total comprehensive loss for the year		(455,217)	(455,217)
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)

The accompanying notes are an integral part of the financial statements

The financial statements have been approved and signed by the undersigned on May 15, 2023.

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, 2023

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 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 Audio-visual, Recording Equipment & Accessories Trading, Mobile Phones Trading, General Trading, Motion Picture Trading, Wireless Equipment & Instruments Trading and 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 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) and applicable laws and regulations in United Arab Emirates.
- 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 627,102 (2022: AED 455,217) during the current year which has resulted in 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 756,583 (2022: AED 129,428). 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 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.

SAREGAMA FZE

Jebel Ali Free Zone, Dubai, United Arab Emirates

Notes forming part of the standalone financial statements for the year ended March 31, 2023

3. SUMMARY OF SIGNIFICANT 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.

CR

SAREGAMA FZE

Jebel Ali Free Zone, Dubai, United Arab Emirates

Notes forming part of the standalone financial statements for the year ended March 31, 2023

3. SUMMARY OF SIGNIFICANT 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.

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.

SAREGAMA FZE

Jebel Ali Free Zone, Dubai, United Arab Emirates

Notes forming part of the standalone financial statements for the year ended March 31, 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- 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.
- iii) 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. New standards, interpretations and amendments adopted from 1 January 2022

The following amendments are effective for the period beginning 1 January 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

These amendments had no impact on the year-end financial statements of the Company.

4. New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early.

The following new standards and amendments are effective for the period beginning 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
 - Definition of Accounting Estimates (Amendments to IAS 8); and
 - Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).
- IFRS 17 Insurance Contracts

The following amendments are effective for the period beginning 1 January 2024:

- IFRS 16 Leases (Amendment – Liability in a Sale and Leaseback)
- IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current)
- IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with Covenants)

The Company is currently assessing the impact of these new accounting standards and amendments. The Company does not expect standards issued by the IASB, but not yet effective, to have a material impact on the Company.

RL

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

Notes forming part of the standalone financial statements for the year ended March 31, 2023

	31 March 2023 AED	31 March 2022 AED
5 Inventories		
Goods for resale	254,053	562,007
Total	<u>254,053</u>	<u>562,007</u>
6 Trade and other receivables		
Trade receivables	565,562	420,624
Less: Provision for doubtful debts	(106,509)	-
Total	<u>459,053</u>	<u>420,624</u>
7 Cash and cash equivalents		
Cash in Bank	28,006	218,034
Total	<u>28,006</u>	<u>218,034</u>
8 Other current assets		
Prepaid expenses	17,687	15,971
Deposits	15,700	15,100
Lease security deposits	2,100	2,100
Duties and Taxes	-	3,796
Total	<u>35,487</u>	<u>36,967</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

	31 March 2023 AED	31 March 2022 AED
Sales		
Saregama Inc.	99,144	-
Finance Charges		
Saregama India Ltd	42,000	20,735
Royalty Expenses		
Saregama India Ltd	42,074	28,847
Expenses incurred by the Company on behalf of others		
Saregama India Ltd	(42,822)	(109,043)
	<u>140,396</u>	<u>(59,461)</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.

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, 2023

9.2.2 Due to related parties		
Saregama India Ltd**	351,981	208,089
Saregama Inc.***	<u>59,160</u>	
Total	<u>405,141</u>	<u>208,089</u>
**Represents amount payable (net of receivables) on account of trade.		
***Represents advance from customers for supply of goods.		
9.4 Finance Charges		
Saregama India Ltd	47,000	20,735
Total	<u>47,000</u>	<u>20,735</u>
10 Trade and other payables		
Trade Payables	375,958	414,976
Other payables	<u>93,889</u>	<u>86,057</u>
Total	<u>469,847</u>	<u>501,033</u>
The carrying value of trade and other payables approximates their fair value. All trade and other payables are held at amortised cost.		
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	<u>158,194</u>	<u>157,991</u>
Total	<u>158,194</u>	<u>157,991</u>

RC

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

Notes forming part of the standalone financial statements for the year ended March 31, 2023

	31 March 2023 AED	31 March 2022 AED
13 Revenue from operations		
Revenue from trading of goods	384,941	469,751
Total	<u>384,941</u>	<u>469,751</u>
14 Cost of revenue		
Opening stock	562,007	465,061
Purchases and direct expenses	-	445,713
Less : closing stock	(254,057)	(562,007)
Total	<u>307,955</u>	<u>348,767</u>
15 General and administration expenses		
Freight and forwarding charges	21,136	42,084
Royalties	42,074	28,847
Rent Expenses (Short term lease)	26,720	23,244
Salaries and other benefits	424,677	413,012
Legal, professional & visa expenses	9,110	21,800
Travelling and conveyance	5,631	3,746
Bad debts/advances written off	18,852	3,314
Provision for doubtful debts	106,509	-
Printing and communication expense	7,301	7,189
Bank charges	2,198	1,768
Rates and taxes	3,796	-
License fees	16,964	17,955
Total	<u>684,968</u>	<u>562,959</u>
16 Other income		
Liabilities no longer required written back	22,880	7,493
Total	<u>22,880</u>	<u>7,493</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
Issued and fully paid:		
Ordinary shares of \$ 100 each	100	100
The following table contains computations for basic and diluted earnings per share:		
	31 March 2023	31 March 2022
Loss for the year	(637,102)	(455,217)
Weighted average number of ordinary shares for basic earnings per	1500	1500
Basic and diluted Earnings per share	(418)	(303)

Q

SAREGAMA FZE

Jebel Ali Free Zone, Dubai, United Arab Emirates

Notes forming part of the standalone financial statements for the year ended March 31, 2023

17 Fair Value Measurement

The (FZE's) financial instruments are accounted for under the historical cost basis, except for financial instruments at fair value through profit or loss and net defined benefit liability. 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, 2023.

18 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 a trading company.

(b) Interest rate risk

Significant financial instruments, other assets and other liabilities of the (FZE) as at 31st March, 2023 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) Foreign 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.

(d) Credit rate risk

The FZE is exposed to credit rate risk on bank balances 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.

19 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.

20 Contingencies and commitments

As at 31st March, 2023, the (FZE) had no contingencies and commitments.

21 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/-.

Qv