

Saavn Media Private Limited
Financial Statements
2019-20

Independent Auditor's Report

To the Members of Saavn Media Private Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **Saavn Media Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31 2020, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 SAs 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 standalone Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

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- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report;
- (g) In our opinion, the managerial remuneration, if any, for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Vishal Bansal

Partner

Membership Number: 097546

UDIN: 20097546AAAAAN8049

Place: Mumbai

Date: April 3, 2020

**Annexure 1 referred to in paragraph 1 under Report on "Other Legal and Regulatory Requirements" of our report of even date
Re: Saavn Media Private Limited ("the Company")**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 186 of the Act in respect of investments, loans, securities and guarantees given have been complied with by the Company. In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors including the entities in which they are interested to which provisions of section 185 of the Act apply and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable and hence not commented upon.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act for the services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, income-tax, service tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities. The provisions relating to employees' state insurance, sales-tax, duty of custom, duty of excise and value added tax are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance, duty of custom, duty of excise and value added tax are not applicable to the Company.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales- tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer or debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration, if any, has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of the Act, where applicable and the details have been disclosed in the notes to the standalone Ind AS financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company.

Accordingly, reporting under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.

- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Vishal Bansal

Partner

Membership Number: 097546

UDIN: 20097546AAAAAN8049

Place: Mumbai

Date: April 3, 2020

Annexure 2 to the Independent Auditor's Report of even date on the standalone financial statements of Saavn Media Private Limited**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Saavn Media Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Vishal Bansal

Partner

Membership Number: 097546

UDIN: 20097546AAAAAN8049

Place: Mumbai

Date: April 3, 2020

Balance Sheet as at 31st March 2020

(All amounts are in thousands of INR unless stated otherwise)

Particulars	Notes	As at 31st March 2020	As at 31st March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	1	12,072	11,314
Intangible assets	1	148	587
Intangible assets under development	1	5,40,56,073	4,75,06,816
Financial assets			
Investments	2	1,76,68,253	1,76,68,253
Other non-current assets	3	15,66,375	5,35,402
Total non-current assets		7,33,02,921	6,57,22,372
Current assets			
Financial assets			
Investments	4	7,02,064	-
Trade receivables	5	1,29,607	1,04,683
Cash and cash equivalents	6	2,28,934	4,43,503
Others	7	10,030	14,819
Other current assets	8	3,23,565	2,37,229
Total current assets		13,94,200	8,00,234
TOTAL ASSETS		7,46,97,121	6,65,22,606
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	619	566
Instruments entirely equity in nature	9	83	83
Other equity	10	7,12,49,757	6,38,97,785
Total equity		7,12,50,459	6,38,98,434
Non-current liabilities			
Provisions	11	32,303	20,324
Total non-current liabilities		32,303	20,324
Current liabilities			
Financial liabilities			
Borrowings	12	-	5,00,000
Trade payables	13		
Dues of micro enterprises and small enterprises		33,450	-
Dues of creditors other than micro enterprises and small enterprises		31,55,564	19,01,822
Others	14	50	3,271
Other current liabilities	15	1,95,238	1,81,458
Provisions	16	30,057	17,297
Total current liabilities		34,14,359	26,03,848
TOTAL LIABILITIES		34,46,662	26,24,172
TOTAL EQUITY AND LIABILITIES		7,46,97,121	6,65,22,606
Summary of significant accounting policies	B.2		

(The accompanying notes are an integral part of the financial statements)

Balance Sheet as at 31st March, 2020

As per our report on even date

For S R B C & CO LLP

Chartered Accountants

(Registration No.324982E/E300003)

Vishal Bansal

Partner

Membership No. 097546

Date: 3rd April, 2020

Place: Mumbai

For and on behalf of the Board of Directors

Akash M. Ambani

DIN: 06984194

Director

Anshuman Thakur

DIN: 03279460

Director

Vinodh Bhat

DIN: 08093958

Director

Arvind Kumar Tiwari

DIN: 08107419

Director

Jyoti Deshpande

DIN: 02303283

Director

Paramdeep Singh

DIN: 03579758

Director

Rishi Malhotra

DIN: 08093961

Director

Rahul Sawale

Company Secretary

Statement of Profit and Loss for the year ended 31st March 2020

(All amounts are in thousands of INR unless stated otherwise)

Particulars	Notes	Year ended 31st March 2020	15 months ended 31st March 2019
Revenue from operations	18	-	1,16,929
Other income	19	17,842	9,493
Total income		17,842	1,26,422
Expenses			
Employee benefits expense	21	-	83,695
Finance cost	20	-	118
Depreciation and amortisation	1	-	1,562
Other expenses	22	94,096	50,513
Total expenses		94,096	1,35,888
Loss before tax		(76,254)	(9,466)
Tax expenses	17		
Current tax (relating to prior periods)		(51)	(3,400)
Deferred tax (benefit) / expense		-	10,626
Total tax expense		(51)	7,226
Loss for the year		(76,203)	(16,692)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(3,662)	(1,290)
Total other comprehensive loss for the year (net of tax)		(3,662)	(1,290)
Total comprehensive loss for the year		(79,865)	(17,982)
Earnings per equity share of face value per share of Re. 1 each			
Basic and Diluted earnings per equity share	25	(129)	(36)
Summary of significant accounting policies	B.2		

(The accompanying notes are an integral part of the financial statements)

As per our report on even date

For **S R B C & CO LLP**
Chartered Accountants
(Registration No.324982E/E300003)

Vishal Bansal
Partner
Membership No. 097546

Date: 3rd April, 2020
Place: Mumbai

For and on behalf of the Board of Directors

Akash M. Ambani
DIN: 06984194
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Director

Rahul Sawale
Company Secretary

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

(All amounts are in thousands of INR unless stated otherwise)

(a) Equity share capital

Particulars	Amount
As at 1st January 2018	100
Increase during the 15 months	466
As at 31st March 2019	566
Increase during the year	53
As at 31st March 2020	619

(b) Instrument entirely equity in nature (compulsorily convertible preference shares)

Particulars	Amount
As at 1st January 2018	-
Increase during the 15 months	83
As at 31st March 2019	83
Increase during the year	-
As at 31st March 2020	83

(C) Other equity

Particulars	Securities premium	Retained earnings	Total
As at 1st January 2018	-	79,502	79,502
(Loss) for 15 months ended 31st March 2019	-	(16,692)	(16,692)
Other comprehensive income for the 15 months ended 31st March 2019	-	(1,290)	(1,290)
Issue of equity shares and compulsorily convertible preference shares during the 15 months ended 31st March 2019	6,38,36,265	-	6,38,36,265
As at 31st March 2019	6,38,36,265	61,520	6,38,97,785
(Loss) for the year ended 31st March 2020	-	(76,203)	(76,203)
Other comprehensive income for the year	-	(3,662)	(3,662)
Issue of equity shares during the year	74,31,837	-	74,31,837
As at 31st March 2020	7,12,68,102	(18,345)	7,12,49,757

As per our report on even date

For **S R B C & CO LLP**
Chartered Accountants
(Registration No.324982E/E300003)

Vishal Bansal
Partner
Membership No. 097546

Date: 3rd April, 2020
Place: Mumbai

For and on behalf of the Board of Directors

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Director

Rahul Sawale
Company Secretary

Cash Flow Statement for the year ended 31st March 2020

(All amounts are in thousands of INR unless stated otherwise)

Particulars	Year ended 31st March 2020	15 Months ended 31st March 2019
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net loss before tax as per Statement of Profit and Loss	(76,254)	(9,466)
<i>Adjusted for:</i>		
Finance costs	-	118
Depreciation and amortization expense	-	1,562
Net gain on financial assets	(15,892)	(7,533)
Sundry Balances written back	(1,950)	-
Loss on disposal of property, plant and equipment	2,656	-
Interest income	-	(38)
Operating loss before working capital changes	<u>(91,440)</u>	<u>(15,357)</u>
<i>Adjusted for:</i>		
Trade and other receivables	(11,35,241)	(4,18,490)
Trade and other payables	13,24,000	14,72,518
Effect of exchange rate	-	(6,124)
Cash generated from operations	<u>97,319</u>	<u>10,32,547</u>
Taxes paid (Net)	(3,999)	(9,526)
Net cash flow (used in)/ from operating activities	<u>93,320</u>	<u>10,23,021</u>
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(65,42,422)	(38,29,787)
Investment in subsidiaries	-	(81,03,099)
Purchase of other investments	(35,00,000)	(12,80,000)
Proceeds from sale of financial assets	28,13,828	12,87,533
Interest income	-	38
Net Cash flow used in investing activities	<u>(72,28,594)</u>	<u>(1,19,25,315)</u>

Cash Flow Statement for the year ended 31st March 2020

(All amounts are in thousands of INR unless stated otherwise)

Particulars	Year ended 31st March 2020	15 Months ended 31st March 2019
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares capital (including securities premium)	74,31,890	1,07,60,547
Proceeds from borrowings - Current	7,00,000	8,70,000
Repayment of borrowing - Current	(12,00,000)	(3,70,000)
Interest paid	(11,185)	(118)
Net Cash flow from financing activities	69,20,705	1,12,60,429
Net increase (decrease) in cash and cash equivalents	(2,14,569)	3,58,135
Cash and cash equivalents at the beginning of the year	4,43,503	85,368
Cash and cash equivalents at the end of the year (Refer Note 6)	2,28,934	4,43,503

Changes in liabilities arising from financing activities

Particulars	As at 1st April 2019	Cash flows	As at 31st March 2020
Borrowings	5,00,000	(5,00,000)	-

Particulars	As at 1st January 2018	Cash flows	As at 31st March 2019
Borrowings	-	5,00,000	5,00,000

(The accompanying notes are an integral part of the financial statements)

As per our report on even date

For **S R B C & CO LLP**
Chartered Accountants
(Registration No.324982E/E300003)

Vishal Bansal
Partner
Membership No. 097546

Date: 3rd April, 2020
Place: Mumbai

For and on behalf of the Board of Directors

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DIN: 08093961
Director

Rahul Sawale
Company Secretary

Notes to the financial statements for the year ended 31st March 2020

(All amounts are in thousands of INR unless stated otherwise)

A CORPORATE INFORMATION

Saavn Media Private Limited (the Company) is a public limited company, and was incorporated on 26 August 2011, having registered office at One BKC, A Wing, 19 Floor, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051. The Company's parent is Reliance Industries Limited.

The company is in the business of online music content streaming, digital distribution of music through its website and mobile application.

B SIGNIFICANT ACCOUNTING POLICIES

B.1 BASIS OF PREPARATION AND PRESENTATION

The financial statements have been prepared on an accrual basis under the historical cost convention except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

Accounting policies followed in preparation of financial statements are consistent with previous period except adoption of new standards as explained in Note D.

The financial statements are presented in Indian Rupees (₹) which is the Company's functional currency and rounded off to nearest thousand's ('000) except otherwise indicated.

With effect from financial year 2018-2019, in order to harmonise the reporting period of the Company with its parent (Reliance Industries Limited), the Company changed its end of reporting year from December to March. Consequently, the financial statements for the previous reporting period are presented for the period January 1, 2018 to March 31, 2019. Therefore, the amounts reported for the current period and previous year are not entirely comparable.

B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a Current and Non Current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when

- It is expected to be settled in normal operating cycle
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

b Property, plant and equipment

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use.

Notes to the financial statements for the year ended 31st March 2020

(All amounts are in thousands of INR unless stated otherwise)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Depreciation on property, plant and equipment is provided using straight line method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

c Leases

The Company as Lessee

For short- term and low value leases, the company recognizes the lease payments as an operating expense on a straight- line basis over the lease term.

d Intangible assets

Intangible assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation/depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use.

Other indirect expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as trial run expenses and disclosed under Intangible assets under development.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

The Company's intangible assets include assets with finite useful lives which are amortised on a straight-line basis over the period of their expected useful lives. The useful lives of intangible assets are as under:

<i>Assets</i>	<i>Useful life in years</i>
Software	3

The amortisation period and the amortisation method for intangible assets with a finite useful life are reviewed at each reporting date.

e Research and development expenditure

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss.

Development costs are capitalized as an intangible asset if it can be demonstrated that prescribed capitalisation criteria are met, the project is expected to generate future economic benefits, it is probable that those future economic benefits will flow to the company and the costs of the asset can be measured reliably, else it is charged to the Statement of Profit and Loss.

f Cash and cash equivalents

Cash and cash equivalents for balance sheet and cash flow statement comprises of cash on hand, cash at banks and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

g Finance cost

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

Notes to the financial statements for the year ended 31st March 2020

(All amounts are in thousands of INR unless stated otherwise)

h Impairment of non-financial assets- property, plant and equipment and intangible assets

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment, goodwill and other intangible assets or group of assets, called cash generating units (CGU), may be impaired. If any such indication exists or when annual impairment testing is required the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

i Provisions, Contingent Assets and Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, 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.

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.

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made. Contingent assets neither disclosed nor recognized in Financial Statements.

j Employee Benefits Expense

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post-Employment Benefits:

Defined Contribution Plans: The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, a reduction in future payment or a cash refund.

Defined Benefit Plans: The Company pays gratuity to the employees who have completed five years of service with the Company at the time of resignation / superannuation. The gratuity is paid at 15 days salary for every completed year of service as per the Payment of Gratuity Act 1972. This is an unfunded plan.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Remeasurement gains and losses arising from adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in OCI. Current service cost, past service cost and interest in net defined benefit liability is recognised in statement of profit and loss.

k Tax Expenses

The tax expense for the period comprises current and deferred income tax. Tax expense is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity; in which case, the related tax expense is also recognised in other comprehensive income or equity respectively.

Notes to the financial statements for the year ended 31st March 2020

(All amounts are in thousands of INR unless stated otherwise)

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted at the balance sheet date.

Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are re-assessed at the each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability will be settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

l Foreign currency transactions and translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

The Company does not hold any non-monetary items denominated in foreign currencies.

m Revenue recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. The Company is generally the principal as it typically controls the goods or services before transferring them to the customer.

Revenue from rendering of services is recognized over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when the it becomes unconditional. Generally, the credit period varies between 0-60 days from the shipment or delivery of goods or services as the case may be.

Subscription revenue

The Company receives subscription revenue from the sale of premium version of its music streaming service called "Saavn Pro". The Company recognizes subscription revenues over time because the customer simultaneously receives and consumes the benefits provided by the Company. The progress is measured using the output method which measures revenue by comparing 'time elapsed' to the 'total subscription period'.

Notes to the financial statements for the year ended 31st March 2020

(All amounts are in thousands of INR unless stated otherwise)

Advertising revenue

The Company offers customers the right to purchase advertising space on its websites and applications. Revenue from such advertisement is measured at fair value of consideration received or receivable net of return and allowances, trade discounts and volume rebates. The Company recognizes advertising revenues over time because the customer simultaneously receives and consumes the benefits provided by the Company. The progress is measured using the output method which measures revenue by comparing 'task completed' to the 'total contractual task'.

Service Fees

Revenue from Services are recognised to the extent the Company has rendered the services, as per contractual obligation, over the period of time.

Interest income

Interest income from financial assets is recognised using effective interest rate.

The Company does not adjust short-term advances received from the customer for the effects of significant financing component if it is expected at the contract inception that the promised good or service will be transferred to the customer within a period of one year.

Contract Balances:

Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional.

Contract Assets (Unbilled Revenue):

Contract assets are initially recognised for revenue earned from advertising as receipt of consideration is conditional on receipt and consumption of advertising space. Upon acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

Contract Liabilities (Deferred Revenue):

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

n Financial instruments

Financial Asset

A. Initial recognition and measurement

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Regular way purchase and sale of financial assets are recognised using trade date accounting.

B. Subsequent measurement

Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVTOCI)

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company do not hold any financial assets to be measured at FVTOCI.

Notes to the financial statements for the year ended 31st March 2020

(All amounts are in thousands of INR unless stated otherwise)

Financial assets at fair value through profit or loss (FVTPL)

A Financial Asset which is not classified in any of the above categories are measured at FVTPL.

Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- The lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables, the Company applies 'simplified approach' which requires expected lifetime credit losses to be recognised from initial recognition of the receivables. The Company uses historical default rates and future expectations to determine impairment loss on the portfolio of trade receivables. At every reporting date, these historical default rates are reviewed and changes in the forward looking estimates are analysed.

Financial assets which are equity instruments

Investments in subsidiary

The Company has accounted for its investments in Subsidiaries at cost less impairment loss (if any), calculated in accordance with policy related to 'Impairment of non-financial assets – property, plant and equipment and intangible assets'.

Financial liabilities

A. Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost.

B. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or realise the asset and settle the liability simultaneously.

Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged, cancelled or expires.

o **Earnings per share**

Basic earnings per share is calculated by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period unless issued at a later date.

Notes to the financial statements for the year ended 31st March 2020

(All amounts are in thousands of INR unless stated otherwise)

C CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years.

a Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

b Intangible asset under development

The Company capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

D NEW STANDARDS AND AMENDMENTS OF EXISTING STANDARDS

Issue of Ind AS 115

With effect from 1st April 2018, Ind AS 115 – "Revenue from Contracts with Customers" (Ind AS 115) supersedes Ind AS 18 – "Revenue" and related Appendices. The Company has adopted Ind AS 115 using the modified retrospective approach. The application of Ind AS 115 did not have any material impact on recognition and measurement principles.

Issue of Ind AS 116

Ind AS 116 was notified in March 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 will replace the existing leasing standard i.e. Ind AS 17 and related interpretations. Ind AS 116 introduces a single lessee accounting model and requires lessee to recognize assets and liabilities for all leases with non-cancellable period of more than twelve months except for low value assets. Ind AS 116 substantially carries forward the lessor accounting requirement in Ind AS 17. The application of Ind AS 116 did not have any material impact as the Company did not have long-term leases.

Other Changes to Ind AS

In addition, the following changes of Ind AS have also become applicable from financial year beginning 1 April 2019. However, the adoption of these changes does not have any impact on the financial statements as there are no transactions covered under these amendments:

- *Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment*
- *Amendments to Ind AS 109: Prepayment Features with Negative Compensation*
- *Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement*
- *Amendments to Ind AS 28: Long-term interests in associates and joint ventures*
- *Annual improvement to Ind AS (2018) – These improvements include:*
- *Amendments to Ind AS 103: Party to a Joint Arrangements obtains control of a business that is a Joint Operation*
- *Amendments to Ind AS 111: Joint Arrangements*
- *Amendments to Ind AS 12: Income Taxes*
- *Amendments to Ind AS 23: Borrowing Costs*

Notes to the financial statements for the year ended 31st March 2020

(All amounts are in thousands of INR unless stated otherwise)

1 PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS & INTANGIBLE ASSETS UNDER DEVELOPMENT

As at 31st March 2020

Description	Gross Block			Depreciation			Net Block		
	As at 01-04-2019	Additions/ Adjustments	Deductions/ Adjustments	As at 31-03-2020	For the Year	Deductions/ Adjustments	Upto 31-03-2020	As at 31-03-2020	As at 31-03-2019
OWN ASSETS									
Equipments ^	19,091	8,676	-	27,767	5,686	-	16,308	11,459	8,469
Furniture & Fixtures	3,729	736	3,437	1,028	312	781	415	613	2,845
Sub-Total	22,820	9,412	3,437	28,795	5,998	781	16,723	12,072	11,314
INTANGIBLE ASSETS									
Software	2,904	69	-	2,973	507	-	2,825	148	587
Sub-Total	2,904	69	-	2,973	507	-	2,825	148	587
Total	25,724	9,481	3,437	31,768	6,505	781	19,547	12,220	11,901
Intangible Assets Under Development *								5,40,56,073	4,75,06,816

As at 31st March 2019

Description	Gross Block			Depreciation			Net Block		
	As at 01-01-2018	Additions/ Adjustments	Deductions/ Adjustments	As at 31-03-2019	For the Year	Deductions/ Adjustments	Upto 31-03-2019	As at 31-03-2019	As at 01-01-2018
OWN ASSETS									
Equipments ^	11,217	7,874	-	19,091	5,630	-	10,622	8,469	6,225
Furniture & Fixtures	3,729	-	-	3,729	495	-	884	2,845	3,340
Sub-Total	14,946	7,874	-	22,820	6,125	-	11,506	11,314	9,565
INTANGIBLE ASSETS									
Software	2,375	530	-	2,904	1,350	-	2,318	587	1,407
Sub-Total	2,375	530	-	2,904	1,350	-	2,318	587	1,407
Total	17,321	8,404	-	25,724	7,475	-	13,824	11,901	10,972
Intangible Assets Under Development *								4,75,06,816	-

^ Including office equipments

* Addition to Intangible assets under development includes:

- Rs. NIL (Previous year Rs. 4,34,49,068 thousands) on account of acquisition of JioMusic Platform for consideration other than cash; and
- Rs.65,49,257 thousands (Previous year Rs. 40,57,748 thousands) on account of capitalisation of project development expenditure mainly comprising of content spends, website operation costs, depreciation, amortisation, employee benefits expenses, net off revenue generated from trial run of Rs. 7,87,489 thousands.

Depreciation / Amortisation for the year includes depreciation of Rs.65,05 thousands (Previous year: Rs. 59,13 thousands) capitalised during the year. Thus, net amount of Rs.Nil (Previous year: Rs. 15.62 thousands) has been considered in the Statement of Profit and Loss.

Notes to the financial statements for the year ended 31st March 2020

(All amounts are in thousands of INR unless stated otherwise)

2	INVESTMENTS - NON-CURRENT		
	Particulars	As at 31st March 2020	As at 31st March 2019
	Investment measured at cost		
	In equity shares of subsidiary - Unquoted 1,078 (Previous years: 1,078) equity shares of USD 0.01 each fully paid-up of Saavn, Inc.	1,76,68,253	1,76,68,253
	Total	1,76,68,253	1,76,68,253
3	OTHER NON-CURRENT ASSETS		
	Particulars	As at 31st March 2020	As at 31st March 2019
	Balances with government authorities	15,59,186	5,32,262
	Advance tax (net of provision)	7,189	3,140
	Total	15,66,375	5,35,402
4	INVESTMENTS - CURRENT		
	Particulars	As at 31st March 2020	As at 31st March 2019
	Financial assets measured at fair value through profit and loss (FVTPL)		
	Investments in units of Mutual Funds - Unquoted 174933.0635 units of Kotak Liquid Fund Direct Plan Growth (Previous year: Nil)	7,02,064	-
	Total	7,02,064	-
5	TRADE RECEIVABLES		
	Particulars	As at 31st March 2020	As at 31st March 2019
	Unsecured and considered good	1,29,607	1,04,683
	Significant increase in credit risk	5,613	3,456
		1,35,220	1,08,139
	Less: Allowance for credit losses	(5,613)	(3,456)
	Total	1,29,607	1,04,683
6	CASH AND CASH EQUIVALENTS		
	Particulars	As at 31st March 2020	As at 31st March 2019
	Cash in hand	52	16
	Balances with banks	2,28,882	4,43,487
	Total cash and cash equivalents	2,28,934	4,43,503
7	OTHER CURRENT FINANCIAL ASSETS		
	Particulars	As at 31st March 2020	As at 31st March 2019
	Security deposits	10,030	14,819
	Total	10,030	14,819

Notes to the financial statements for the year ended 31st March 2020

(All amounts are in thousands of INR unless stated otherwise)

8 OTHER CURRENT ASSETS

Particulars	As at	As at
	31st March 2020	31st March 2019
Prepaid expenses	2,95,039	2,23,456
Unbilled revenue	26,707	13,198
Others	1,447	203
Advances to vendors	372	372
Total	3,23,565	2,37,229

9 SHARE CAPITAL

(a) Equity share capital

Particulars	As at 31st March 2020		As at 31st March 2019	
	Amount	Number of shares	Amount	Number of shares
Authorised share capital of Re. 1 each	19,917	1,99,17,164	19,917	1,99,17,164
Issued, subscribed and paid-up share capital of Re. 1 each	619	6,18,970	566	5,66,019

(b) Instruments entirely equity in nature (0.001% Compulsorily Convertible Preference Shares)

Particulars	As at 31st March 2020		As at 31st March 2019	
	Amount	Number of shares	Amount	Number of shares
Authorised share capital of Re.1 each	83	82,836	83	82,836
Issued, subscribed and paid-up share capital of Re. 1 each	83	82,836	83	82,836

The Authorised Share Capital of the Company had been altered from 20,00,000 Equity Shares of Rs. 10 each into 2,00,00,000 Equity Shares of Re. 1 each pursuant to the resolution passed at EOGM held on March 20, 2018.

The Authorised Share Capital of the Company had been reclassified 2,00,00,000 divided into 1,99,17,164 equity shares of Re. 1 (Rupee one) each and 82,836 compulsorily convertible preference shares of Re. 1 (Rupee one) each, pursuant to resolution passed at EOGM held on April 2, 2018.

9.1 Reconciliation of outstanding equity shares

Particulars	Amount	Number of shares
As at 1st January 2018 (face value: Rs. 10 per share)	100	10,000
Change in Face value from INR 10 to INR 1 per share	NA	90,000
Increase during the period (of these, 376980 shares were issued for consideration other than cash)	466	4,66,019
As at 31st March 2019 (face value: Rs. 1 per share)	566	5,66,019
Increase during the year	53	52,951
At at 31st March 2020 (face value: Re. 1 per share)	619	6,18,970

Notes to the financial statements for the year ended 31st March 2020

(All amounts are in thousands of INR unless stated otherwise)

Reconciliation of outstanding preference shares

Particulars	Amount	Number of shares
As at 1st January 2018	-	-
Increase during the year (issued for consideration other than cash)	83	82,836
As at 31st March 2019	83	82,836
Increase (decrease) during the year	-	-
At at 31st March 2020	83	82,836

Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Re. 1 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, post distribution of all preferential amounts, in proportion to the number of equity shares held by them.

Terms / rights attached to preference shares

82,836 0.001% Compulsarily Convertible Preference Share (CCPS) holders entitled to the preferential non-cumulative dividend at 0.001% p.a. 0.001% CCPS will be converted into fixed number of equity shares at the option of the Company; not later than April 5, 2021.

9.2 Except disclosed above; in last five years no shares were issued and allotted for consideration other than cash or through the conversion option of financial instruments.

9.3 Equity shares held by the holding company

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number of shares	% of holding	Number of shares	% of holding
Reliance Industries Limited (with effect from 5th April 2018)	5,84,826	94.5	4,66,019	82.3

Shareholders holding more than 5% of the equity share capital

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number of shares	% of holding	Number of shares	% of holding
Reliance Industries Limited (with effect from 5th April 2018)	5,84,826	94.5	4,66,019	82.3
Saavn Mauritius	34,044	5.5	99,900	17.7

Shareholders holding more than 5% of CCPS

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number of shares	% of holding	Number of shares	% of holding
Saavn Global Holdings Limited	82,836	100.0	82,836	100.0

Notes to the financial statements for the year ended 31st March 2020

(All amounts are in thousands of INR unless stated otherwise)

10 RESERVES AND SURPLUS

Particulars	Year ended 31st March 2020	15 months ended 31st March 2019
Retained earnings		
Opening Balance	61,520	79,502
Profit (loss) for the year / period	(76,203)	(16,692)
Other comprehensive income for the year / period	(3,662)	(1,290)
Closing Balance	<u>(18,345)</u>	<u>61,520</u>
Securities premium		
Opening Balance	6,38,36,265	-
Increase during the year / period	74,31,837	6,38,36,265
Closing Balance	<u>7,12,68,102</u>	<u>6,38,36,265</u>
Total	<u>7,12,49,757</u>	<u>6,38,97,785</u>

11 PROVISIONS - NON-CURRENT

Particulars	As at 31st March 2020	As at 31st March 2019
Provision for gratuity	32,303	20,324
Total	<u>32,303</u>	<u>20,324</u>

12 BORROWINGS

Particulars	As at 31st March 2020	As at 31st March 2019
Unsecured - At amortised cost		
Working capital loans		
Rupee loan from bank (repayable on demand)	-	5,00,000
Total	<u>-</u>	<u>5,00,000</u>

13 TRADE PAYABLES

Particulars	As at 31st March 2020	As at 31st March 2019
Micro, small and medium enterprises*	33,450	-
Others	31,55,564	19,01,822
Total	<u>31,89,014</u>	<u>19,01,822</u>

*There are no overdue amounts to micro, small and Medium enterprises for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

14 OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at 31st March 2020	As at 31st March 2019
Deposits from customer	50	50
Interest accrued on loan	-	249
Payable for capital expenditure	-	2,972
Total	<u>50</u>	<u>3,271</u>

Notes to the financial statements for the year ended 31st March 2020

(All amounts are in thousands of INR unless stated otherwise)

15 OTHER CURRENT LIABILITIES

Particulars	As at 31st March 2020	As at 31st March 2019
Deferred revenue	98,041	28,837
Statutory remittances	97,185	1,47,996
Advance from customers	12	2,301
Lease equalisation liability	-	2,170
Others	-	154
Total	1,95,238	1,81,458

16 PROVISIONS

Particulars	As at 31st March 2020	As at 31st March 2019
Provision for leave encashment	27,804	15,994
Provision for gratuity	2,253	1,303
Total	30,057	17,297

17 INCOME TAXES

DEFERRED TAX ASSETS (NET)

Particulars	As at 31st March 2020	As at 31st March 2019
Deferred tax assets	-	-
Total	-	-

INCOME TAX RECOGNISED IN STATEMENT OF PROFIT AND LOSS

Particulars	Year ended 31st March 2020	15 months ended 31st March 2019
Current tax (relating to current year)	-	-
Current tax (relating to prior years)	(51)	(3,400)
Deferred tax expense	-	10,626
Total	(51)	7,226

RECONCILIATION OF EFFECTIVE TAX RATE

Particulars	Year ended 31st March 2020	15 months ended 31st March 2019
Profit before tax	(76,254)	(9,466)
Tax at the rate of 27.820%*	(21,214)	(2,633)

Adjustments:

Expenses that are not deductible in determining taxable profit	818	186
Income exempt from income tax	-	-
Reversal of excess provision for tax for earlier years	(51)	(3,400)
Derecognition of deferred tax assets of previous reporting period	-	10,626
Deferred taxes not recognised on temporary differences / tax losses	20,396	2,447
Tax expense as per Statement of profit and loss	(51)	7,226

*The tax rate used for the above reconciliation is the corporate tax rate applicable to the Company under tax laws of India.

Notes to the financial statements for the year ended 31st March 2020

(All amounts are in thousands of INR unless stated otherwise)

RECONCILIATION OF NON CURRENT TAX ASSETS (LIABILITIES)

Particulars	Year ended 31st March 2020	15 months ended 31st March 2019
Opening balance of current tax assets (liabilities)	3,140	(9,787)
Add: Taxes paid	3,999	9,527
Less: Current tax payable for the year	-	-
Reversal of excess provision for tax	51	3,400
Closing balance of current tax assets (liabilities)	7,189	3,140

MOVEMENT OF DEFERRED TAX BALANCES FOR THE YEAR ENDED 31 MARCH 2019

Component of deferred taxes	Net deferred tax asset (liability) balance as at 1st January 2018	Recognised in profit and loss	Net deferred tax asset (liability) balance as at 31st March 2019
Employee benefits	7,858	(7,858)	-
Non-deduction of TDS on expenses	813	(813)	-
Impairment allowance on financial assets	637	(637)	-
Property, plant, and equipment and intangible assets	(112)	112	-
Financial assets (interest free security deposits)	1,430	(1,430)	-
Total	10,626	(10,626)	-

UNRECOGNISED DEDUCTIBLE TEMPORARY DIFFERENCES, UNUSED TAX LOSSES, AND UNUSED TAX CREDITS

Particulars	As at 31st March 2020	As at 31st March 2019
Deductible temporary differences for which no deferred tax assets have been recognised (Will begin to expire from financial year: 2027-28)	2,52,49,087	35,72,952

18 REVENUE FROM OPERATIONS

Particulars	Year ended 31st March 2020	15 months ended 31st March 2019
Revenue from Online Advertisement	-	16,456
Revenue from Subscription	-	10,890
Carrier Revenue	-	1,732
Service fees revenue	-	85,525
Other Revenue	-	2,326
Total	-	1,16,929

Notes to the financial statements for the year ended 31st March 2020

(All amounts are in thousands of INR unless stated otherwise)

19 OTHER INCOME

Particulars	Year ended 31st March 2020	15 months ended 31st March 2019
Gains on financial assets measured at FVTPL	15,892	7,533
Sundry balances written back	1,950	-
Interest income on financial assets at amortised cost:		
Security deposits	-	150
Fixed deposits with banks	-	38
Foreign exchange gain	-	1,459
Others	-	313
Total	17,842	9,493

20 FINANCE COST

Particulars	Year ended 31st March 2020	15 months ended 31st March 2019
Interest on financial liabilities at amortised cost:		
Interest on loan	-	118
Total	-	118

21 EMPLOYEE BENEFITS EXPENSES

Particulars	Year ended 31st March 2020	15 months ended 31st March 2019
Salaries and wages	-	67,027
Contribution to provident and other funds	-	14,000
Staff welfare expenses	-	2,668
Total	-	83,695

As per Indian Accounting Standard 19 “Employee benefits”, the disclosures as defined are given below :

21.1 Defined contribution plans

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

Particulars	Year ended 31st March 2020	15 months ended 31st March 2019
Employer’s Contribution to Provident Fund	-	14,000

21.2 Defined benefits plan

1) Reconciliation of opening and closing balances of Defined Benefit Obligation

Particulars	Gratuity (Unfunded)	
	Year ended 31st March 2020	15 months ended 31st March 2019
Present value of defined benefit obligation	34,557	21,629
Net defined benefit liability recognised in balance sheet	34,557	21,629
Current portion	2,253	1,303
Non-current portion	32,303	20,324

Notes to the financial statements for the year ended 31st March 2020

(All amounts are in thousands of INR unless stated otherwise)

II) Expense recognised during the year

Particulars	Gratuity (Unfunded)	
	Year ended 31st March 2020	15 months ended 31st March 2019
In income statement/ Intangible assets under development		
Current service cost	7,655	5,318
Past service cost	-	2,513
Interest in net defined benefit liability	1,611	1,187
Net cost	9,267	9,018
In other comprehensive income		
Re-measurements during the period due to		
Changes in financial assumptions	2,070	3,017
Changes in demographic assumptions	-	(286)
Experience adjustments	1,592	(1,441)
Amount recognised in OCI	3,662	1,290

III) Movement in Defined Benefit Obligation

Particulars	Gratuity (Unfunded)	
	Year ended 31st March 2020	15 months ended 31st March 2019
Opening balance of defined benefit obligation	21,629	12,843
Current service cost	7,655	5,318
Past service cost	-	2,513
Interest on defined benefit obligation	1,611	1,187
Remeasurements due to:		
Actuarial loss / (gain) arising from changes in financial assumptions	2,070	3,017
Actuarial loss / (gain) arising from changes in demographic assumptions	-	(286)
Actuarial loss / (gain) arising on account of experience changes	1,592	(1,441)
Benefits paid	-	(1,522)
Closing balance of defined benefit obligation	34,557	21,629

IV) Actuarial assumptions

Particulars	Gratuity (Unfunded)	
	Year ended 31st March 2020	15 months ended 31st March 2019
Discount rate (p.a.)	6.70%	7.45%
Salary escalation rate (p.a.)	11.00%	11.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

Notes to the financial statements for the year ended 31st March 2020

(All amounts are in thousands of INR unless stated otherwise)

V) Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

Particulars	Gratuity (Unfunded)			
	Year ended 31st March 2020		15 months ended 31st March 2019	
	Increase	Decrease	Increase	Decrease
Change in discounting rate (delta effect of +/- 0.5%)	(1,405)	1,515	20,675	22,655
Change in rate of salary increase (delta effect of +/-0.5%)	985	(977)	22,352	20,909

22 OTHER EXPENSES

Particulars	Year ended 31st March 2020	15 months ended 31st March 2019
Branding expenses	79,351	85
Payment to auditors		
- Statutory audit	8,000	4,400
- Other services	600	2,062
- Out of pocket expenses	285	-
Loss on sale/discard of property, plant and equipment (net)	2,656	-
Rates and taxes	2,631	366
General expenses	198	5,738
CSR Expenditure	375	-
Professional fees	-	22,500
Rent	-	8,990
Travelling and conveyance	-	2,190
Royalty	-	842
Power and fuel	-	372
Provision for doubtful debts	-	2,534
Repairs and maintenance - office	-	262
Insurance	-	172
Total	94,096	50,513

23.1 CORPORATE SOCIAL RESPONSIBILITY (CSR)

Particulars	Year ended 31st March 2020	15 months ended 31st March 2019
1) Gross amount required to be spent by the Company as per the provisions of section 135 of the Companies Act, 2013	375	-
2) Amount spent during the year on:		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	375	-

Note: The above amount is spent through Reliance Foundation.

Notes to the financial statements for the year ended 31st March 2020

(All amounts are in thousands of INR unless stated otherwise)

23 FINANCIAL INSTRUMENTS

A Capital management

The capital structure of the Company consists of equity share capital, compulsorily convertible preference shares, and accumulated reserves. The Company is not subject to any externally imposed capital requirements. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. As on reporting date, the Company does not have any external borrowings.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions, and interest rates environment.

B Financial instruments

B.1 Fair Value Measurement Hierarchy:

Particulars	As at 31st March 2020				As at 31st March 2019			
	Carrying Amount*	Level 1	Level 2	Level 3	Carrying Amount*	Level 1	Level 2	Level 3
<u>Financial Assets</u>								
<i>At Fair Value Through Profit and Loss</i>								
Investments	7,02,064	7,02,064	-	-	-	-	-	-
<i>At Amortised Cost</i>								
Investments	-	-	-	-	-	-	-	-
Trade receivable	1,29,607	-	-	-	1,04,683	-	-	-
Cash and cash equivalents	2,28,934	-	-	-	4,43,503	-	-	-
Other financial assets	10,030	-	-	-	14,819	-	-	-
<u>Financial Liabilities</u>	-							
<i>At Amortised Cost</i>								
Borrowings	-	-	-	-	5,00,000	-	-	-
Trade payables	31,89,014	-	-	-	19,01,822	-	-	-
Other financial liabilities	50	-	-	-	3,271	-	-	-

Considering the term of financial assets and financial liabilities, the Company considers that its carrying amounts approximates their fair values.

B.2 Financial risk management

The Company's business activities expose it to a variety of financial risks, namely foreign currency risk, credit risk, and liquidity risk. The following table summarises the risks, its source, and its management:

Risk	Source of exposure	Management
Foreign currency risk	Exchange rate fluctuation	Sensitivity analysis
Credit risk	Trade receivables	Credit assessment of customers
Liquidity risk	Deferred payment liabilities	Rolling cash flow forecasts

Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. Exposure can arise on account of the various assets and liabilities which are denominated in currencies other than INR, being the functional currency of the Company.

Notes to the financial statements for the year ended 31st March 2020

(All amounts are in thousands of INR unless stated otherwise)

The following table shows foreign currency exposures in USD on financial instruments at the end of the reporting period (Rs. in thousands). The exposure to foreign currency for all other currencies are not material.

Particulars	As at	As at
	31st March 2020	31st March 2019
Trade payables	17,22,430	8,02,348
Trade receivable	16,530	-

The following table shows sensitivity analysis of 1% change in exchange rate at the end of reporting period Rs. in thousands):

Particulars	As at	As at
	31st March 2020	31st March 2019
1% depreciation in INR against USD		
Impact on equity	(17,059)	(8,023)
Impact on profit or loss	(17,059)	(8,023)
1% appreciation in INR against USD		
Impact on equity	17,059	8,023
Impact on profit or loss	17,059	8,023

Credit risk:

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due, causing financial loss to the company. The Company deals with the credit worthy customers only, resulting low credit risk.

Liquidity risk:

Liquidity risk arises from the Company's inability to meet its cash flow commitments on the due date. The Company maintains sufficient cash and other liquid funds to ensure that it will have funds to meet its liabilities when due without incurring unacceptable losses.

The amounts disclosed below are the contractual undiscounted cash flows and considers interest payable in the future periods, if any.

Particulars [^]	As at 31st March 2020		As at 31st March 2019	
	Upto 1 year	1 to 5 Years	Upto 1 year	1 to 5 Years
Borrowings	-	-	5,00,249	-

[^] Does not include Trade Payables (Current) amounting to Rs. 31,89,014 thousands (Previous Years Rs.19,01,022 thousands)

The management believes that the Company will be able to generate sufficient cash to settle the obligations on timely basis.

Notes to the financial statements for the year ended 31st March 2020

(All amounts are in thousands of INR unless stated otherwise)

24 RELATED PARTY

As per Ind AS 24, list of related parties where control exists and related parties with whom transactions have taken place and relationships are given below :

<i>Name of the Related Party</i>	<i>Relation</i>
Reliance Industries Limited (Control Exist)	Holding Company w.e.f. 5th April 2018
Saavn Global Holdings Limited	Ultimate Holding Company till 4th April 2018
Saavn, Inc	Subsidiary w.e.f. 5th April 2018
Saavn, LLC	Subsidiary w.e.f. 5th April 2018 (fellow subsidiary till 4th April 2018)
Reliance Ventures Limited	Fellow Subsidiary w.e.f. 5th April 2018
Reliance Jio Infocomm Limited	Fellow Subsidiary w.e.f. 5th April 2018
Reliance Retail Limited	Fellow Subsidiary w.e.f. 5th April 2018
Reliance Industrial Investment and Holdings Ltd.	Fellow Subsidiary w.e.f. 5th April 2018
Reliance Corporate IT Parks Pvt Ltd	Fellow Subsidiary w.e.f. 5th April 2018
Paramdeep Singh	Key Managerial Personnel w.e.f. 7th April 2018
Rishi Malhotra	Key Managerial Personnel w.e.f. 7th April 2018
Vinodh Bhat	Key Managerial Personnel w.e.f. 7th April 2018
Matthew Emerman	Key Managerial Personnel till 7th April 2018
Manish Ratilal Gohel	Key Managerial Personnel till 7th April 2018
Mahesh Narayanan	Key Managerial Personnel till 7th April 2018
Shilpa Sethi	Key Managerial Personnel till 20th June, 2019
Rahul Sawale	Key Managerial Personnel w.e.f. 17th July, 2019
Big Tree Entertainment Private Limited	Associate of Holding Company
Bookmyshow Live Private Limited	Associate of Holding Company
Reverie Language Technologies Private Limited	Fellow Subsidiary
Reliance Digital Platform & Project Services Limited	Fellow Subsidiary
Network18 Media & Investments Limited	Fellow Subsidiary
Viacom 18 Media Private Limited	Fellow Subsidiary

Notes to the financial statements for the year ended 31st March 2020

(All amounts are in thousands of INR unless stated otherwise)

Related Party Transactions

Name of the Related Party	Transactions During the year	Year ended 31st March 2020	15 months ended 31st March 2019
Reliance Industries Limited	Issue of equity share capital (including securities premium)	74,31,890	5,42,90,797
Reliance Industries Limited	Professional fees towards advisory services	100	-
Reliance Industries Limited	Rent Expenses	20,250	-
Reliance Jio Infocomm Limited	General Expenses Paid (Internet Expense)	1,906	364
Reliance Retail Limited	Purchase of Property Plant & Equipment	4,086	2,394
Reliance Retail Limited	Office Expenses	163	20
Reliance Industrial Investment and Holdings Ltd.	Inter Corporate Deposit Taken	7,00,000	-
Reliance Industrial Investment and Holdings Ltd.	Interest Expenses	2,759	-
Reliance Industrial Investment and Holdings Ltd.	Repayment of Loan	7,00,000	-
Key Managerial Personnel	Remuneration Paid	2,749	6,819
Saavn, Inc.	Investment in common stock	-	1,33,99,979
Saavn, LLC	Royalty expenses	25,998	15,022
Saavn, LLC	Service Fees	15,59,338	12,17,262
Saavn, LLC	Service Fees Received - Income	-	85,525
Reliance Corporate IT Parks Pvt Ltd	General Expenses	1,830	-
Big Tree Entertainment Private Limited	Business Promotion Expenses	3,179	-
Bookmyshow Live Private Limited	Sponsorship	20,000	-
Bookmyshow Live Private Limited	Ticketing Revenue	150	-
Reliance Digital Platform & Project Services Limited	Content delivery charges	35,948	-
Reverie Language Technologies Private Limited	General Expenses	20	-
Network18 Media & Investments Limited	Marketing Expense	5,000	-
Network18 Media & Investments Limited	Advertisement Revenue	5,000	-
Network18 Media & Investments Limited	Business Promotion Expenses	1,500	-
Viacom 18 Media Private Limited	Marketing Expense	4,800	-
Viacom 18 Media Private Limited	Advertisement Revenue	4,800	-
Reliance Ventures Limited	Repayment of Borrowings	-	1,20,000
Reliance Ventures Limited	Interest Expenses Paid on Loan	-	385

Notes to the financial statements for the year ended 31st March 2020

(All amounts are in thousands of INR unless stated otherwise)

Name of the Related Party	Balance at the Year ended	As at 31st March 2020	As at 31st March 2019
Reliance Industries Limited	Trade Payables	20,313	-
Saavn, LLC	Trade Payables (Net of receivables)	13,93,192	11,53,381
Reliance Jio Infocomm Limited	Trade Payables	259	61
Reliance Jio Infocomm Limited	Deposits - Current (Given)	3	3
Reliance Retail Limited	Payables for Capital Expenditure	20	2,135
Reliance Corporate IT Parks Pvt Ltd	Trade Payables	1,830	-
Reliance Digital Platform & Project Services Limited	Trade Payables	35,948	-
Network18 Media & Investments Limited	Trade Receivables	5,900	-
Network18 Media & Investments Limited	Trade Payables	7,540	-
Viacom 18 Media Private Limited	Trade Receivables	5,664	-
Viacom 18 Media Private Limited	Trade Payables	5,568	-
Bookmyshow Live Private Limited	Trade Receivables	177	-
Bookmyshow Live Private Limited	Trade Payables	19,600	-

25 EARNINGS PER SHARE (EPS)

Particulars	Year ended 31st March 2020	15 months ended 31st March 2019
Net profit / (loss) after tax as per statement of profit and loss	(76,203)	(16,692)
Weighted average number of equity shares used as denominator for calculating Basic EPS	5,92,477	4,60,778
Basic and Diluted earnings per equity share	(129)	(36)
Face value per equity share (INR)	1	1

26 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at 31st March 2020	As at 31st March 2019
(I) Contingent liabilities		
Claims against the Company not acknowledged as debts	1,70,000	45,000

27 LEASES

The Company has leases of office premises for with lease term of 12 months or less. The Company applies 'short term lease' recognition exemption for these leases.

Notes to the financial statements for the year ended 31st March 2020

(All amounts are in thousands of INR unless stated otherwise)

28 SEGMENT REPORTING

The Company is mainly engaged in 'Digital Services' primarily catering to Indian consumers in various consumption baskets. All the activities of the Company revolve around this main business. Accordingly, the Company has only one identifiable segment reportable under Ind AS 108 "Operating Segment". The Chief Operational Decision Maker monitors the operating results of the entity's business for the purpose of making decisions about resource allocation and performance assessment.

Geographical segment information:

Particulars	Year ended 31st March 2020	15 months ended 31st March 2019
Segment Revenue		
(i) Within India	-	31,403
(ii) Outside India	-	85,525

Particulars	Year ended 31st March 2020	15 months ended 31st March 2019
Non-current assets		
(i) Within India	5,56,34,669	4,80,54,118
(ii) Outside India	1,76,68,253	1,76,68,253

29 With Regard to COVID – 19 impact in Financials of Saavn Media Private Limited, management do not foresee any challenges and operations are going as usual. With Reliance Industries Limited, being a parent company and having majority stake in the Company management don't foresee any risk which will impact the financial statement as on date.

30 The figures for the corresponding previous year have been regrouped / reclassified wherever necessary, to make them comparable.

31 The Company has, in accordance with Ind AS 110 and Rule 4 of Companies (Accounts) Rules, 2014 availed the exemption to prepare the consolidated financial statements. The parent Company's consolidated financial statements complies with Ind AS which have been produced to the public and it can be obtained from the parent company's website.

32 APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved for issue by the Board of Directors on 3rd April, 2020.

As per our report on even date

For and on behalf of the Board of Directors

For **S R B C & CO LLP**
Chartered Accountants
(Registration No.324982E/E300003)

Akash M. Ambani
DIN: 06984194
Director

Jyoti Deshpande
DIN: 02303283
Director

Vishal Bansal
Partner
Membership No. 097546

Anshuman Thakur
DIN: 03279460
Director

Paramdeep Singh
DIN: 03579758
Director

Date: 3rd April, 2020
Place: Mumbai

Vinodh Bhat
DIN: 08093958
Director

Rishi Malhotra
DIN: 08093961
Director

Arvind Kumar Tiwari
DIN: 08107419
Director

Rahul Sawale
Company Secretary