

SAAVN INC.
Financial Statements
For the Year ended 31st December, 2018

Independent Auditor's Report

The Board of Directors Saavn Media Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Saavn, Inc. (the "Company"), which comprise of the Balance Sheet as at December 31, 2018, 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 ended, and a summary of the significant accounting policies and other explanatory information. These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended). These financial statements have been prepared for the information and use of the Board of Directors of Saavn Media Private Limited (SMPL), the holding company and Reliance Industries Limited, the ultimate holding company, to comply with the financial reporting requirements in India.

Management's Responsibility for the Ind AS Financial Statements

Management of the Company are responsible for the preparation of these 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS). This responsibility also includes maintenance of adequate accounting records 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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give a true and fair view in conformity with Indian Accounting Standards (Ind AS), of the state of affairs of the Company as at December 31, 2018, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

The Ind AS financial statements of the Company for the year ended December 31, 2017, included in these financial statements, were audited by another auditor who expressed an unmodified opinion on those statements on 1 March, 2019

For **S R B C & CO. LLP**

Registration NO. 324982E/E300003:

Chartered Accountants

per **Pramod Kumar Bapna**

Partner

Membership No.: 105497

Place: Mumbai

Date: 05th April 2019

Financial statements for the year ended 31st December, 2018

(All amounts are in thousand of USD unless stated otherwise)

Balance Sheet

Particulars	Notes	As at 31st December, 2018	As at 31st December, 2017	As at 1st January, 2017
ASSETS				
(1) Non-current assets				
(a) Financial assets				
(i) Investment in subsidiary	1	17,583	-	-
Total non-current assets		17,583	-	-
TOTAL ASSETS		17,583	-	-
EQUITY AND LIABILITIES				
Equity				
(a) Share Capital	2	0	0	0
(b) Other Equity	3	17,583	(0)	(0)
TOTAL EQUITY		17,583	-	-
Liabilities		-	-	-
TOTAL EQUITY AND LIABILITIES		17,583	-	-
Summary of significant accounting policies	2.1			

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**
Firm Registration No.324982E/E300003
Chartered Accountants

Pramod Kumar Bapna
Partner
Membership No. 105497
Mumbai
April 5, 2019.

For and behalf of the Board of Directors of Saavn, Inc.

Rishi Malhotra
Chief Executive Officer

Date: April 4, 2019
New York

Vinodh Bhat
President

Date: April 4, 2019
New York

Paramdeep Singh
Executive Vice Chairman

Date: April 4, 2019
New York

Matthew Emerman
Chief Financial Officer

Date: March 29, 2019
Mumbai

Financial statements for the year ended 31st December, 2018

(All amounts are in thousand of USD unless stated otherwise)

Statement of Profit or Loss

Particulars	Note	For the Year Ended 31st December 2018	For the Year Ended 31st December 2017
Expenses			
Other Expenses	4	0	-
Total Expenses		0	-
(Loss) before tax		(0)	-
Tax Expense			
Current tax		-	-
Deferred tax		-	-
Total tax expense		-	-
(Loss) for the year		(0)	-
Other Comprehensive Income, Net of Tax		-	-
Total comprehensive income for the year		(0)	-
Basic & Diluted Earnings per equity share	5	(0.00)	-
(Nominal value per share \$ 0.01 (December 31, 2017: \$ 0.01))			
Summary of significant accounting policies	2.1		

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Vinodh Bhat
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Financial statements for the year ended 31st December, 2018

(All amounts are in thousand of USD unless stated otherwise)

Statement of Changes in Equity

	Common Stock	Other Equity	
		Additional Paid in Capital	Retained Earnings
As at 1st January, 2017	0	-	(0)
Additional Capital Received	-	-	-
(Loss) for the year	-	-	-
As at 31st December, 2017	0	-	(0)
As at January 1, 2018	0	-	(0)
Additional Capital Received	0	17,583	-
(Loss) for the year	-	-	(0)
As at 31st December, 2018	0	17,583	(0)

Summary of significant accounting policies - Note 2.1

The accompanying notes are an integral part of the financial statements

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Financial statements for the year ended 31st December, 2018

(All amounts are in thousand of USD unless stated otherwise)

Statement of Cash Flows

Particulars	For the year ended 31st December, 2018	For the year ended 31st December, 2017
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Loss For the year	(0)	-
Cash flow from operating activities	(0)	-
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Investment in Subsidiary	(17,583)	-
Cash flow from investing activities	(17,583)	-
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Equity Share Capital	17,583	-
Cash flow from financing activities	17,583	-
Net increase (decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the period	-	-
Cash and cash equivalents at the end of the period	-	-
Summary of significant accounting policies - Note 2.1		

As per our report on even date

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Notes to the financial statements for the year ended 31st December, 2018

(All amounts are in thousand of USD unless stated otherwise)

1 CORPORATE INFORMATION

Saavn, Inc. (the Company) is incorporated under the Delaware state Corporation Law in United States of America. The addresses of its registered office and principal place of business is “1400 Peoples Plaza, Suite 104, in the City of Newark, Country of New Castle”. The Company is blocker corporation.

2 BASIS OF PREPARATION AND PRESENTATION

These financial statements are the Company’s first Ind AS financial statements. The financial statements of the Company have been prepared to comply with the Indian Accounting Standards (“Ind AS”) specified under section 133 of the Companies Act, 2013 (“the Act”), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended). These financial statements have been prepared for the limited purpose of its consolidation with Saavn Media Private Limited, the holding company and Reliance Industries Limited, the ultimate holding company.

The financial statements have been prepared on an accrual basis under the historical cost convention. The financial statements are presented in United States Dollars (USD) which is the Company’s functional currency.

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Earning per share

Basic earnings per share is computed by dividing the profit/ (loss) after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(b) Investment in subsidiaries

Investment in subsidiary is carried at cost less accumulated impairment losses, if any.

(c) Impairment of Investment

Investment in subsidiary is reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment. Impairment losses, if any, are recognized in the Statement of Profit and Loss.

2.2 FIRST TIME ADOPTION OF IND AS

The Company has adopted Ind AS with effect from January 1, 2018 with comparatives for the year ended December 31, 2017 being restated / prepared to comply with Ind AS. Accordingly the impact of transition has been provided in the opening reserves as at January 1, 2017. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III to the Companies Act, 2013.

These are the Company’s first financial statement and there is no prevailing previous GAAP; accordingly, reconciliation with previous GAAP is not prepared.

Notes to the financial statements for the year ended 31st December, 2018

(All amounts are in thousand of USD unless stated otherwise)

1 NON CURRENT INVESTMENTS IN SUBSIDIARY

Particulars	As at 31st December, 2018	As at 31st December, 2017	As at 1st January, 2017
Membership Interest in Saavn LLC	17,583	-	-
Total	17,583	-	-

2 SHARE CAPITAL

Particulars	As at 31st December, 2018	As at 31st December, 2017	As at 1st January, 2017
Authorised Share Capital:			
2,000 (December 31 2017: 1,000 and January 1, 2017: 1,000) Common Stock of US \$ 0.01 Each [US \$ 20 (Previous Year US \$ 10)]	0	0	0
	0	0	0
Issued, Subscribed and Paid Up			
1,070 (December 31 2017: 1,000 and January 1, 2017: 1,000) Common Stock of US \$ 0.01 Each [US \$ 10.70 (Previous Year US \$ 10)]	0	0	0
	0	0	0

(a) Reconciliation of shares outstanding at the beginning and end of reporting period

Common Stock	Nos.	Amount (\$)
Outstanding as at January 1, 2017	1,000	0
Additional Capital Received	-	-
Outstanding as at December 31, 2017	1,000	0
Additional Capital Received	70	0
Outstanding as at December 31, 2018	1,070	0

(b) Terms/Rights attached to the common stock

The corporation has only one class of common stock having par value of \$ 0.01 each.

(c) Shares held by Holding/Ultimate holding Company and/or their subsidiaries/associates

Out of the Common stock, shares held by the holding Company and/or their subsidiaries/associates is as follows:

	December 31, 2018	December 31, 2017
Saavn Media Private Limited		
1070 (December 31, 2017: Nil) common stock of US \$ 0.01 Each [US \$ 10.70 (Previous Year Nil)]	0	-
Saavn Global Holdings Limited		
Nil (December 31, 2017: 1,000) common stock of US \$ 0.01 Each [US \$ Nil (Previous Year US \$ 10)]	-	0

Notes to the financial statements for the year ended 31st December, 2018

(All amounts are in thousand of USD unless stated otherwise)

(d) Details of Shareholders holding more than 5% shares

Name of shareholder	As at 31st December, 2018 No. of Shares	As at 31st December, 2017 No. of Shares	As at 1st January, 2017 No. of Shares
Saavn Media Private Limited (100%)	1,070	-	-
Saavn Global Holdings Limited (100%)	-	1,000	1,000

3 OTHER EQUITY

Particulars	As at 31st December, 2018	As at 31st December, 2017	As at 1st January, 2017
<i>Additional Paid in Capital</i>			
Opening Balance	-	-	-
Addition During the Year	17,583	-	-
Balance at the end of the year	17,583	-	-
<i>Retained Earnings</i>			
Opening Balance [US \$ 10 (Previous Year US \$ 10)]	(0)	(0)	(0)
Addition During the Year [US \$ 4.70 (Previous Year Nil)]	(0)	-	-
Balance at the end of the year	(0)	(0)	(0)
TOTAL	17,583	(0)	(0)

4 OTHER EXPENSES

Particulars	For the year ended 31st December, 2018	For the year ended 31st December, 2017
Bank Charges [US \$ 4.70 (Previous Year Nil)]	0	-
Total	0	-

5 EARNINGS PER SHARE

	December 31, 2018	December 31, 2017
Net profit / (loss) for the year available for shareholders	(0)	-
Weighted average number of shares in calculating basic EPS & Diluted EPS	1,037	1,000
Earnings per share (Basic & Diluted)	(0)	-

6 RELATED PARTY

Name of the Entity	Relationship
Reliance Industries Limited	Ultimate Holding Company (w.e.f. 5th April 2018)
Saavn Media Private Limited	Holding Company (w.e.f. 5th April 2018)
Saavn Global Holdings Limited	Holding Company (till 4th April 2018)
Saavn, LLC	Subsidiary Company

Transactions and balances with related parties: NIL

As per our report on even date

For and behalf of the Board of Directors of Saavn, Inc.

For **S R B C & CO LLP**
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