

Saavn, LLC
Financial Statements
for the year ended 31st December, 2021

Saavn, LLC
Independent Auditor's Report

To the Board of Directors
Saavn Media Limited (Formerly known as Saavn Media Private Limited)

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Saavn LLC ("the Company"), which comprise the Balance sheet as at December 31 2021, 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 Ind AS financial statements, including a summary of significant accounting policies and other explanatory information. These Ind AS financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS), for the information and use of the board of directors of Saavn Media Limited (SML) & Jio Platforms Limited, the Intermediate holding Company and Reliance Industries Limited, the Ultimate Holding Company solely for the purpose of consolidation and to comply with requirement of section 136 of the Companies Act, 2013(as amended).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements 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 December 31 2021, 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 Ind AS financial statements in accordance with the Standards on Auditing (SAs), issued by the Institute of Chartered Accountants of India ("the ICAI"). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the ICAI together with the ethical requirements that are relevant to our audit of the financial statements 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 Ind AS financial statements.

Responsibility of Management for the Ind AS Financial Statements

Management of the Company including those charged with governance are responsible for preparation of these 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). 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 controls, 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 asset.

The Company measures the lease liability at the present value of the lease payment

In preparing the 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 charged with governance are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the 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 Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the 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.
- This report does not include report on the internal financial controls ('Report on internal financial controls'), since in our opinion and accordingly to the information and explanation given to us, the said report on internal financial controls is not applicable to the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Saavn, LLC**Independent Auditor's Report**

- 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 Ind AS financial statements, including the disclosures, and whether the 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.

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

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Vishal Bansal

Partner

Membership Number: 097546

UDIN: 22097546AGJTBS4215

Place of Signature: Mumbai

Date: April 04, 2022

Saavn, LLC
 Financial Statements for the year ended 31st December 2021
 (All amounts are in thousands of USD unless stated otherwise)
 Balance Sheet

Particulars	Notes	As at 31st December 2021	As at 31st December 2020
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	1,284	1,779
(b) Intangible assets		-	-
Financial Assets	4		
Security Deposit		-	-
Other Bank Balances		252	251
Deferred tax assets (net)	5	1,416	-
Other Non-Current Assets	6	-	2,432
Total Non-Current Assets		2,952	4,462
Current Assets			
Financial Assets			
Trade Receivables	7	5,725	17,490
Cash and Cash Equivalents	8	106	164
(ii) Others		-	-
Other Financial Assets	9	1	43
Other Current Assets	10	156	109
Total Current Assets		5,988	17,806
TOTAL ASSETS		8,940	22,268
EQUITY AND LIABILITIES			
Equity			
Member's Contribution	11	198,909	198,909
Member's Other Fund	11	(192,137)	(181,024)
TOTAL EQUITY		6,772	17,885
Non-Current Liabilities			
Financial Liabilities			
Lease Liabilities	12	834	1,421
Total Non-Current Liabilities		834	1,421
Current Liabilities			
Financial Liabilities			
Trade Payables	13	747	2,412
Lease Liabilities	14	587	550
Total Current Liabilities		1,334	2,962
TOTAL LIABILITIES		2,168	4,383
TOTAL EQUITY AND LIABILITIES		8,940	22,268

Significant Accounting Policies

See accompanying Notes to the Financial Statements

1 to 24

As per our report on even date

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

Chartered Accountants

(Registration No.324982E/E300003)

For and on behalf of the Saavn, LLC

Vishal Bansal

Partner

Membership No. 097546

Date: 4th April, 2022

Paramdeep Singh

Director

Matthew Emerman

Chief Financial Officer

Saavn, LLC**Financial Statements for the year ended 31st December 2021***(All amounts are in thousands of USD unless stated otherwise)***Statement of Profit and Loss**

Particulars	Notes	For the year ended 31st December 2021	For the year ended 31st December 2020
Revenue from Operations	15	12,947	13,448
Other Income	16	128	9
Total Income		13,075	13,457
Expenses			
Employee Benefits Expense	17	10,319	10,174
Finance Cost	18	69	83
Depreciation and Amortization expense	3	508	511
Other Expenses	19	697	1,150
Total Expenses		11,593	11,918
Profit Before Tax		1,482	1,539
Tax Expenses			
Current tax	20	-	-
Deferred Tax	20	1,480	-
Profit for the Year		2	1,539
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		2	1,539

Significant Accounting Policies

See accompanying Notes to the Financial Statements 1 to 24

As per our report on even date

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

Chartered Accountants

(Registration No.324982E/E300003)

For and on behalf of the Saavn, LLC

Vishal Bansal

Partner

Membership No. 097546

Date: 4th April, 2022

Paramdeep Singh

Director

Matthew Emerman

Chief Financial Officer

Saavn, LLC**Financial Statements for the year ended 31st December 2021***(All amounts are in thousands of USD unless stated otherwise)***Statement of Changes in Equity**

Particulars	Member's Contribution	Share in Net Income	Total
As on 1st January 2020	198,909	(182,563)	16,346
Contribution distributed	-	-	-
Profit during the year	-	1,539	1,539
As on 31st December 2020	198,909	(181,024)	17,885
Additional contribution received	-	-	-
Dividends paid	-	(11,115)	(11,115)
Contribution distributed	-	-	-
Profit during the year	-	2	2
As on 31st December 2021	198,909	(192,137)	6,773

See accompanying Notes to the Financial Statements

1 to 24

As per our report on even date

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

Chartered Accountants

(Registration No.324982E/E300003)

For and on behalf of the Saavn, LLC

Vishal Bansal

Partner

Membership No. 097546

Date: 4th April, 2022

Paramdeep Singh

Director

Matthew Emerman

Chief Financial Officer

Saavn, LLC

Financial Statements for the year ended 31st December 2021

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

Statement of Cash Flows

Particulars	For the year ended 31st December 2021	For the year ended 31st December 2020
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax as per the statement of Profit and loss	1,482	1,539
<i>Adjusted for:</i>		
Interest income	(1)	(2)
Provision no longer required written back	(127)	(5)
Finance cost	69	83
Depreciation and amortization expense	508	511
Gain on disposal of property, plant & equipment	-	(2)
Operating cash flows before working capital changes	1,931	2,124
<i>Adjusted for:</i>		
Trade and other receivables	11,254	1,659
Other Financial Assets	42	-
Trade and other payables	(1,537)	(4,899)
Cash provided by/(used in) operating activities	11,690	(1,116)
Taxes paid (Net)	-	-
Net Cash provided by/(used in) operating activities	11,690	(1,116)
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	-	1
Purchase of property, plant and equipment	(13)	(16)
Proceeds from disposal of property, plant and equipment	-	2
Net Cash flow used in investing activities	(13)	(13)
(B) CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(11,115)	-
Interest paid	-	(1)
Payment of Lease Liabilities	(619)	(278)
Payments in respect of deferred payment liabilities (including interest)	-	(40)
Net Cash flow used in financing activities	(11,734)	(319)
Net decrease in cash and cash equivalents	(57)	(1,448)
Cash and cash equivalents at the beginning of the year	164	1,612
Cash and cash equivalents at the end of the year	107	164
(Refer to note 8)		

Changes in liabilities arising from financing activities

Particulars	As at December 31, 2020	Accrual of interest	Cash Outflows	As at December 31, 2021
Deferred payment liabilities	-	-	-	-

Particulars	As at December 31, 2019	Accrual of interest	Cash Outflows	As at December 31, 2020
Deferred payment liabilities	40	-	(40)	-

See accompanying Notes to the Financial Statements

1 to 24

As per our report on even date

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

Chartered Accountants

(Registration No.324982E/E300003)

For and on behalf of the Saavn, LLC

Vishal Bansal

Partner

Membership No. 097546

Date: 4th April, 2022

Paramdeep Singh

Director

Matthew Emerman

Chief Financial Officer

Saavn, LLC**Notes to the Financial Statements for the year ended 31st December 2021****1 CORPORATE INFORMATION**

Saavn, LLC ("the Company") is a limited liability company incorporated under laws of Delaware in the United States of America. The address of its registered office and principal place of business is "64 Wooster Street, 2nd Floor, New York, NY 10012, United States".

The Company is a wholly owned subsidiary of Saavn, Inc, a blocker corporation which is a wholly owned subsidiary of Saavn Media Limited (Formerly known as Saavn Media Private Limited), which in turn is a subsidiary of Jio Platforms Limited. Reliance Industries Limited, an Indian listed company, is the Ultimate Holding Company.

The Company is engaged in the business of providing Business Advisory, Marketing Support and Information Technology Support services to its Holding Company, Saavn Media Limited.

2 SIGNIFICANT ACCOUNTING POLICIES**2.1 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") 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 Reliance Industries Limited, the ultimate holding company.

The financial statements are presented in United States Dollars (USD) which is the Company's functional currency and rounded of to nearest thousands ('000) except otherwise indicated.

2.2 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 purpose of 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 held primarily for the purpose of trading
- 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

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 (if capitalisation criteria are met) and any cost directly attributable to bringing the assets to its working condition for its intended use.

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.

Components of property, plant and equipment which are significant to the total cost of that item of property, plant and equipment and having different useful lives are depreciated separately.

Saavn, LLC**Notes to the Financial Statements for the year ended 31st December 2021**

Depreciation on property, plant and equipment is provided using straight line method. Depreciation is provided based on useful life determined based on period over which economic benefits are expected to be received from the use of asset. The depreciation is provided based on useful life of the asset as prescribed in Schedule II to the Companies Act, 2013, except following:

Assets	Useful life in years as per management's estimates	Remarks
Furniture and fixtures	5	Over its useful life as assessed by Management

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting 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 a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset.

The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability.

The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

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

d Impairment of non-financial assets

The Company assesses at each reporting date whether there is any indication that any property, plant and equipment or group of assets, called cash generating units (CGU), may be impaired. If any such indication exists 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.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

e Cash and cash equivalents

Cash and cash equivalents for Balance Sheet and Statement of Cash flow comprise of cash at banks and other balances that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Saavn, LLC**Notes to the Financial Statements for the year ended 31st December 2021****f Provisions**

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.

g Contingent Liabilities

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.

h 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: A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to 401(k) retirement benefit. The Company makes specified monthly contributions towards qualified retirement benefit plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

i Tax Expenses

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

i. 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.

ii. 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. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is 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.

j 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.

Saavn, LLC**Notes to the Financial Statements for the year ended 31st December 2021****k Revenue recognition**

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

Service Fees

Revenue from service fees is earned as per arrangement with the holding Company and is recognised over time by measuring the progress towards completion of performance obligations during the reporting period.

Income from music publishing

Music publishing revenues are earned from the receipt of royalties relating to the licensing of rights in musical compositions. The receipt of royalties principally relates to amounts earned from the public performance of copyrighted material. In accordance with contractual arrangement, music publishing royalties are recognized as revenue on accrual basis.

Royalty Fees

Royalty fees is recognised when the out-licensing of technologies and trademark made available for use and obligation pertaining to the same have been fulfilled as per contractual arrangement.

Contract Balances*Trade Receivables*

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

Contract liabilities

A contract liability is the obligation to transfer goods or 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 goods or 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.

Interest Income

Interest Income from a Financial Assets is recognized using effective interest rate method.

l Financial instruments*Financial Asset**A. Initial recognition and measurement*

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. 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 to cash flows 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.

Saavn, LLC**Notes to the Financial Statements for the year ended 31st December 2021***Financial assets at fair value through profit or loss (FVTPL)*

A financial asset which is not classified in any of the above categories is 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)
- Full 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 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.

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.

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.

Significant accounting judgements, estimates and assumptions

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.

Global Health Pandemic On Covid-19

The outbreak of corona virus (COVID-19) pandemic globally and in USA is causing significant disturbance and slowdown of economic activity. The Company's operations and revenue during the period were continued in normal course of business. The Company has taken into account the possible impact of COVID-19 in preparation of financial statements, including its assessment of recoverable value of its assets based on internal and external information upto the date of approval of these financial statements and current indicators of future economic conditions.

Saavn, LLC

Notes to the Financial Statements for the year ended 31st December 2021

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

3 PROPERTY, PLANT AND EQUIPMENT

As at 31st December 2021

Description	Gross Block				Depreciation				Net Block	
	As at 01-01-2021	Additions/ Adjustments	Deductions/ Adjustments	As at 31-12-2021	As at 01-01-2021	For the Year	Deductions/ Adjustments	Upto 31-12-2021	As at 31-12-2021	As at 31-12-2020
OWN ASSETS										
Leasehold improvements	184	-	-	184	57	36		93	91	127
Equipments	124	13	-	137	77	23		100	37	47
Furniture and fixtures	93	-	-	93	29	19		48	45	64
	401	13	-	414	163	78	-	241	173	238
RIGHT OF USE ASSETS										
Buildings	1,971	-	-	1,971	430	430	-	860	1,111	1,541
	1,971	-	-	1,971	430	430	-	860	1,111	1,541
Total	2,372	13	-	2,385	593	508	-	1,101	1,284	1,779

As at 31st December 2020

Description	Gross Block				Depreciation				Net Block	
	As at 01-01-2020	Additions/ Adjustments	Deductions/ Adjustments	As at 31-12-2020	As at 01-01-2020	For the Year	Deductions/ Adjustments	Upto 31-12-2020	As at 31-12-2020	As at 31-12-2019
OWN ASSETS										
Leasehold Improvements	264	1	(81)	184	102	36	(81)	57	127	162
Equipments	109	15	-	124	52	25	-	77	47	57
Furniture and fixtures	100	-	(7)	93	16	20	(7)	29	64	84
	473	16	(88)	401	170	81	(88)	163	238	303
RIGHT OF USE ASSETS										
Buildings	-	1,971	-	1,971	-	430	-	430	1,541	-
	-	1,971	-	1,971	-	430	-	430	1,541	-
Total	473	1,987	(88)	2,372	170	511	(88)	593	1,779	303

Note :

(i) The Company has adopted Ind AS 116 'Leases' effective January 1, 2020 and applied the Standard to its leases, pursuant to which it has reclassified its leased asset i.e building as Right-of-Use Assets. Further, additions include recognition of leasing arrangement towards building as Right-of-Use Assets of USD 1,971 thousand and a lease liability of USD 2,166 thousand. The impact on the profit for the year is not material.

Saavn, LLC

Notes to the Financial Statements for the year ended 31st December 2021

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

4 FINANCIAL ASSETS (NON CURRENT)

Particulars	As at 31st December 2021	As at 31st December, 2020
Other bank balances (Refer note below)	252	251
Total	252	251

Note: Other bank balances represents amount placed in Escrow account for letter of credit issued by the bank towards security deposit of its premises. The balance carries interest prevailing in the money market.

5 DEFERRED TAX ASSETS (NET)

Particulars	As at 31st December 2021	As at 31st December, 2020
At the start of the year	-	-
Incremental Deferred tax Asset/(Liability) on account of Carry forward business loss	1,408	-
Incremental Deferred tax Asset/(Liability) on account of Property, Plant and Equipment and Intangible Assets	8	-
At the end of the year	1,416	-

6 OTHER ASSETS (NON CURRENT)

Particulars	As at 31st December 2021	As at 31st December, 2020
Balance with government authorities	-	2,432
Total	-	2,432

7 TRADE RECEIVABLES

Particulars	As at 31st December 2021	As at 31st December, 2020
Unsecured and considered good [^]	5,725	17,490
Credit impaired	2	2
Less: Allowance for doubtful debts	(2)	(2)
Total	5,725	17,490

[^]For receivable from related party refer note no 22

8 CASH AND CASH EQUIVALENTS

Particulars	As at 31st December 2021	As at 31st December, 2020
Balances with banks	106	163
Balances with E-commerce intermediaries (payment gateways)	-	1
Total	106	164

9 OTHER FINANCIAL ASSETS (CURRENT)

Particulars	As at 31st December 2021	As at 31st December, 2020
Security deposits	1	43
Total	1	43

Note: In the prior year, the Company has given a security deposit for premises taken on lease. The amount was refunded at the end of lease period.

10 OTHER ASSETS (CURRENT)

Particulars	As at 31st December 2021	As at 31st December, 2020
Prepaid expenses	156	109
Total	156	109

Saavn, LLC

Notes to the Financial Statements for the year ended 31st December 2021

*(All amounts are in thousands of USD unless stated otherwise)***11 EQUITY****Members contribution**

The Company is an LLC and as a result does not have shares. The Company is a single member LLC

Particulars	As at 31st December 2021	As at 31st December 2020
Contribution by holding company	198,909	198,909
Total	198,909	198,909

Member's other funds

Particulars	As at 31st December 2021	As at 31st December 2020
Share in net income		
Opening balance	(181,024)	(182,563)
Add: Profit for the year	2	1,539
Less: Distributions	(11,115)	-
Closing balance	(192,137)	(181,024)
Total	(192,137)	(181,024)

12 LEASE LIABILITES (NON - CURRENT)

Particulars	As at 31st December 2021	As at 31st December 2020
Lease liabilities	834	1,421
Total	834	1,421

13 TRADE PAYABLES

Particulars	As at 31st December 2021	As at 31st December 2020
Trade Payables	747	2,412
Total	747	2,412

14 LEASE LIABILITIES (CURRENT)

Particulars	As at 31st December 2021	As at 31st December 2020
Lease liabilities	587	550
Total	587	550

Saavn, LLC

Notes to the Financial Statements for the year ended 31st December 2021

*(All amounts are in thousands of USD unless stated otherwise)***15 REVENUE FROM OPERATIONS**

Particulars	For the year ended 31st December 2021	For the year ended 31st December 2020
Service fees	12,507	12,922
Royalty revenue	438	371
Revenue from online advertising	-	91
Other revenue	2	64
Total	12,947	13,448

16 OTHER INCOME

Particulars	For the year ended 31st December 2021	For the year ended 31st December 2020
Interest income on financial assets at amortised cost	1	2
Provision/Liability no longer required written back	127	5
Gain on sale of Property, plant & equipment	-	2
Total	128	9

17 EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended 31st December 2021	For the year ended 31st December 2020
Salaries and wages	9,665	9,444
Contribution to retirement benefit funds	166	177
Staff welfare expenses	488	553
Total	10,319	10,174

18 FINANCE COST

Particulars	For the year ended 31st December 2021	For the year ended 31st December 2020
Interest on lease liabilities	69	82
Interest on financial liabilities at amortised cost	-	1
Total	69	83

19 OTHER EXPENSES

Particulars	For the year ended 31st December 2021	For the year ended 31st December 2020
Rent expenses	24	249
General expenses	111	192
Software expenses	137	175
Professional fees	234	149
Telephone and Internet charges	141	135
Marketing expenses	9	128
Travelling expenses	1	61
Insurance expenses	15	33
Repairs and maintenance	25	28
Total	697	1,150

Saavn, LLC

Notes to the Financial Statements for the year ended 31st December 2021

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

20 INCOME TAXES

RECONCILIATION OF EFFECTIVE TAX RATE

Particulars	For the year ended 31st December 2021	For the year ended 31st December 2020
Profit before tax	1,482	1,539
Tax at the USA tax rate of 21%*	311	323
<i>Adjustments:</i>		
Effect of temporary difference on which no deferred taxes were recognised	(311)	(323)
Current Tax Provision (A)	-	-
Incremental Deferred tax Liability/(Asset) on account of Carry forward business loss	(1,452)	44
Incremental Deferred tax Liability/(Asset) on account of Property, Plant and Equipment, Intangible Assets and Other Assets	2,932	(44)
Deferred Tax provision (B)	1,480	-
Tax expense as per Statement of Profit or Loss (A) + (B)	1,480	-

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

Deferred Tax Asset (net)

Particulars	For the year ended 31st December 2021	For the year ended 31st December 2020
Deferred tax Asset		
Carry forward business loss	1,452	44
Sub total (A)	1,452	44
Deferred Tax Liabilities		
On Property, Plant and equipment and intangible assets	36	44
Sub total (B)	36	44
Deferred tax asset (net)	1,416	-

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

Particulars	As at 31st December 2021	As at 31st December 2020
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following		
- Tax losses (will begin to expire from 2032)	94,276	94,875
TOTAL	94,276	94,875

Saavn, LLC

Notes to the Financial Statements for the year ended 31st December 2021

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

21 FINANCIAL INSTRUMENTS**A Capital management**

The capital structure of the Company consists of member's contribution and member's other fund. 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 members and to maintain an optimal capital structure to reduce the cost of capital. As on reporting date, the Company does not have any external debt.

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 Categories of financial instruments:**

Subsequent to initial recognition, all the financial instruments recognised in the balance sheet are measured at amortised cost. Considering short term maturities and materiality of amounts the company considers that the carrying amounts (i.e., amortised costs) of financial assets and financial liabilities, approximate their fair values.

Fair Value Hierarchy

Particulars	As at 31st December 2021				As at 31st December 2020			
	Carrying Amount	Level 1	Level 2	Level 3	Carrying Amount	Level 1	Level 2	Level 3
<u>Financial Assets</u>								
At Amortised Cost								
Trade Receivables	5,725	-	-	-	17,490	-	-	-
Cash and Cash Equivalents	106	-	-	-	164	-	-	-
Security Deposits & Other Bank balances	253	-	-	-	294	-	-	-
<u>Financial Liabilities</u>								
At Amortised Cost								
Lease liabilities	1,421	-	-	-	1,971	-	-	-
Trade Payables	748	-	-	-	2,412	-	-	-

B.2 Financial risk management

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

Risk	Source of exposure	Management
Liquidity risk	Lease liabilities	Rolling cash flow forecasts

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.

Particulars [^]	As at 31st December, 2021		As at 31st December, 2020	
	Upto 1 year	1 to 5 Years	Upto 1 year	1 to 5 Years
Lease liabilities (including interest on lease liability)	634	862	618	1,496

[^]Does not include Trade Payables (Current) amounting to USD 748 (Previous year USD 2,412)

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

Credit Risk:

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due causing financial loss to the company. Credit risk arises from company's activities in investments and outstanding receivables from customers.

Considering the fact that the Company renders the services exclusively to Holding Company, the Company is not exposed to a significant credit risk.

Saavn, LLC**Notes to the Financial Statements for the year ended 31st December 2021***(All amounts are in thousands of USD unless stated otherwise)***22 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:

Name of the Related Party	Relation
Reliance Industries Limited	Ultimate Holding Company
Jio Platforms Limited	Intermediate Holding Company
Saavn, Inc.	Immediate Holding Company
Saavn Media Limited^	Holding Company
Rishi Malhotra	Key Managerial Personnel
Paramdeep Singh	Key Managerial Personnel
Vinod Bhat	Key Managerial Personnel

^Formerly known as Saavn Media Private Limited

Related party transactions:

Name of the Related Party	Nature of transaction	For the year ended 31st December, 2021	For the year ended 31st December, 2020
Saavn, Inc.	Member's Contribution distributed	0	0
Saavn, Inc.	Dividends Paid	11,115	-
Saavn Media Limited	Service Fees	12,507	12,922
Saavn Media Limited	Royalty	438	371
Key Managerial Personnel	Remuneration	2,340	2,550

Related party balances:

Name of the Related Party	Nature of balances	As at 31st December 2021	As at 31st December 2020
Saavn Media Limited	Trade Receivables	5,550	17,298

23 CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities	As at 31st December 2021	As at 31st December 2020
Claims against the Company/disputed liabilities not acknowledge as debt	-	237

24 SEGMENT REPORTING

The Company is mainly engaged in one segment i.e. "Advisory and Support" services and hence there is no separate reportable segment as per Ind AS 108 - Operating Segments.

In the current year, the company earned 100% of its revenue from a single customer. (Previous year: 99% from one customer)

As per our report on even date

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

Chartered Accountants

(Registration No.324982E/E300003)

For and on behalf of the Saavn, LLC

Vishal Bansal

Partner

Membership No. 097546

Date: 4th April, 2022

Paramdeep Singh

Director

Matthew Emerman

Chief Financial Officer