

**Saavn, LLC**  
**Financial Statements**  
**for the year ended 31st December 2022**

**SAAVN, LLC**  
**INDEPENDENT AUDITOR'S REPORT**

**To The Board of Directors of Saavn Media Limited**

**Report on the Audit of the Special Purpose Financial Statements**

**Opinion**

We have audited the accompanying Special Purpose Financial Statements of **Saavn, LLC**. ("the Company"), which comprise the Balance Sheet as at December 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements"). The financial statements have been prepared for the information and use of the board of directors of Saavn Media Limited ("SML") and for submission to Jio Platforms Limited ("the Intermediate Holding Company") and Reliance Industries Limited ("the Ultimate Holding Company") for the preparation of their consolidated financial statements.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2021, as amended, ("Ind AS") and other accounting principles generally accepted in India, to the extent applicable to the Company, of the state of affairs of the Company as at December 31, 2022, and its profit, total 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 these financial statements in accordance with the Standards on Auditing ('SAs') generally accepted in India. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Special Purpose 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 (ICAI) together with the ethical requirements that are relevant to our audit of these special purpose financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on these financial statements.

**Management's Responsibility for the Financial Statements**

The Company's management is responsible for the preparation of these financial statements and these financial statements are approved by the Board of Directors of Saavn, Inc. ("the Holding Company") 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 Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 of the Holding Company are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 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 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**SAAVN, LLC  
INDEPENDENT AUDITOR'S REPORT**

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

**Other Matter**

The financial statements of the Company for the year ended December 31, 2021, were audited by erstwhile auditor who expressed an unmodified opinion on those financial statements on April 4, 2022.

**Restriction on distribution and use**

The financial statement has been prepared for the information and use of the board of directors of the SML and for submission to the Intermediate Holding Company and the Ultimate Holding Company for the preparation of their consolidated financial statements. As a result, the financial statements may not be suitable for another purpose. Our report is intended for the use of the Company and should not be distributed to or used by other parties.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Pallavi A. Gorakshakar**  
Partner  
(Membership No. 105035)  
UDIN: 23105035BGWSRC6752

Place: Mumbai  
Date: March 03, 2023

## Saavn, LLC

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

## Balance Sheet as at 31st December 2022

Particulars	Notes	As at 31st December 2022	As at 31st December 2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	783	1,285
Financial Assets	4		
Other Bank Balances		253	252
Deferred tax assets (net)	5	1,416	1,416
<b>Total Non-Current Assets</b>		<b>2,452</b>	<b>2,953</b>
<b>Current Assets</b>			
Financial Assets			
Trade Receivables	6	6,001	5,693
Cash and Cash Equivalents	7	207	106
Other Financial Assets	8	447	33
Other Current Assets	9	84	156
<b>Total Current Assets</b>		<b>6,739</b>	<b>5,988</b>
<b>TOTAL ASSETS</b>		<b>9,191</b>	<b>8,941</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Member's Contribution	10	1,98,908	1,98,909
Member's Other Fund	10	(1,91,244)	(1,92,137)
<b>Total Equity</b>		<b>7,664</b>	<b>6,772</b>
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Lease Liabilities	11	317	834
Other Financial Liabilities	12	106	-
<b>Total Non-Current Liabilities</b>		<b>423</b>	<b>834</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Trade Payables	13	73	110
Lease Liabilities	14	517	587
Other Financial Liabilities	15	502	638
Other Current Liabilities	16	12	-
<b>Total Current Liabilities</b>		<b>1,104</b>	<b>1,335</b>
<b>Total Liabilities</b>		<b>1,527</b>	<b>2,169</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,191</b>	<b>8,941</b>

Significant Accounting Policies

See accompanying Notes to the Financial Statements

1 to 27

As per our report on even date

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Registration No. 117366W/W100018)

For and on behalf of the Saavn, LLC

**Pallavi A. Gorakshakar**

Partner

Membership No. 105035

Date: 3rd March, 2023

**Paramdeep Singh**

Director

Date: 28th February, 2023

**Matthew Emerman**

Chief Financial Officer

Date: 28th February, 2023

## Saavn, LLC

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

## Statement of Profit and Loss for the year ended 31st December 2022

Particulars	Notes	For the year ended 31st December 2022	For the year ended 31st December 2021
Revenue from Operations	17	9,280	12,947
Other Income	18	94	128
<b>Total Income</b>		<b>9,374</b>	<b>13,075</b>
<b>Expenses</b>			
Employee Benefits Expense	19	7,183	10,319
Finance Costs	20	46	69
Depreciation and Amortization expense	3	502	508
Other Expenses	21	526	697
<b>Total Expenses</b>		<b>8,257</b>	<b>11,593</b>
<b>Profit Before Tax</b>		<b>1,117</b>	<b>1,482</b>
<b>Tax Expenses</b>			
Current tax	22	224	-
Deferred Tax	22	-	1,480
<b>Profit for the Year</b>		<b>893</b>	<b>2</b>
<b>Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the year</b>		<b>893</b>	<b>2</b>

Significant Accounting Policies

See accompanying Notes to the Financial Statements 1 to 27

As per our report on even date

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**Paramdeep Singh**

Director

Date: 28th February, 2023

**Matthew Emerman**

Chief Financial Officer

Date: 28th February, 2023

**Saavn, LLC***(All amounts are in thousands of USD unless stated otherwise)***Statement of Changes in Equity for the year ended 31st December 2022**

<b>Particulars</b>	<b>Member's Contribution</b>	<b>Share in Net Income</b>	<b>Total</b>
As on 1st January 2021	1,98,909	(1,81,024)	17,885
Dividends paid	-	(11,115)	(11,115)
Contribution distributed	(0)	-	(0)
Profit during the year	-	2	2
<b>As on 31st December 2021</b>	<b>1,98,909</b>	<b>(1,92,137)</b>	<b>6,772</b>
Dividends paid	-	-	-
Contribution distributed	(1)	-	(1)
Profit during the year	-	893	893
<b>As on 31st December 2022</b>	<b>1,98,908</b>	<b>(1,91,244)</b>	<b>7,664</b>

Significant Accounting Policies

See accompanying Notes to the Financial Statements

1 to 27

As per our report on even date

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Registration No. 117366W/W100018)

For and on behalf of the Saavn, LLC

**Pallavi A. Gorakshakar**

Partner

Membership No. 105035

Date: 3rd March, 2023

**Paramdeep Singh**

Director

Date: 28th February, 2023

**Matthew Emerman**

Chief Financial Officer

Date: 28th February, 2023

## Saavn, LLC

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

## Statement of Cash Flows for the year ended 31st December 2022

Particulars	For the year ended 31st December 2022	For the year ended 31st December 2021
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax as per the statement of Profit and loss	1,117	1,482
<i>Adjusted for:</i>		
Interest income	(1)	(1)
Provision no longer required written back	(70)	(127)
Finance cost	46	69
Depreciation and amortization expense	502	508
<b>Operating cash flows before working capital changes</b>	<b>1,594</b>	<b>1,931</b>
<i>Adjusted for:</i>		
Trade and other receivables	(308)	11,254
Other Financial Assets	(343)	42
Trade and other payables	15	(1,538)
<b>Cash generated from Operations</b>	<b>958</b>	<b>11,689</b>
<b>Taxes paid (Net)</b>	<b>224</b>	<b>-</b>
<b>Net Cash generated from/(used in) operating activities</b>	<b>734</b>	<b>11,689</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest received	1	-
Purchase of property, plant and equipment	-	(13)
<b>Net Cash flow generated from/(used in) investing activities</b>	<b>1</b>	<b>(13)</b>
<b>(B) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends paid	-	(11,115)
Interest paid	(46)	(69)
Payment of Lease Liabilities	(587)	(550)
Member's contribution (distributed)/received	(1)	-
<b>Net Cash (used in) financing activities</b>	<b>(634)</b>	<b>(11,734)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>101</b>	<b>(58)</b>
Cash and cash equivalents at the beginning of the year	106	164
<b>Cash and cash equivalents at the end of the year</b>	<b>207</b>	<b>106</b>
<b>(Refer to note 7)</b>		

Significant Accounting Policies

See accompanying Notes to the Financial Statements

1 to 27

As per our report on even date

For **Deloitte Haskins & Sells LLP**

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Date: 3rd March, 2023

**Paramdeep Singh**

Director

Date: 28th February, 2023

**Matthew Emerman**

Chief Financial Officer

Date: 28th February, 2023

## Saavn, LLC

## Notes to the Financial Statements for the year ended 31st December 2022

**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 "228 Park Avenue S, Suite 46351, New York, NY 10003, United States".

The Company is a wholly owned subsidiary of Saavn, Inc, a blocker corporation (Investment Corporation) which is a wholly owned subsidiary of Saavn Media 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 Special Purpose 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 Special Purpose 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 Special Purpose Financial Statements have been prepared for the information and use of the board of directors of Saavn Media Limited and for submission to Jio Platforms Limited ("the Intermediate Holding Company") and Reliance Industries Limited ("the Ultimate Holding Company") for the preparation of their consolidated financial statements.

The special purpose 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.

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.



**Saavn, LLC****Notes to the Financial Statements for the year ended 31st December 2022**

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 comprises of cash at banks and other balances that are that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

**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.

**Saavn, LLC****Notes to the Financial Statements for the year ended 31st December 2022****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 do not hold any non-monetary items denominated in foreign currencies.

**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.

## Saavn, LLC

## Notes to the Financial Statements for the year ended 31st December 2022

**I 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

*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

*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.

Saavn, LLC

Notes to the Financial Statements for the year ended 31st December 2022  
(All amounts are in thousands of USD unless stated otherwise)

## 3 PROPERTY, PLANT AND EQUIPMENT

As at 31st December 2022

Description	Gross Block			As at 31-12-2022	Depreciation/Amortization				Net Block	
	As at 01-01-2022	Additions/ Adjustments	Deductions/ Adjustments		Upto 31-12-2021	For the Year	Deductions/ Adjustments	Upto 31-12-2022	As at 31-12-2022	As at 31-12-2021
<b>OWN ASSETS</b>										
Leasehold improvements	184	-	-	184	93	36	-	129	55	91
Equipments	137	-	-	137	100	18	-	118	19	37
Furniture and fixtures	93	-	-	93	47	18	-	65	28	46
	<b>414</b>	<b>-</b>	<b>-</b>	<b>414</b>	<b>240</b>	<b>72</b>	<b>-</b>	<b>312</b>	<b>102</b>	<b>174</b>
<b>RIGHT OF USE ASSETS</b>										
Buildings	1,971	-	-	1,971	860	430	-	1,290	681	1,111
	1,971	-	-	1,971	860	430	-	1,290	681	1,111
<b>Total</b>	<b>2,385</b>	<b>-</b>	<b>-</b>	<b>2,385</b>	<b>1,100</b>	<b>502</b>	<b>-</b>	<b>1,602</b>	<b>783</b>	<b>1,285</b>

As at 31st December 2021

Description	Gross Block			As at 31-12-2021	Depreciation/Amortization				Net Block	
	As at 01-01-2021	Additions/ Adjustments	Deductions/ Adjustments		Upto 31-12-2020	For the Year	Deductions/ Adjustments	Upto 31-12-2021	As at 31-12-2021	As at 31-12-2020
<b>OWN ASSETS</b>										
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	-	47	46	64
	<b>401</b>	<b>13</b>	<b>-</b>	<b>414</b>	<b>163</b>	<b>78</b>	<b>-</b>	<b>240</b>	<b>174</b>	<b>238</b>
<b>RIGHT OF USE ASSETS</b>										
Buildings	1,971	-	-	1,971	430	430	-	860	1,111	1,541
	1,971	-	-	1,971	430	430	-	860	1,111	1,541
<b>Total</b>	<b>2,372</b>	<b>13</b>	<b>-</b>	<b>2,385</b>	<b>593</b>	<b>508</b>	<b>-</b>	<b>1,100</b>	<b>1,285</b>	<b>1,779</b>

## Saavn, LLC

Notes to the Financial Statements for the year ended 31st December 2022  
(All amounts are in thousands of USD unless stated otherwise)

## 4 FINANCIAL ASSETS (NON CURRENT)

Particulars	As at 31st December 2022	As at 31st December 2021
Other bank balances (Refer note below)	253	252
<b>Total</b>	<b>253</b>	<b>252</b>

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 2022	As at 31st December 2021
At the start of the year	1,416	-
Incremental Deferred tax Asset/(Liability) on account of Carry forward business loss	-	1,452
Incremental Deferred tax Asset/(Liability) on account of Property, Plant and Equipment and Intangible Assets	-	(36)
<b>At the end of the year</b>	<b>1,416</b>	<b>1,416</b>

## 6 TRADE RECEIVABLES

Particulars	As at 31st December 2022	As at 31st December 2021
Unsecured and considered good <sup>^</sup>	6,001	5,693
Credit impaired	-	-
Less: Allowance for doubtful debts	-	-
<b>Total</b>	<b>6,001</b>	<b>5,693</b>

<sup>^</sup>For receivable from related party refer note no 24

## Trade Receivables ageing schedule as at 31st December 2022:

Particulars	Outstanding for following periods from					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	6,001	-	-	-	-	6,001
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>6,001</b>	-	-	-	-	<b>6,001</b>

## Trade Receivables ageing schedule as at 31st December 2021:

Particulars	Outstanding for following periods from					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	5,693	-	-	-	-	5,693
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>5,693</b>	-	-	-	-	<b>5,693</b>

## Saavn, LLC

Notes to the Financial Statements for the year ended 31st December 2022

*(All amounts are in thousands of USD unless stated otherwise)***7 CASH AND CASH EQUIVALENTS**

Particulars	As at 31st December 2022	As at 31st December 2021
Balances with banks		
In Current Accounts	101	106
In Deposits	106	-
<b>Total</b>	<b>207</b>	<b>106</b>

**8 OTHER FINANCIAL ASSETS (CURRENT)**

Particulars	As at 31st December 2022	As at 31st December 2021
Security deposits	-	1
Other Receivables	447	32
<b>Total</b>	<b>447</b>	<b>33</b>

**9 OTHER ASSETS (CURRENT)**

Particulars	As at 31st December 2022	As at 31st December 2021
Prepaid expenses	84	156
<b>Total</b>	<b>84</b>	<b>156</b>

## Saavn, LLC

## Notes to the Financial Statements for the year ended 31st December 2022

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

## 10 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 2022	As at 31st December 2021
Contribution by holding company	1,98,908	1,98,909
<b>Total</b>	<b>1,98,908</b>	<b>1,98,909</b>

## Member's other funds

Particulars	As at 31st December 2022	As at 31st December 2021
<b>Share in net income</b>		
Opening balance	(1,92,137)	(1,81,024)
<b>Add:</b> Profit for the year	893	2
<b>Less:</b> Distributions	-	(11,115)
Closing balance	(1,91,244)	(1,92,137)
<b>Total</b>	<b>(1,91,244)</b>	<b>(1,92,137)</b>

## 11 LEASE LIABILITES (NON - CURRENT)

Particulars	As at 31st December 2022	As at 31st December 2021
Lease liabilities	317	834
<b>Total</b>	<b>317</b>	<b>834</b>

## 12 OTHER FINANCIAL LIABILITES (NON - CURRENT)

Particulars	As at 31st December 2022	As at 31st December 2021
Sublease Security Deposit	106	-
<b>Total</b>	<b>106</b>	<b>-</b>

## 13 TRADE PAYABLES

Particulars	As at 31st December 2022	As at 31st December 2021
Trade Payables	73	110
<b>Total</b>	<b>73</b>	<b>110</b>

## Trade Payables Ageing as at 31st December 2022:

Particulars	Outstanding for following periods from					Total
	Not due	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
MSME	-	-	-	-	-	-
Others	73	-	-	-	-	73
Disputed-MSME	-	-	-	-	-	-
Disputed-Others	-	-	-	-	-	-
<b>Total</b>	<b>73</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>73</b>

## Trade Payables Ageing as at 31st December 2021:

Particulars	Outstanding for following periods from					Total
	Not due	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
MSME	-	-	-	-	-	-
Others	110	-	-	-	-	110
Disputed-MSME	-	-	-	-	-	-
Disputed-Others	-	-	-	-	-	-
<b>Total</b>	<b>110</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>110</b>

Saavn, LLC

Notes to the Financial Statements for the year ended 31st December 2022

*(All amounts are in thousands of USD unless stated otherwise)***14 LEASE LIABILITIES (CURRENT)**

Particulars	As at 31st December 2022	As at 31st December 2021
Lease liabilities	517	587
<b>Total</b>	<b>517</b>	<b>587</b>

**15 OTHER FINANCIAL LIABILITES (CURRENT)**

Particulars	As at 31st December 2022	As at 31st December 2021
Other Payables	502	638
<b>Total</b>	<b>502</b>	<b>638</b>

**16 OTHER LIABILITIES (CURRENT)**

Particulars	As at 31st December 2022	As at 31st December 2021
Rent Received in Advance	12	-
<b>Total</b>	<b>12</b>	<b>-</b>



## Saavn, LLC

## Notes to the Financial Statements for the year ended 31st December 2022

*(All amounts are in thousands of USD unless stated otherwise)***17 REVENUE FROM OPERATIONS**

Particulars	For the year ended 31st December 2022	For the year ended 31st December 2021
Service fees	8,900	12,507
Royalty Revenue	380	438
Other revenue	-	2
<b>Total</b>	<b>9,280</b>	<b>12,947</b>

**18 OTHER INCOME**

Particulars	For the year ended 31st December 2022	For the year ended 31st December 2021
Interest income on financial assets at amortised cost	1	1
Rent Income	23	-
Provision/Liability no longer required written back	70	127
<b>Total</b>	<b>94</b>	<b>128</b>

**19 EMPLOYEE BENEFITS EXPENSES**

Particulars	For the year ended 31st December 2022	For the year ended 31st December 2021
Salaries and wages	6,666	9,665
Contribution to retirement benefit funds	144	166
Staff welfare expenses	373	488
<b>Total</b>	<b>7,183</b>	<b>10,319</b>

**20 FINANCE COST**

Particulars	For the year ended 31st December 2022	For the year ended 31st December 2021
Interest on lease liabilities	46	69
<b>Total</b>	<b>46</b>	<b>69</b>

**21 OTHER EXPENSES**

Particulars	For the year ended 31st December 2022	For the year ended 31st December 2021
Rent expenses	37	24
General expenses	111	111
Software expenses	136	137
Professional fees	85	234
Telephone and Internet charges	131	141
Marketing expenses	-	9
Travelling expenses	14	1
Insurance expenses	11	15
Repairs and maintenance	-	25
Rates & Taxes	1	-
<b>Total</b>	<b>526</b>	<b>697</b>

## Saavn, LLC

## Notes to the Financial Statements for the year ended 31st December 2022

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

## 22 INCOME TAXES

## RECONCILIATION OF EFFECTIVE TAX RATE

Particulars	For the year ended 31st December 2022	For the year ended 31st December 2021
<b>Profit before tax</b>	<b>1,117</b>	<b>1,482</b>
<b>Tax at the USA tax rate of 21%*</b>	<b>235</b>	<b>311</b>
<i>Adjustments:</i>		
Effect of temporary difference on which no deferred taxes were recognised	(235)	(311)
Withholding taxes credit not available	224	-
<b>Current Tax Provision (A)</b>	<b>224</b>	<b>-</b>
Incremental Deferred tax Liability/(Asset) on account of Carry forward business loss	-	(1,452)
Incremental Deferred tax Liability/(Asset) on account of Property, Plant and Equipment, Intangible Assets and Other Assets	-	2,932
<b>Deferred Tax provision (B)</b>	<b>-</b>	<b>1,480</b>
<b>Tax expense as per Statement of Profit or Loss (A) + (B)</b>	<b>224</b>	<b>1,480</b>

\*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 2022	For the year ended 31st December 2021
<b>Deferred tax Asset</b>		
Carry forward business loss	1,452	1,452
<b>Sub total (A)</b>	<b>1,452</b>	<b>1,452</b>
<b>Deferred Tax Liabilities</b>		
On Property, Plant and equipment and intangible assets	36	36
<b>Sub total (B)</b>	<b>36</b>	<b>36</b>
<b>Deferred tax asset (net)</b>	<b>1,416</b>	<b>1,416</b>

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

Particulars	As at 31st December 2022	As at 31st December 2021
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	94,276
<b>TOTAL</b>	<b>94,276</b>	<b>94,276</b>

## Saavn, LLC

## Notes to the Financial Statements for the year ended 31st December 2022

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

## 23 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.

The following table summarizes the capital of the Company:

Particulars	For the year ended 31st December, 2022	For the year ended 31st December, 2021
Gross debts	-	-
Less: Cash and cash equivalents	207	106
<b>Net Debts (A)</b>	-	-
Equity share capital	1,98,908	1,98,909
Other equity	(1,91,244)	(1,92,137)
<b>Total equity (B)</b>	7,664	6,772
<b>Net gearing ratio (A)/(B) (%)</b>	Not Applicable	Not Applicable

## 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 2022				As at 31st December 2021			
	Carrying Amount	Level 1	Level 2	Level 3	Carrying Amount	Level 1	Level 2	Level 3
<b>Financial Assets</b>								
At Amortised Cost								
Trade Receivables	6,001	-	-	-	5,693	-	-	-
Cash and Cash Equivalents	207	-	-	-	106	-	-	-
Other Receivables	447	-	-	-	32	-	-	-
Security Deposits & Other Bank balances	253	-	-	-	253	-	-	-
<b>Financial Liabilities</b>								
At Amortised Cost								
Lease liabilities	834	-	-	-	1,421	-	-	-
Security Deposits	106	-	-	-	-	-	-	-
Trade Payables	73	-	-	-	110	-	-	-
Other Payables	502	-	-	-	638	-	-	-

## 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 <sup>^</sup>	As at 31st December 2022		As at 31st December, 2021	
	Upto 1 year	1 to 5 Years	Upto 1 year	1 to 5 Years
Lease liabilities (including interest on lease liability)	517	317	587	834

<sup>^</sup>Does not include Trade Payables (Current) amounting to USD 73 (Previous year USD 110)

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 2022***(All amounts are in thousands of USD 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:

<b>Name of the Related Party</b>	<b>Relation</b>
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

**Related party transactions:**

<b>Name of the Related Party</b>	<b>Nature of transaction</b>	<b>For the year ended 31st December 2022</b>	<b>For the year ended 31st December, 2021</b>
Saavn, Inc.	Member's Contribution distributed	1	0
Saavn, Inc.	Dividends Paid	-	11,115
Saavn Media Limited	Service Fees	8,900	12,507
Saavn Media Limited	Royalty	380	438
Key Managerial Personnel	Remuneration	1,741	2,340

**Related party balances:**

<b>Name of the Related Party</b>	<b>Nature of balances</b>	<b>As at 31st December 2022</b>	<b>As at 31st December 2021</b>
Saavn Media Limited	Trade Receivables	6,001	5,550
Saavn Media Limited	Other Receivables	200	-

**25 CONTINGENT LIABILITIES AND COMMITMENTS**

<b>Contingent liabilities</b>	<b>As at 31st December 2022</b>	<b>As at 31st December 2021</b>
Claims against the Company/disputed liabilities not acknowledge as debt	-	-

**26 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.

**27 APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved for issue by Board of Directors on 28th February, 2023.

As per our report on even date

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Registration No. 117366W/W100018)

For and on behalf of the Saavn, LLC

**Pallavi A. Gorakshakar**

Partner

Membership No. 105035

Date: 3rd March, 2023

**Paramdeep Singh**

Director

Date: 28th February, 2023

**Matthew Emerman**

Chief Financial Officer

Date: 28th February, 2023